

Booklet 4

BetaShares Active Australian Hybrids Fund (managed fund) - ASX Code: HBRD (ARSN 613 694 009)

BetaShares Australia 200 ETF - ASX Code: A200 (ARSN 623 014 326)

BetaShares Australian Dividend Harvester Fund (managed fund) - ASX Code: HVST (ARSN 169 907 064)

BetaShares Australian Financials Sector ETF - ASX Code: QFN (ARSN 143 220 964)

BetaShares Australian Resources Sector ETF - ASX Code: QRE (ARSN 143 220 795)

BetaShares Australian Small Companies Select Fund (managed fund) - ASX Code: SMLL (ARSN 613 693 431)

BetaShares Australian Sustainability Leaders ETF - ASX Code: FAIR (ARSN 608 057 996)

BetaShares Ex-20 Portfolio Diversifier ETF - ASX Code: Ex20 (ARSN 613 691 688)

BetaShares FTSE RAFI Australia 200 ETF - ASX Code: QOZ (ARSN 155 637 219)

BetaShares Managed Risk Australian Share Fund (managed fund) - ASX Code: AUST (ARSN 602 666 384)

BetaShares S&P/ASX Australian Technology ETF - ASX Code: ATEC (ARSN 635 315 329)

Annual Financial Report

30 June 2020

Booklet 4
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 Active Australian Hybrids Fund (managed fund)	Active Australian Hybrids Fund	1 July 2019 to 30 June 2020	613 694 009
BetaShares Australia 200 ETF	Australia 200 ETF	1 July 2019 to 30 June 2020	623 014 326
BetaShares Australian Dividend Harvester Fund (managed fund)	Australian Dividend Harvester Fund	1 July 2019 to 30 June 2020	169 907 064
BetaShares Australian Financials Sector ETF	Australian Financials Sector ETF	1 July 2019 to 30 June 2020	143 220 964
BetaShares Australian Resources Sector ETF	Australian Resources Sector ETF	1 July 2019 to 30 June 2020	143 220 795
BetaShares Australian Small Companies Select Fund (managed fund)	Australian Small Companies Select Fund	1 July 2019 to 30 June 2020	613 693 431
BetaShares Australian Sustainability Leaders ETF	Australian Sustainability Leaders ETF	1 July 2019 to 30 June 2020	608 057 996
BetaShares Ex-20 Portfolio Diversifier ETF	Ex-20 Portfolio Diversifier ETF	1 July 2019 to 30 June 2020	613 691 688
BetaShares FTSE RAFI Australia 200 ETF	FTSE RAFI Australia 200 ETF	1 July 2019 to 30 June 2020	155 637 219
BetaShares Managed Risk Australian Share Fund (managed fund)	Managed Risk Australian Share Fund	1 July 2019 to 30 June 2020	602 666 384
BetaShares S&P/ASX Australian Technology ETF	S&P/ASX Australian Technology ETF	19 August 2019 to 30 June 2020	635 315 329

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

S&P/ASX Australian Technology ETF has commenced operations on 4 March 2020.

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 Funds' activities during the financial period.

Directors

The following persons held office as directors of BetaShares Capital Ltd during the period or since the end of the period and 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)

Directors' report (continued)

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' Constitutions.

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.

Since the end of reporting period Australian Small Companies Select Fund's net asset value has changed by more than 10% due to changes in the fair value of investments held. The movement is a result from implementation of the investment strategy as set out in the relevant Fund's product disclosure statement. More specifically the net asset value changed by an increase of 10.38%.

No other 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.

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.

Directors' report (continued)

Indemnification and insurance of officers and auditors

No insurance premiums are paid for 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 5.

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



David Nathanson
Director

Sydney
22 September 2020



Alex Vynokur
Director



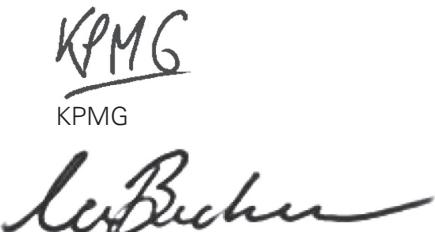
Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

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

BetaShares Active Australian Hybrids Fund (managed fund)	BetaShares Australian Sustainability Leaders ETF
BetaShares Australian 200 ETF	BetaShares Ex-20 Portfolio Diversifier ETF
BetaShares Australian Dividend Harvester Fund (managed fund)	BetaShares FTSE RAFI Australia 200 ETF
BetaShares Australian Financials Sector ETF	BetaShares Managed Risk Australian Share Fund (managed fund)
BetaShares Australian Resources Sector ETF	BetaShares S&P/ASX Australian Technology ETF
BetaShares Australian Small Companies Select Fund (managed fund)	

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

Statements of comprehensive income	Notes	Active Australian Hybrids Fund		Australia 200 ETF		Australian Dividend Harvester Fund		Australian Financials Sector 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
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Investment income									
Interest income		126	99	-	-	9	106	-	-
Dividend/distribution income		164	126	24,734	16,376	13,492	16,831	1,519	1,390
Net gains/(losses) on financial instruments at fair value through profit or loss		(13,389)	7,686	(73,972)	47,532	(30,242)	786	(4,646)	2,187
Income on convertible instruments		18,739	8,240	-	-	-	-	-	-
Other operating income		99	148	18	10	-	-	-	-
Total net investment income/(loss)		5,739	16,299	(49,220)	63,918	(16,741)	17,723	(3,127)	3,577
Expenses									
Management fees	12	2,674	939	486	231	998	1,091	119	105
Expense recoveries	12	598	209	-	-	318	266	-	-
Transaction costs		199	97	16	9	14	7	1	-
Other operating expenses		756	63	12	1	10	8	3	2
Total operating expenses		4,227	1,308	514	241	1,340	1,372	123	107
Profit/(loss) for the period		1,512	14,991	(49,734)	63,677	(18,081)	16,351	(3,250)	3,470
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the period		1,512	14,991	(49,734)	63,677	(18,081)	16,351	(3,250)	3,470

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

Booklet 4
Statements of comprehensive income
For the period ended 30 June 2020
(continued)

Statements of comprehensive income	Notes	Australian Resources Sector ETF		Australian Small Companies Select Fund		Australian Sustainability Leaders ETF		Ex-20 Portfolio Diversifier 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
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Investment income									
Interest income		-	-	5	5	-	1	-	1
Dividend/distribution income		1,758	2,486	1,048	867	12,964	7,202	4,657	3,675
Net gains/(losses) on financial instruments at fair value through profit or loss		406	(420)	(2,756)	385	(21,367)	32,392	(19,178)	5,418
Other operating income		-	-	-	-	-	-	66	-
Total net investment income/(loss)		2,164	2,066	(1,703)	1,257	(8,403)	39,595	(14,455)	9,094
Expenses									
Management fees	12	167	175	106	82	1,647	828	268	187
Expense recoveries	12	-	-	23	18	422	212	67	47
Transaction costs		1	2	7	9	4	8	15	19
Other operating expenses		5	6	15	20	14	9	22	21
Total operating expenses		173	183	151	129	2,087	1,057	372	274
Profit/(loss) for the period		1,991	1,883	(1,854)	1,128	(10,490)	38,538	(14,827)	8,820
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the period		1,991	1,883	(1,854)	1,128	(10,490)	38,538	(14,827)	8,820

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

Booklet 4
Statements of comprehensive income
For the period ended 30 June 2020
(continued)

Statements of comprehensive income	Notes	FTSE RAFI		Managed Risk		S&P/ASX Australian
		Australia 200 ETF		Australian Share Fund		Technology ETF ¹
		30 June 2020	\$'000	30 June 2020	\$'000	30 June 2020
Investment income						
Interest income		-	1	1	18	-
Dividend/distribution income		10,536	12,445	1,646	1,525	12
Net gains/(losses) on financial instruments at fair value through profit or loss		(42,297)	11,867	(5,003)	2,188	4,374
Other operating income		2	-	1	-	-
Total net investment income/(loss)		(31,759)	24,313	(3,355)	3,731	4,386
Expenses						
Management fees	12	776	684	183	128	21
Expense recoveries	12	259	228	47	33	6
Transaction costs		7	9	6	2	1
Other operating expenses		19	16	13	6	-
Total operating expenses		1,061	937	249	169	28
Profit/(loss) for the period		(32,820)	23,376	(3,604)	3,562	4,358
Other comprehensive income		-	-	-	-	-
Total comprehensive income/(loss) for the period		(32,820)	23,376	(3,604)	3,562	4,358

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

¹ There was no comparative for BetaShares S&P/ASX Australian Technology ETF. The Fund commenced trading on 4 March 2020.

Booklet 4
Statements of financial position
As at 30 June 2020

Statements of financial position	Notes	Active Australian Hybrids Fund		Australia 200 ETF		Australian Dividend Harvester Fund		Australian Financials Sector 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
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets									
Cash and cash equivalents		25,731	8,249	1,167	1,633	10,116	6,567	-	297
Financial assets at fair value through profit or loss	5	701,814	356,743	795,799	511,509	119,637	156,536	35,486	72,648
Due from brokers - receivable for securities sold		-	139	-	-	-	-	-	-
Other receivables		3,598	4,060	19,949	19,949	1,140	1,263	55	302
Total assets		731,143	369,191	816,915	533,091	130,893	164,366	35,541	73,247
Liabilities									
Financial liabilities held at fair value through profit or loss	5	-	-	-	-	1,836	-	-	-
Due to brokers - payable for securities purchased		8,453	5,288	17,917	16,878	-	-	-	-
Distributions payable	4	1,782	1,022	4,623	5,194	422	4,405	21	377
Other payables		383	186	141	71	110	118	11	22
Total liabilities (excluding net assets attributable to unitholders)		10,618	6,496	22,681	22,143	2,368	4,523	32	399
Net assets attributable to unitholders - equity	3	720,525	362,695	794,234	510,948	128,525	159,843	35,509	72,848

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

Booklet 4
Statements of financial position
As at 30 June 2020
(continued)

Statements of financial position	Notes	Australian Resources Sector ETF		Australian Small Companies Select Fund		Australian Sustainability Leaders ETF		Ex-20 Portfolio Diversifier 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
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets									
Cash and cash equivalents		30	42	1,411	1,218	1,411	23	317	397
Financial assets at fair value through profit or loss	5	63,853	33,855	33,356	29,257	531,250	306,015	117,544	123,839
Other receivables		12	3	245	157	5,035	5,060	384	463
Total assets		63,895	33,900	35,012	30,632	537,696	311,098	118,245	124,699
Liabilities									
Financial liabilities at fair value through profit or loss	5	-	-	-	-	-	-	-	-
Due to brokers - payable for securities purchased		-	-	45	-	3,746	3,602	38	-
Distributions payable	4	847	1,273	419	354	8,798	6,589	1,657	4,403
Other payables		17	10	13	10	244	120	30	27
Total liabilities (excluding net assets attributable to unitholders)		864	1,283	477	364	12,788	10,311	1,725	4,430
Net assets attributable to unitholders - equity	3	63,031	32,617	34,535	30,268	524,908	300,787	116,520	120,269

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

Booklet 4
Statements of financial position
As at 30 June 2020
(continued)

Statements of financial position	Notes	FTSE RAFI Australia 200 ETF		Managed Risk Australian Share Fund		S&P/ASX Australian Technology ETF ¹	
		30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	
		\$'000	\$'000	\$'000	\$'000	\$'000	
Assets							
Cash and cash equivalents		316	1,114	3,568	1,824	27	
Financial assets at fair value through profit or loss	5	248,769	267,855	42,266	44,918	43,916	
Other receivables		7,562	14,370	122	242	1,295	
Total assets		256,647	283,339	45,956	46,984	45,238	
Liabilities							
Financial liabilities at fair value through profit or loss	5	-	-	657	1	-	
Due to brokers - payable for securities purchased		6,980	12,763	4	-	1,290	
Distributions payable	4	2,555	9,650	508	740	690	
Other payables		94	84	21	18	16	
Total liabilities (excluding net assets attributable to unitholders)		9,629	22,497	1,190	759	1,996	
Net assets attributable to unitholders - equity	3	247,018	260,842	44,766	46,225	43,242	

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

¹ There was no comparative for BetaShares S&P/ASX Australian Technology ETF. The Fund commenced trading on 4 March 2020.

Statements of changes in equity	Notes	Active Australian Hybrids Fund		Australia 200 ETF		Australian Dividend Harvester Fund		Australian Financials Sector 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
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the period	3	362,695	-	510,948	-	159,843	-	72,848	-
Reclassification as equity due to AMIT tax regime implementation*	3	-	99,434	-	49,343	-	197,128	-	21,910
Comprehensive income for the period									
Profit/(loss) for the period		1,512	14,991	(49,734)	63,677	(18,081)	16,351	(3,250)	3,470
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the period		1,512	14,991	(49,734)	63,677	(18,081)	16,351	(3,250)	3,470
Transactions with unitholders									
Applications	3	439,010	257,658	940,186	701,242	16,470	1,480	33,819	69,690
Redemptions	3	(64,519)	(1,263)	(584,867)	(294,642)	(19,467)	(38,492)	(66,649)	(20,944)
Units issued upon reinvestment of distributions	3	548	322	1,500	5,948	1,311	1,310	311	77
Distributions to unitholders	3,4	(18,721)	(8,447)	(23,799)	(14,620)	(11,551)	(17,934)	(1,570)	(1,355)
Total transactions with unitholders		356,318	248,270	333,020	397,928	(13,237)	(53,636)	(34,089)	47,468
Total equity at the end of the period	3	720,525	362,695	794,234	510,948	128,525	159,843	35,509	72,848

* 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.

Booklet 4
Statements of changes in equity
For the period ended 30 June 2020
(continued)

Statements of changes in equity	Notes	Australian Resources Sector ETF		Australian Small Companies Select Fund		Australian Sustainability Leaders ETF		Ex-20 Portfolio Diversifier 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
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the period	3	32,617	-	30,268	-	300,787	-	120,269	-
Reclassification as equity due to AMIT tax regime implementation*	3	-	145,614	-	21,460	-	162,178	-	35,104
Comprehensive income for the period									
Profit/(loss) for the period		1,991	1,883	(1,854)	1,128	(10,490)	38,538	(14,827)	8,820
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the period		1,991	1,883	(1,854)	1,128	(10,490)	38,538	(14,827)	8,820
Transactions with unitholders									
Applications	3	100,535	13,071	8,037	9,140	255,383	109,454	54,464	81,911
Redemptions	3	(71,036)	(126,687)	(1,058)	(787)	(6,751)	-	(39,756)	-
Units issued upon reinvestment of distributions	3	396	1,105	28	26	171	36	231	129
Distributions to unitholders	3,4	(1,472)	(2,369)	(886)	(699)	(14,192)	(9,419)	(3,861)	(5,695)
Total transactions with unitholders		28,423	(114,880)	6,121	7,680	234,611	100,071	11,078	76,345
Total equity at the end of the period	3	63,031	32,617	34,535	30,268	524,908	300,787	116,520	120,269

* 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.

Statements of changes in equity	FTSE RAFI Australia 200 ETF		Managed Risk Australian Share Fund		S&P/ASX Australian Technology ETF¹	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the period	3	260,842	-	46,225	-	-
Reclassification as equity due to AMIT tax regime implementation*	3	-	276,116	-	21,319	-
Comprehensive income for the period						
Profit/(loss) for the period		(32,820)	23,376	(3,604)	3,562	4,358
Other comprehensive income		-	-	-	-	-
Total comprehensive income/(loss) for the period		(32,820)	23,376	(3,604)	3,562	4,358
Transactions with unitholders						
Applications	3	77,740	43,816	6,387	22,539	39,574
Redemptions	3	(50,316)	(69,367)	(2,974)	-	-
Units issued upon reinvestment of distributions	3	985	3,440	195	149	-
Distributions to unitholders	3,4	(9,413)	(16,539)	(1,463)	(1,344)	(690)
Total transactions with unitholders		18,996	(38,650)	2,145	21,344	38,884
Total equity at the end of the period	3	247,018	260,842	44,766	46,225	43,242

* 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.

¹ There was no comparative for BetaShares S&P/ASX Australian Technology ETF. The Fund commenced trading on 4 March 2020.

Booklet 4
Statements of cash flows
For the period ended 30 June 2020

Statements of cash flows	Active Australian Hybrids Fund		Australia 200 ETF		Australian Dividend Harvester Fund		Australian Financials Sector 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
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities								
Proceeds from sale of financial instruments at fair value through profit or loss	220,785	80,854	624,432	312,999	594,623	767,722	68,852	22,495
Payments for purchase of financial instruments at fair value through profit or loss	(575,941)	(329,668)	(981,655)	(711,084)	(586,131)	(735,533)	(36,336)	(71,135)
Dividends/distributions received	164	126	25,711	13,712	13,605	19,109	1,765	1,461
Interest received	128	96	-	-	15	108	-	-
Income on convertible instruments	18,871	7,920	-	-	-	-	-	-
Other operating income received	111	148	17	10	-	-	-	-
Management fees paid	(2,513)	(935)	(419)	(173)	(1,001)	(1,232)	(128)	(100)
Expense recoveries paid	(562)	(208)	-	-	(318)	(305)	-	-
Transaction costs paid	(199)	(97)	(16)	(9)	(14)	(7)	(1)	-
Other operating expenses paid	(820)	(47)	(12)	(1)	(11)	(8)	(4)	(2)
Net cash inflow/(outflow) from operating activities	6	(339,976)	(241,811)	(331,942)	(384,546)	20,768	49,854	34,148
Cash flows from financing activities								
Proceeds from applications by unitholders	439,390	255,841	939,213	684,361	16,470	1,480	33,819	69,690
Payments for redemptions by unitholders	(64,519)	(1,263)	(584,867)	(294,642)	(19,467)	(38,492)	(66,649)	(20,944)
Distributions paid	(17,413)	(7,422)	(22,870)	(3,575)	(14,222)	(13,575)	(1,615)	(1,203)
Net cash inflow/(outflow) from financing activities		357,458	247,156	331,476	386,144	(17,219)	(50,587)	(34,445)
Net increase/(decrease) in cash and cash equivalents		17,482	5,345	(466)	1,598	3,549	(733)	(297)
Cash and cash equivalents at the beginning of the financial period		8,249	2,904	1,633	35	6,567	7,300	297
Cash and cash equivalents at the end of the financial period		25,731	8,249	1,167	1,633	10,116	6,567	-
Non-cash financing activities		548	322	1,500	5,948	1,311	1,310	311
Units issued upon reinvestment of distributions								77

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

Booklet 4
Statements of cash flows
For the period ended 30 June 2020
(continued)

Statements of cash flows	Notes	Australian Resources Sector ETF		Australian Small Companies Select Fund		Australian Sustainability Leaders ETF		Ex-20 Portfolio Diversifier 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
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities									
Proceeds from sale of financial instruments at fair value through profit or loss		74,674	134,468	18,084	13,142	46,528	24,624	73,734	32,008
Payments for purchase of financial instruments at fair value through profit or loss		(104,266)	(21,827)	(24,894)	(20,680)	(292,986)	(142,954)	(86,579)	(116,091)
Dividends/distributions received		1,750	2,486	977	867	12,862	6,567	4,736	3,374
Interest received		-	-	6	4	-	1	-	1
Other operating income received		-	-	-	-	-	-	66	-
Management fees paid		(161)	(258)	(104)	(87)	(1,571)	(831)	(266)	(183)
Expense recoveries paid		-	-	(23)	(19)	(402)	(213)	(67)	(46)
Interest expenses paid		-	-	-	-	-	-	-	-
Transaction costs paid		(1)	(2)	(7)	(9)	(4)	(8)	(15)	(19)
Other operating expenses paid		(5)	(7)	(15)	(20)	(11)	(7)	(21)	(21)
Net cash inflow/(outflow) from operating activities	6	(28,009)	114,860	(5,976)	(6,802)	(235,584)	(112,821)	(8,412)	(80,977)
Cash flows from financing activities									
Proceeds from applications by unitholders		100,535	13,071	8,020	9,156	255,535	117,020	54,464	83,728
Payments for redemptions by unitholders		(71,036)	(126,687)	(1,058)	(787)	(6,751)	-	(39,756)	-
Distributions paid		(1,502)	(1,277)	(793)	(1,115)	(11,812)	(4,371)	(6,376)	(2,409)
Net cash inflow/(outflow) from financing activities		27,997	(114,893)	6,169	7,254	236,972	112,649	8,332	81,319
Net increase/(decrease) in cash and cash equivalents									
		(12)	(33)	193	452	1,388	(172)	(80)	342
Cash and cash equivalents at the beginning of the financial period		42	75	1,218	766	23	195	397	55
Cash and cash equivalents at the end of the financial period		30	42	1,411	1,218	1,411	23	317	397
Non-cash financing activities									
Units issued upon reinvestment of distributions		396	1,105	28	26	171	36	231	129

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

Booklet 4
Statements of cash flows
For the period ended 30 June 2020
(continued)

Statements of cash flows	FTSE RAFI Australia 200 ETF		Managed Risk Australian Share Fund		S&P/ASX Australian Technology ETF ¹
	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000
	Notes				
Cash flows from operating activities					
Proceeds from sale of financial instruments at fair value through profit or loss	80,962	108,810	11,649	30	4,716
Payments for purchase of financial instruments at fair value through profit or loss	(109,956)	(67,377)	(13,341)	(22,380)	(42,968)
Dividends/distributions received	11,523	13,349	1,765	1,482	11
Interest received	-	1	3	17	-
Other operating income received	2	-	1	-	-
Management fees paid	(769)	(838)	(181)	(133)	(10)
Expense recoveries paid	(257)	(279)	(46)	(34)	(3)
Transaction costs paid	(7)	(9)	(6)	(2)	(1)
Other operating expenses paid	(17)	(18)	(13)	(6)	-
Net cash inflow/(outflow) from operating activities	6	(18,519)	53,639	(169)	(21,026)
					(38,255)
Cash flows from financing activities					
Proceeds from applications by unitholders	83,560	31,051	6,387	22,539	38,282
Payments for redemptions by unitholders	(50,316)	(69,367)	(2,974)	-	-
Distributions paid	(15,523)	(14,531)	(1,500)	(778)	-
Net cash inflow/(outflow) from financing activities	17,721	(52,847)	1,913	21,761	38,282
Net increase/(decrease) in cash and cash equivalents		(798)	792	1,744	735
Cash and cash equivalents at the beginning of the financial period		1,114	322	1,824	1,089
Cash and cash equivalents at the end of the financial period		316	1,114	3,568	1,824
Cash and cash equivalents at the end of the financial period		316	1,114	3,568	27
Non-cash financing activities					
Units issued upon reinvestment of distributions	985	3,440	195	149	-

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

¹ There was no comparative for BetaShares S&P/ASX Australian Technology ETF. The Fund commenced trading on 4 March 2020.

Contents of the notes to the financial statements

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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
Active Australian Hybrids Fund	26 July 2016	13 November 2017	1 July 2019 to 30 June 2020
Australia 200 ETF	28 November 2017	7 May 2018	1 July 2019 to 30 June 2020
Australian Dividend Harvester Fund	16 June 2014	29 October 2014	1 July 2019 to 30 June 2020
Australian Financials Sector ETF	3 May 2010	10 December 2010	1 July 2019 to 30 June 2020
Australian Resources Sector ETF	3 May 2010	10 December 2010	1 July 2019 to 30 June 2020
Australian Small Companies Select Fund	26 July 2016	7 April 2017	1 July 2019 to 30 June 2020
Australian Sustainability Leaders ETF	11 September 2015	27 November 2017	1 July 2019 to 30 June 2020
Ex-20 Portfolio Diversifier ETF	26 July 2016	5 October 2016	1 July 2019 to 30 June 2020
FTSE RAFI Australia 200 ETF	22 February 2012	10 July 2013	1 July 2019 to 30 June 2020
Managed Risk Australian Share Fund	16 June 2014	10 November 2015	1 July 2019 to 30 June 2020
S&P/ASX Australian Technology ETF	19 August 2019	4 March 2020	19 August 2019 to 30 June 2020

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

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

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)

Investment entity exception (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 entities.

(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 years, 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.

2 Summary of significant accounting policies (continued)

(c) Financial instruments (continued)

(i) Classification (continued)

Active Australian Hybrids Fund holds debt securities. 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.

(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 financial 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.

2 Summary of significant accounting policies (continued)

(c) Financial instruments (continued)

(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.

(v) *Derivative financial instrument and hedge accounting*

Australian Dividend Harvester Fund and Managed Risk Australian Share Fund use derivative instruments in the form of index futures to hedge price risk exposure in fair value movements of listed securities held. Derivatives are initially recognised at fair value with any directly attributable transaction costs recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value and changes are recognised in the statement of comprehensive income in the period in which they occur. The Fund determines that economic relationship exists between the hedged item (being listed securities) and the hedging instrument (being index futures), as the listed securities are either components of or inherently closely track the index used. The hedging ratio is determined in accordance with the Product Disclosure Statement and sources of ineffectiveness may arise when the portfolio of listed security returns differ from the total index return during the hedge period.

(d) Net assets attributable to unitholders

All Funds excluding Australian Small Companies Select Fund and Active Australian Hybrids Fund

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.

Australian Small Companies Select Fund and Active Australian Hybrids Fund

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"). Subject to market conditions, unitholders may withdraw their units from the Funds at their election by trading on the Australian Securities Exchange at the prevailing market price for sale of the units at the time of the transaction. The Responsible Entity on behalf of each Fund intends to provide liquidity to unitholders by acting as a buyer and seller of units on the exchange . At the end of each trading day, the Responsible Entity will issue or cancel units according to its net position in units bought or sold on the exchange on that day . The price at which the Responsible Entity may buy or sell units will reflect the Responsible Entity's view of the Funds's net asset value per unit. The fair value of units is measured at the net asset value per units, which approximates fair value at the end of the reporting period if unitholders elected to withdraw units from 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.

2 Summary of significant accounting policies (continued)

(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).

Dividend income is recognised on the ex-dividend date with any related foreign withholding tax recorded as an expense. The Funds currently incur withholding tax imposed by certain countries on investment income. Such income is recorded net of withholding tax in the statements of comprehensive income.

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.

(j) 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 two 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.

2 Summary of significant accounting policies (continued)

(k) 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.

(l) 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.

(m) 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.

(n) 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.

(o) 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 indicated.

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:

	Active Australian Hybrids Fund				Australia 200 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	35,549	10,020	362,695	99,434	4,619	480	510,948	49,343
Applications	43,219	25,623	439,010	257,658	8,970	6,960	940,186	701,242
Redemptions	(6,824)	(126)	(64,519)	(1,263)	(5,550)	(2,880)	(584,867)	(294,642)
Units issued upon reinvestment of distributions	55	32	548	322	14	59	1,500	5,948
Distribution to unitholders	-	-	(18,721)	(8,447)	-	-	(23,799)	(14,620)
Profit/(loss) for the period	-	-	1,512	14,991	-	-	(49,734)	63,677
Closing balance	71,999	35,549	720,525	362,695	8,053	4,619	794,234	510,948

	Australian Dividend Harvester Fund				Australian Financials Sector 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	10,090	12,404	159,843	197,128	6,268	1,961	72,848	21,910
Applications	1,100	100	16,470	1,480	3,600	6,200	33,819	69,690
Redemptions	(1,500)	(2,500)	(19,467)	(38,492)	(5,800)	(1,900)	(66,649)	(20,944)
Units issued upon reinvestment of distributions	88	86	1,311	1,310	27	7	311	77
Distribution to unitholders	-	-	(11,551)	(17,934)	-	-	(1,570)	(1,355)
Profit/(loss) for the period	-	-	(18,081)	16,351	-	-	(3,250)	3,470
Closing balance	9,778	10,090	128,525	159,843	4,095	6,268	35,509	72,848

3 Net assets attributable to unitholders (continued)

	Australian Resources Sector ETF				Australian Small Companies Select Fund			
	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	4,922	23,642	32,617	145,614	8,995	6,400	30,268	21,460
Applications	17,800	2,100	100,535	13,071	2,468	2,828	8,037	9,140
Redemptions	(12,200)	(21,000)	(71,036)	(126,687)	(334)	(241)	(1,058)	(787)
Units issued upon reinvestment of distributions	61	180	396	1,105	8	8	28	26
Distribution to unitholders	-	-	(1,472)	(2,369)	-	-	(886)	(699)
Profit/(loss) for the period	-	-	1,991	1,883	-	-	(1,854)	1,128
Closing balance	10,583	4,922	63,031	32,617	11,137	8,995	34,535	30,268
	Australian Sustainability Leaders ETF				Ex-20 Portfolio Diversifier 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	17,002	10,300	300,787	162,178	6,709	2,001	120,269	35,104
Applications	14,200	6,700	255,383	109,454	3,100	4,700	54,464	81,911
Redemptions	(400)	-	(6,751)	-	(2,700)	-	(39,756)	-
Units issued upon reinvestment of distributions	10	2	171	36	13	8	231	129
Distribution to unitholders	-	-	(14,192)	(9,419)	-	-	(3,861)	(5,695)
Profit/(loss) for the period	-	-	(10,490)	38,538	-	-	(14,827)	8,820
Closing balance	30,812	17,002	524,908	300,787	7,122	6,709	116,520	120,269

3 Net assets attributable to unitholders (continued)

	FTSE RAFI Australia 200 ETF				Managed Risk Australian Share Fund			
	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	19,072	20,611	260,842	276,116	2,722	1,312	46,225	21,319
Applications	6,000	3,300	77,740	43,816	400	1,400	6,387	22,539
Redemptions	(3,900)	(5,100)	(50,316)	(69,367)	(200)	-	(2,974)	-
Units issued upon reinvestment of distributions	72	261	985	3,440	12	10	195	149
Distribution to unitholders	-	-	(9,413)	(16,539)	-	-	(1,463)	(1,344)
Profit/(loss) for the period	-	-	(32,820)	23,376	-	-	(3,604)	3,562
Closing balance	21,244	19,072	247,018	260,842	2,934	2,722	44,766	46,225
S&P/ASX Australian Technology ETF								
	30 June 2020		30 June 2020					
	Units '000		\$'000					
Net assets attributable to unitholders								
Opening balance	-		-					
Applications	2,550		39,574					
Distribution to unitholders	-		(690)					
Profit/(loss) for the period	-		4,358					
Closing balance	2,550		43,242					

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:

	Active Australian Hybrids Fund				Australia 200 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 - July	1,168	2.79	405	3.50	-	-	-	-
Distributions paid - August	1,261	2.65	462	3.31	-	-	-	-
Distributions paid - September	1,345	2.61	484	3.02	8,782	136.83	1,861	112.77
Distributions paid - October	1,381	2.45	626	3.50	-	-	-	-
Distributions paid - November	1,455	2.46	619	3.14	-	-	-	-
Distributions paid - December	1,778	2.74	684	3.31	7,333	114.14	2,796	66.39
Distributions paid - January	1,783	2.64	738	3.34	-	-	-	-
Distributions paid - February	1,641	2.36	731	3.06	-	-	-	-
Distributions paid - March	1,801	2.77	813	3.17	3,061	42.40	4,769	91.32
Distributions paid - April	1,680	2.54	897	3.31	-	-	-	-
Distributions paid - May	1,646	2.40	966	3.16	-	-	-	-
Distributions payable - June	1,782	2.47	1,022	2.87	4,623	57.41	5,194	112.44
Total distributions	18,721		8,447		23,799		14,620	
Australian Dividend Harvester Fund								
	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
	1,153	11.18	1,357	11.21	-	-	-	-
Distributions paid - July	1,049	10.07	1,313	11.21	-	-	-	-
Distributions paid - August	1,070	10.07	1,292	11.21	-	-	-	-
Distributions paid - September	1,080	10.07	1,236	11.21	-	-	-	-
Distributions paid - October	1,090	10.07	1,226	11.21	-	-	-	-
Distributions paid - November	1,112	10.07	1,216	11.21	1,549	51.80	978	33.01
Distributions paid - December	1,113	10.07	1,194	11.21	-	-	-	-
Distributions paid - January	1,113	10.07	1,195	11.21	-	-	-	-
Distributions paid - February	983	10.07	1,196	11.21	-	-	-	-
Distributions paid - March	964	10.07	1,152	11.21	-	-	-	-
Distributions paid - April	402	4.12	1,152	11.21	-	-	-	-
Distributions paid - May	422	4.32	4,405	43.66	21	0.52	377	6.02
Total distributions	11,551		17,934		1,570		1,355	

4 Distributions to unitholders (continued)

	Australian Resources Sector ETF				Australian Small Companies Select Fund			
	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
	625	5.94	1,096	18.23	467	4.60	345	4.22
Distributions paid - December								
Distributions payable - June	847	8.00	1,273	25.85	419	3.76	354	3.94
Total distributions	1,472		2,369		886		699	
Australian Sustainability Leaders 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 - December								
Distributions payable - June	5,394	23.34	2,830	22.11	2,204	27.49	1,292	21.17
Total distributions	8,798	28.56	6,589	38.75	1,657	23.26	4,403	65.63
	14,192		9,419		3,861		5,695	
FTSE RAFI Australia 200 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 - December								
Distributions payable - June	6,858	32.33	6,889	39.30	955	33.79	604	25.07
Total distributions	2,555	12.03	9,650	50.60	508	17.33	740	27.18
	9,413		16,539		1,463		1,344	
S&P/ASX Australian Technology ETF								
	30 June 2020 \$'000	30 June 2020 CPU						
Distributions payable - June								
Total distributions	690		27.05					
	690							

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

	Active Australian Hybrids Fund		Australia 200 ETF		Australian Dividend Harvester Fund		Australian Financials Sector 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
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss								
Futures contracts	-	-	58	28	-	-	-	7
Listed securities	20,491	13,558	795,674	511,481	119,637	156,536	35,486	72,641
Unlisted securities	-	-	67	-	-	-	-	-
Listed & unlisted hybrid and debt securities	681,323	343,185	-	-	-	-	-	-
Total financial assets at fair value through profit or loss	701,814	356,743	795,799	511,509	119,637	156,536	35,486	72,648
Financial liabilities at fair value through profit or loss								
Futures contracts	-	-	-	-	1,836	-	-	-
Total financial liabilities at fair value through profit or loss	-	-	-	-	1,836	-	-	-
	Australian Resources Sector ETF		Australian Small Companies Select Fund		Australian Sustainability Leaders ETF		Ex-20 Portfolio Diversifier 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
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss								
Futures contracts	-	-	-	-	9	-	5	2
Listed securities	63,853	33,855	33,306	29,257	530,995	306,015	117,514	123,837
Unlisted securities	-	-	50	-	246	-	25	-
Total financial assets at fair value through profit or loss	63,853	33,855	33,356	29,257	531,250	306,015	117,544	123,839

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

	FTSE RAFI Australia 200 ETF		Managed Risk Australian Share Fund		S&P/ASX Australian Technology ETF
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit or loss					
Futures contracts	16	16	-	-	-
Listed securities	248,706	267,839	42,262	44,918	43,916
Unlisted securities	47	-	4	-	-
Total financial assets at fair value through profit or loss	248,769	267,855	42,266	44,918	43,916
Financial liabilities at fair value through profit or loss					
Futures contracts	-	-	657	1	-
Total financial liabilities at fair value through profit or loss	-	-	657	1	-

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

	Active Australian Hybrids Fund		Australia 200 ETF		Australian Dividend Harvester Fund		Australian Financials Sector 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
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities								
Profit/(loss)	1,512	14,991	(49,734)	63,677	(18,081)	16,351	(3,250)	3,470
Proceeds from sale of financial instruments at fair value through profit or loss	220,785	80,854	624,432	312,999	594,623	767,722	68,852	22,495
Payments for the purchase of financial instruments at fair value through profit or loss	(575,941)	(329,668)	(981,655)	(711,084)	(586,131)	(735,533)	(36,336)	(71,135)
Net (gains)/losses on financial instruments at fair value through profit or loss	13,389	(7,686)	73,972	(47,532)	30,242	(786)	4,646	(2,187)
Net change in dividends/distributions receivable	-	-	988	(2,661)	113	2,229	246	71
Net change in interest receivable	2	(3)	-	-	6	2	-	-
Net change in income receivable on convertible instruments	132	(319)	-	-	-	-	-	-
Net change in receivables and other assets	(52)	(71)	(15)	(11)	4	59	1	(1)
Net change in payables and other liabilities	197	91	70	66	(8)	(190)	(11)	6
Net cash inflow/(outflow) from operating activities	(339,976)	(241,811)	(331,942)	(384,546)	20,768	49,854	34,148	(47,281)
 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities								
Australian Resources Sector ETF			Australian Small Companies Select Fund		Australian Sustainability Leaders ETF		Ex-20 Portfolio Diversifier ETF	
30 June 2020	30 June 2019	2020	30 June 2020	30 June 2019	2020	30 June 2019	30 June 2020	30 June 2019
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Profit/(loss)	1,991	1,883	(1,854)	1,128	(10,490)	38,538	(14,827)	8,820
Proceeds from sale of financial instruments at fair value through profit or loss	74,674	134,468	18,084	13,142	46,528	24,624	73,734	32,008
Payments for the purchase of financial instruments at fair value through profit or loss	(104,266)	(21,827)	(24,894)	(20,680)	(292,986)	(142,954)	(86,579)	(116,091)
Net (gains)/losses on financial instruments at fair value through profit or loss	(406)	420	2,756	(385)	21,367	(32,392)	19,178	(5,418)
Net change in dividends/distributions receivable	(8)	-	(71)	-	(102)	(635)	140	(301)
Net change in interest receivable	-	-	1	(1)	-	-	-	-
Net change in receivables and other assets	(1)	10	(1)	(1)	(25)	(12)	(61)	(7)
Net change in payables and other liabilities	7	(94)	3	(5)	124	10	3	12
Net cash inflow/(outflow) from operating activities	(28,009)	114,860	(5,976)	(6,802)	(235,584)	(112,821)	(8,412)	(80,977)

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

	FTSE RAFI Australia 200 ETF		Managed Risk Australian Share Fund		S&P/ASX Australian Technology ETF
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020
	\$'000	\$'000	\$'000	\$'000	\$'000
Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities					
Profit/(loss)	(32,820)	23,376	(3,604)	3,562	4,358
Proceeds from sale of financial instruments at fair value through profit or loss	80,962	108,810	11,649	30	4,716
Payments for the purchase of financial instruments at fair value through profit or loss	(109,956)	(67,377)	(13,341)	(22,380)	(42,968)
Net (gains)/losses on financial instruments at fair value through profit or loss	42,297	(11,867)	5,003	(2,188)	(4,374)
Net change in dividends/distributions receivable	987	904	121	(43)	(1)
Net change in interest receivable	-	-	-	-	-
Net change in receivables and other assets	1	3	(2)	(3)	(2)
Net change increase in interest receivable	-	-	2	-	-
Net change in payables and other liabilities	10	(210)	3	(4)	16
Net cash inflow/(outflow) from operating activities	(18,519)	53,639	(169)	(21,026)	(38,255)

7 Financial risk management

The Funds are exchange traded managed funds that primarily invest in a portfolio of securities listed on the ASX as well as derivative instruments and cash and cash equivalents.

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.

7 Financial risk management (continued)

(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 of market stress) may bear no relation to historical patterns.

(i) Price risk

The Funds except Active Australian Hybrids Fund are exposed to equity securities and derivatives price risk. This arises from investments held by the Funds for which prices in the future are uncertain. Equity securities and derivatives are classified in the statements of financial position as at fair value through profit or loss. All securities investments present a risk of loss of capital.

The Active Australian Hybrids Fund holds cash (including cash denominated in currencies other than the Australian dollar) and interest bearing securities. These investments have exposure to interest rate risk and credit risk.

The Funds' overall market positions are reported to the Board on a regular basis.

Sensitivity analysis

A 10% movement at the report date of the market prices attributable to financial assets or financial liabilities by the relevant Funds would have the following impact on the Funds' profit/(loss) and net assets attributable to unitholders. The calculations include the impact of any derivatives that may be held by a Fund. It is assumed that the relevant change occurs at the balance date.

	Active Australian Hybrids Fund		Australia 200 ETF		Australian Dividend Harvester Fund		Australian Financials Sector 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
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
+10% Price movement - impact on the Funds' profit/(loss) and net assets attributable to unitholders	70,181	35,674	79,580	51,151	5,576	15,234	3,549	7,265
-10% Price movement - impact on the Funds' profit/(loss) and net assets attributable to unitholders	(70,181)	(35,674)	(79,580)	(51,151)	(5,588)	(15,234)	(3,549)	(7,265)

7 Financial risk management (continued)

(a) Market risk (continued)

(i) Price risk (continued)

	Australian Resources Sector ETF		Australian Small Companies Select Fund		Australian Sustainability Leaders ETF		Ex-20 Portfolio Diversifier ETF	
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
+10% Price movement - impact on the Funds' profit/(loss) and net assets attributable to unitholders	6,385	3,385	3,336	2,926	53,125	30,601	11,754	12,384
-10% Price movement - impact on the Funds' profit/(loss) and net assets attributable to unitholders	(6,385)	(3,385)	(3,336)	(2,926)	(53,125)	(30,601)	(11,754)	(12,384)
	FTSE RAFI Australia 200 ETF		Managed Risk Australian Share Fund		S&P/ASX Australian Technology ETF			
	30 June	30 June	30 June	30 June	30 June	2020		
	2020	2019	2020	2019				
	\$'000	\$'000	\$'000	\$'000	\$'000			
+10% Price movement - impact on the Funds' profit/(loss) and net assets attributable to unitholders	24,877	26,786	1,933	4,405	4,392			
-10% Price movement - impact on the Funds' profit/(loss) and net assets attributable to unitholders	(24,877)	(28,786)	(1,948)	(4,405)	(4,392)			

(ii) Interest rate risk

Active Australian Hybrids Fund

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market 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 rate expose Funds to cash flow interest rate risk. Financial instruments with fixed interest rates expose the Fund to fair value interest rate risk. This risk is measured using sensitivity analysis.

Interest rate risk is not considered to be significant to the Funds, except for Active Australian Hybrids Fund (see below), other than cash holdings.

7 Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

The table below summarises the Fund's exposure to interest rate risks.

Active Australian Hybrids Fund	Floating	Fixed	Non-interest	Total	Floating	Fixed	Non-interest	Total
	interest rate	interest rate	bearing		interest rate	interest rate	bearing	
	30 June	30 June	30 June		30 June	2019	30 June	
	2020	2020	2020	\$'000	\$'000	\$'000	\$'000	\$'000
Assets								
Cash and cash equivalents	25,731	-	-	25,731	8,249	-	-	8,249
Financial assets at fair value through profit or loss	27,518	-	674,296	701,814	44,073	-	312,670	356,743
Due from brokers - receivable for securities sold	-	-	-	-	-	-	139	139
Other receivables	-	-	3,598	3,598	-	-	4,060	4,060
Liabilities								
Due to brokers - payable for securities purchased	-	-	(8,453)	(8,453)	-	-	(5,288)	(5,288)
Distributions payable	-	-	(1,782)	(1,782)	-	-	(1,022)	(1,022)
Other payables	-	-	(383)	(383)	-	-	(186)	(186)
Net exposure	53,249	-	667,276	720,525	52,322	-	310,373	362,695

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 Fund's economic environment.

Active Australian Hybrids Fund	Impact on net assets attributable to unitholders						
	Currency	Sensitivity		Sensitivity			
		30 June	Increase	Decrease	30 June	Increase	Decrease
		2020	2020	2020	2019	2019	2019
Australian Dollars	Australian Dollars	25	64	(64)	100	412	(412)

The other Funds are exposed to interest rate risk on their cash holdings. Interest income from cash holdings is earned at variable interest rates. Investments in cash holdings are at call.

Foreign exchange risk arises as the value of monetary assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates. The Funds have no direct foreign exchange risk exposure as the Funds operate solely in Australia and all of the Funds' assets and liabilities are denominated in Australian currency.

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 being bank issued senior floating rate notes. An analysis of debt securities by rating of the issuer is set out in the table below for Funds which have such securities.

Rating	Active Australian Hybrids Fund	
	30 June 2020 \$'000	30 June 2019 \$'000
	-	30,337
AA+ to AA-	-	30,337
BBB+ to BBB-	27,518	13,736
BB+ to BB-	-	262
Total	27,518	44,335

(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.

7 Financial risk management (continued)

(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 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.

The following tables analyse the Funds' non-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.

	Active Australian Hybrids Fund							
	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
Due to brokers - payable for securities purchased	-	8,453	-	8,453	-	5,288	-	5,288
Distributions payable	-	1,782	-	1,782	-	1,022	-	1,022
Other payables	-	383	-	383	-	186	-	186
Contractual cash flows (excluding net settled derivatives)	-	10,618	-	10,618	-	6,496	-	6,496

7 Financial risk management (continued)**(c) Liquidity risk (continued)**

Australia 200 ETF									
	On demand 30 June 2020 \$'000	Less than 6 months 30 June 2020 \$'000	Greater than 6 months 30 June 2020 \$'000	Total 30 June 2020 \$'000	On demand 30 June 2019 \$'000	Less than 6 months 30 June 2019 \$'000	Greater than 6 months 30 June 2019 \$'000	Total 30 June 2019 \$'000	
Due to brokers - payable for securities purchased	-	17,917	-	17,917	-	16,878	-	16,878	
Distributions payable	-	4,623	-	4,623	-	5,194	-	5,194	
Other payables	-	141	-	141	-	71	-	71	
Contractual cash flows (excluding net settled derivatives)	-	22,681	-	22,681	-	22,143	-	22,143	
Australian Dividend Harvester Fund									
	On demand 30 June 2020 \$'000	Less than 6 months 30 June 2020 \$'000	Greater than 6 months 30 June 2020 \$'000	Total 30 June 2020 \$'000	On demand 30 June 2019 \$'000	Less than 6 months 30 June 2019 \$'000	Greater than 6 months 30 June 2019 \$'000	Total 30 June 2019 \$'000	
Distributions payable	-	422	-	422	-	4,405	-	4,405	
Other payables	-	110	-	110	-	118	-	118	
Contractual cash flows (excluding net settled derivatives)	-	532	-	532	-	4,523	-	4,523	
Net settled derivatives									
Futures contracts	-	1,836	-	1,836	-	-	-	-	
	-	1,836	-	1,836	-	-	-	-	
Australian Financials Sector ETF									
	On demand 30 June 2020 \$'000	Less than 6 months 30 June 2020 \$'000	Greater than 6 months 30 June 2020 \$'000	Total 30 June 2020 \$'000	On demand 30 June 2019 \$'000	Less than 6 months 30 June 2019 \$'000	Greater than 6 months 30 June 2019 \$'000	Total 30 June 2019 \$'000	
Distributions payable	-	21	-	21	-	377	-	377	
Other payables	-	11	-	11	-	22	-	22	
Contractual cash flows (excluding net settled derivatives)	-	32	-	32	-	399	-	399	

7 Financial risk management (continued)

(c) Liquidity risk (continued)

Australian Resources Sector 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	-	847	-	847	-	1,273	-	1,273	
Other payables	-	17	-	17	-	10	-	10	
Contractual cash flows (excluding net settled derivatives)	-	864	-	864	-	1,283	-	1,283	
Australian Small Companies Select Fund									
	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	
Due to brokers - payable for securities purchased	-	45	-	45	-	-	-	-	
Distributions payable	-	419	-	419	-	354	-	354	
Other payables	-	13	-	13	-	10	-	10	
Contractual cash flows (excluding net settled derivatives)	-	477	-	477	-	364	-	364	
Australian Sustainability Leaders 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	
Due to brokers - payable for securities purchased	-	3,746	-	3,746	-	3,602	-	3,602	
Distributions payable	-	8,798	-	8,798	-	6,589	-	6,589	
Other payables	-	244	-	244	-	120	-	120	
Contractual cash flows (excluding net settled derivatives)	-	12,788	-	12,788	-	10,311	-	10,311	

7 Financial risk management (continued)

(c) Liquidity risk (continued)

	Ex-20 Portfolio Diversifier 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
Due to brokers - payable for securities purchased	-	38	-	38	-	-	-	-
Distributions payable	-	1,657	-	1,657	-	4,403	-	4,403
Other payables	-	30	-	30	-	27	-	27
Contractual cash flows (excluding net settled derivatives)	-	1,725	-	1,725	-	4,430	-	4,430
 FTSE RAFI Australia 200 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
Due to brokers - payable for securities purchased	-	6,980	-	6,980	-	12,763	-	12,763
Distributions payable	-	2,555	-	2,555	-	9,650	-	9,650
Other payables	-	94	-	94	-	84	-	84
Contractual cash flows (excluding net settled derivatives)	-	9,629	-	9,629	-	22,497	-	22,497

7 Financial risk management (continued)

(c) Liquidity risk (continued)

	Managed Risk Australian Share Fund							
	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
Due to brokers - payable for securities purchased	-	4	-	4	-	-	-	-
Distributions payable	-	508	-	508	-	740	-	740
Other payables	-	21	-	21	-	18	-	18
Contractual cash flows (excluding net settled derivatives)	-	533	-	533	-	758	-	758
 Net settled derivatives								
Futures contracts	-	657	-	657	-	1	-	1
	-	657	-	657	-	1	-	1
 S&P/ASX Australian Technology ETF								
	On demand	Less than 6 months	Greater than 6 months	Total				
	30 June 2020	30 June 2020	30 June 2020	30 June 2020				
	\$'000	\$'000	\$'000	\$'000				
Due to brokers - payable for securities purchased	-	1,290	-	1,290				
Distributions payable	-	690	-	690				
Other payables	-	16	-	16				
Contractual cash flows (excluding net settled derivatives)	-	1,996	-	1,996				

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		
	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
Australia 200 ETF	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 30 June 2020						
Financial assets						
Futures contracts	58	-	58	-	-	58
Total	58	-	58	-	-	58
As at 30 June 2019						
Financial assets						
Futures contracts	28	-	28	-	-	28
Total	28	-	28	-	-	28

8 Offsetting financial assets and financial liabilities (continued)

	Effects of offsetting on the statements of financial position			Related amounts not offset in the statements of financial position		
	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
Australian Dividend Harvester Fund	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 30 June 2020						
Financial liabilities						
Futures contracts	1,836	-	1,836	-	-	1,836
Total	1,836	-	1,836	-	-	1,836
As at 30 June 2019						
Financial liabilities						
Futures contracts	-	-	-	-	-	-
Total	-	-	-	-	-	-
Australian Financials Sector ETF						
	Effects of offsetting on the statements of financial position			Related amounts not offset in the statements of financial position		
	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
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 30 June 2020						
Financial assets						
Futures contracts	-	-	-	-	-	-
Total	-	-	-	-	-	-
As at 30 June 2019						
Financial assets						
Futures contracts	7	-	7	-	-	7
Total	7	-	7	-	-	7

8 Offsetting financial assets and financial liabilities (continued)

	Effects of offsetting on the statements of financial position			Related amounts not offset in the statements of financial position		
	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
Australian Sustainability Leaders ETF	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 30 June 2020						
Financial assets						
Futures contracts	9	-	9	-	-	9
Total	9	-	9	-	-	9
As at 30 June 2019						
Financial assets						
Futures contracts	-	-	-	-	-	-
Total	-	-	-	-	-	-
Ex-20 Portfolio Diversifier ETF						
	Effects of offsetting on the statements of financial position			Related amounts not offset in the statements of financial position		
	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
Ex-20 Portfolio Diversifier ETF	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 30 June 2020						
Financial assets						
Futures contracts	5	-	5	-	-	5
Total	5	-	5	-	-	5
As at 30 June 2019						
Financial assets						
Futures contracts	2	-	2	-	-	2
Total	2	-	2	-	-	2

8 Offsetting financial assets and financial liabilities (continued)

	Effects of offsetting on the statements of financial position			Related amounts not offset in the statements of financial position		
	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
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
FTSE RAFI Australia 200 ETF						
As at 30 June 2020						
Financial assets						
Futures contracts	16	-	16	-	-	16
Total	16	-	16	-	-	16
As at 30 June 2019						
Financial assets						
Futures contracts	16	-	16	-	-	16
Total	16	-	16	-	-	16
 Managed Risk Australian Share Fund						
As at 30 June 2020						
Financial liabilities						
Futures contracts	657	-	657	-	-	657
Total	657	-	657	-	-	657
As at 30 June 2019						
Financial liabilities						
Futures contracts	1	-	1	-	-	1
Total	1	-	1	-	-	1

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.

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

(iii) Recognised fair value measurements

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

Active Australian Hybrids Fund							
Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	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
Financial assets							
Financial assets at fair value through profit or loss:							
Listed securities	20,491	-	-	20,491	13,558	-	-
Listed & unlisted hybrid and debt securities	666,561	14,762	-	681,323	301,587	41,598	-
Total	687,052	14,762	-	701,814	315,145	41,598	-
							356,743
Australia 200 ETF							
Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	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
Financial assets							
Financial assets at fair value through profit or loss:							
Futures contracts	58	-	-	58	28	-	-
Listed securities	795,674	-	-	795,674	511,481	-	-
Unlisted securities	67	-	-	67	-	-	-
Total	795,799	-	-	795,799	511,509	-	-
							511,509

9 Fair value measurements (continued)

Fair value estimation (continued)

(iii) Recognised fair value measurements (continued)

Australian Dividend Harvester Fund								
	Level 1 30 June 2020 \$'000	Level 2 30 June 2020 \$'000	Level 3 30 June 2020 \$'000	Total 30 June 2020 \$'000	Level 1 30 June 2019 \$'000	Level 2 30 June 2019 \$'000	Level 3 30 June 2019 \$'000	Total 30 June 2019 \$'000
Financial assets								
Financial assets at fair value through profit or loss:								
Listed securities	119,637	-	-	119,637	156,536	-	-	156,536
Total	119,637	-	-	119,637	156,536	-	-	156,536
Financial liabilities								
Financial liabilities at fair value through profit or loss:								
Futures contracts	1,836	-	-	1,836	-	-	-	-
Total	1,836	-	-	1,836	-	-	-	-
Australian Financials Sector ETF								
	Level 1 30 June 2020 \$'000	Level 2 30 June 2020 \$'000	Level 3 30 June 2020 \$'000	Total 30 June 2020 \$'000	Level 1 30 June 2019 \$'000	Level 2 30 June 2019 \$'000	Level 3 30 June 2019 \$'000	Total 30 June 2019 \$'000
Financial assets								
Financial assets at fair value through profit or loss:								
Futures contracts	-	-	-	-	7	-	-	7
Listed securities	35,486	-	-	35,486	72,641	-	-	72,641
Total	35,486	-	-	35,486	72,648	-	-	72,648
Australian Resources Sector ETF								
	Level 1 30 June 2020 \$'000	Level 2 30 June 2020 \$'000	Level 3 30 June 2020 \$'000	Total 30 June 2020 \$'000	Level 1 30 June 2019 \$'000	Level 2 30 June 2019 \$'000	Level 3 30 June 2019 \$'000	Total 30 June 2019 \$'000
Financial assets								
Financial assets at fair value through profit or loss:								
Listed securities	63,853	-	-	63,853	33,855	-	-	33,855
Total	63,853	-	-	63,853	33,855	-	-	33,855

9 Fair value measurements (continued)

Fair value estimation (continued)

(iii) Recognised fair value measurements (continued)

Australian Small Companies Select Fund								
	Level 1 30 June 2020 \$'000	Level 2 30 June 2020 \$'000	Level 3 30 June 2020 \$'000	Total 30 June 2020 \$'000	Level 1 30 June 2019 \$'000	Level 2 30 June 2019 \$'000	Level 3 30 June 2019 \$'000	Total 30 June 2019 \$'000
Financial assets								
Financial assets at fair value through profit or loss:								
Listed securities	33,306	-	-	33,306	29,257	-	-	29,257
Unlisted securities	50	-	-	50	-	-	-	-
Total	33,356	-	-	33,356	29,257	-	-	29,257
Australian Sustainability Leaders ETF								
	Level 1 30 June 2020 \$'000	Level 2 30 June 2020 \$'000	Level 3 30 June 2020 \$'000	Total 30 June 2020 \$'000	Level 1 30 June 2019 \$'000	Level 2 30 June 2019 \$'000	Level 3 30 June 2019 \$'000	Total 30 June 2019 \$'000
Financial assets								
Financial assets at fair value through profit or loss:								
Futures contracts	9	-	-	9	-	-	-	-
Listed securities	530,995	-	-	530,995	306,015	-	-	306,015
Unlisted securities	246	-	-	246	-	-	-	-
Total	531,004	-	-	531,004	306,015	-	-	306,015

9 Fair value measurements (continued)

Fair value estimation (continued)

(iii) Recognised fair value measurements (continued)

Ex-20 Portfolio Diversifier ETF								
	Level 1 30 June 2020 \$'000	Level 2 30 June 2020 \$'000	Level 3 30 June 2020 \$'000	Total 30 June 2020 \$'000	Level 1 30 June 2019 \$'000	Level 2 30 June 2019 \$'000	Level 3 30 June 2019 \$'000	Total 30 June 2019 \$'000
Financial assets								
Financial assets at fair value through profit or loss:								
Futures contracts	5	-	-	5	2	-	-	2
Listed securities	117,514	-	-	117,514	123,837	-	-	123,837
Unlisted securities	25	-	-	25	-	-	-	-
Total	117,544	-	-	117,544	123,839	-	-	123,839
FTSE RAFI Australia 200 ETF								
	Level 1 30 June 2020 \$'000	Level 2 30 June 2020 \$'000	Level 3 30 June 2020 \$'000	Total 30 June 2020 \$'000	Level 1 30 June 2019 \$'000	Level 2 30 June 2019 \$'000	Level 3 30 June 2019 \$'000	Total 30 June 2019 \$'000
Financial assets								
Financial assets at fair value through profit or loss:								
Futures contracts	16	-	-	16	16	-	-	16
Listed securities	248,687	-	19	248,706	267,819	-	19	267,839
Unlisted securities	47	-	-	47	-	-	-	-
Total	248,750	-	19	248,769	267,836	-	19	267,855

9 Fair value measurements (continued)

Fair value estimation (continued)

(iii) Recognised fair value measurements (continued)

	Managed Risk Australian Share Fund							
	Level 1 30 June 2020 \$'000	Level 2 30 June 2020 \$'000	Level 3 30 June 2020 \$'000	Total 30 June 2020 \$'000	Level 1 30 June 2019 \$'000	Level 2 30 June 2019 \$'000	Level 3 30 June 2019 \$'000	Total 30 June 2019 \$'000
Financial assets								
Financial assets at fair value through profit or loss:								
Listed securities	42,262	-	-	42,262	44,918	-	-	44,918
Unlisted securities	4	-	-	4	-	-	-	-
Total	42,266	-	-	42,266	44,918	-	-	44,918

Financial liabilities

Financial liabilities at fair value through profit or loss:

Futures contracts	657	-	-	657	1	-	-	1
Total	657	-	-	657	1	-	-	1

S&P/ASX Australian Technology ETF

	Level 1 30 June 2020 \$'000	Level 2 30 June 2020 \$'000	Level 3 30 June 2020 \$'000	Total 30 June 2020 \$'000
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Financial assets

Financial assets at fair value through profit or loss:

Listed securities	43,882	34	-	43,916
Total	43,882	34	-	43,916

(iv) Transfers between levels

The Funds listed below had transfers between levels during the period ended 30 June 2020.

	Level 1 30 June 2020 \$'000	Level 2 30 June 2020 \$'000	Level 3 30 June 2020 \$'000	Level 1 30 June 2019 \$'000	Level 2 30 June 2019 \$'000	Level 3 30 June 2019 \$'000
Australian Small Companies Select Fund						
Transfers between levels 1 and 3:						
Listed securities	-	-	-	(84)	-	84

9 Fair value measurements (continued)

Fair value estimation (continued)

(iv) Transfers between levels (continued)

The Funds listed below had transfers between levels during the period ended 30 June 2020.

	Level 1 30 June 2020 \$'000	Level 2 30 June 2020 \$'000	Level 3 30 June 2020 \$'000	Level 1 30 June 2019 \$'000	Level 2 30 June 2019 \$'000	Level 3 30 June 2019 \$'000
Ex-20 Portfolio Diversifier ETF						
Transfers between levels 1 and 3:						
Listed securities	-	-	-	(24)	-	24
FTSE RAFI Australia 200 ETF						
Transfers between levels 1 and 3:						
Listed securities	(81)	-	81	-	-	-

(v) Movement in level 3 instruments

The following table presents the Funds that had movement in level 3 instruments for the period ended 30 June 2020 and 30 June 2019 by class of financial instrument:

	Listed securities		Listed securities		Listed securities	
	Australian Companies Select Fund	Small Companies Select Fund	Ex-20 Portfolio Diversifier ETF	FTSE RAFI Australia 200 ETF	30 June 2020 \$'000	30 June 2019 \$'000
					30 June 2020 \$'000	30 June 2019 \$'000
Opening balance	-	-	-	-	19	19
Purchases	-	17	-	51	4	31
Sales	-	-	-	(13)	(169)	(102)
Transfers into/(out) from level 3	-	84	-	24	81	128
Gains/(losses) recognised in profit or loss	-	(101)	-	(62)	84	(57)
Closing balance	-	-	-	-	19	19
Total gains/(losses) for the period included in the statements of comprehensive income for financial assets and liabilities held at the end of the period	-	(101)	-	(62)	84	(57)

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

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

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.

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:

Futures Contracts

Futures are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities. Changes in futures contracts' values are usually settled net daily with the exchange.

The following Funds held derivative instruments (amounts in positive indicates long/buy and amounts in negative indicates short/sell):

	Australia 200 ETF						Australian Dividend Harvester Fund					
	Fair values			Fair values			Fair values			Fair values		
	Contract/ notional	Assets	Liabilities	Contract/ notional	Assets	Liabilities	Contract/ notional	Assets	Liabilities	Contract/ notional	Assets	Liabilities
	30 June 2020	30 June 2020	30 June 2020	30 June 2019	30 June 2019	30 June 2019	30 June 2020	30 June 2020	30 June 2020	30 June 2019	30 June 2019	30 June 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Futures contracts	3,093	58	-	4,591	28	-	(64,076)	-	1,836	-	-	-
	3,093	58	-	4,591	28	-	(64,076)	-	1,836	-	-	-

10 Derivative financial instruments (continued)

Australian Financials Sector ETF												Australian Sustainability Leaders ETF					
Fair values												Fair values					
	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		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		
Futures contracts	-	-	-	527	7	-	2,357	9	-	-	-	-	-	-	-	-	-
	-	-	-	527	7	-	2,357	9	-	-	-	-	-	-	-	-	-
Ex-20 Portfolio Diversifier ETF												FTSE RAFI Australia 200 ETF					
Fair values												Fair values					
	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		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		
Futures contracts	589	5	-	492	2	-	737	16	-	2,624	16	-	589	5	-	492	2
	589	5	-	492	2	-	737	16	-	2,624	16	-					
Managed Risk Australian Share Fund																	
Fair values																	
	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										
Futures contracts	(19,691)	-	657	(164)	-	1											
	(19,691)	-	657	(164)	-	1											

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:

	Active Australian Hybrids Fund		Australia 200 ETF		Australian Dividend Harvester Fund		Australian Financials Sector 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
	\$	\$	\$	\$	\$	\$	\$	\$
KPMG								
<i>Audit and other assurance service</i>								
Audit and review of financial reports	7,529	7,529	4,982	4,982	7,529	7,529	4,982	4,982
Audit of compliance plan	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230
Total remuneration of audit and other assurance services	8,759	8,759	6,212	6,212	8,759	8,759	6,212	6,212

	Australian Resources Sector ETF		Australian Small Companies Select Fund		Australian Sustainability Leaders ETF		Ex-20 Portfolio Diversifier 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
	\$	\$	\$	\$	\$	\$	\$	\$
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	4,982	4,982
Audit of compliance plan	1,230	1,230	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	6,212	6,212

	FTSE RAFI Australia 200 ETF		Managed Risk Australian Share Fund		S&P/ASX Australian Technology ETF	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2020
	\$	\$	\$	\$	\$	\$
KPMG						
<i>Audit and other assurance service</i>						
Audit and review of financial reports	4,982	4,982	7,529	7,529	3,752	
Audit of compliance plan	1,230	1,230	1,230	1,230	1,230	
Total remuneration of audit and other assurance services	6,212	6,212	8,759	8,759	4,982	

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. A performance fee may be payable by certain Funds. The fee is calculated based on the relevant Fund's performance relative to its benchmark. The fee is calculated and accrued each business day. Provided the relevant Fund outperforms the benchmark for a performance fee period (quarter ending 31 March, 30 June, 30 September and 31 December), a performance fee may be payable. The following table discloses the Responsible Entity's fees for 30 June 2020 and 30 June 2019:

Funds	Management Fee		Expense Recoveries		Performance Fee	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	%	%	%	%	%	%
Active Australian Hybrids Fund	0.45	0.45	0.10	0.10	15.50	15.50
Australia 200 ETF	0.07	0.07	-	-	-	-
Australian Dividend Harvester Fund	0.65	0.65	0.25	0.25	-	-
Australian Financials Sector ETF	0.34	0.34	-	-	-	-

12 Related party transactions (continued)

Responsible Entity's management fees and other transactions (continued)

Funds	Management Fee		Expense Recoveries		Performance Fee	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	%	%	%	%	%	%
Australian Resources Sector ETF	0.34	0.34	-	-	-	-
Australian Small Companies Select Fund	0.32	0.32	0.07	0.07	15.50	15.50
Australian Sustainability Leaders ETF	0.39	0.39	0.10	0.10	-	-
Ex-20 Portfolio Diversifier ETF	0.20	0.20	0.05	0.05	-	-
FTSE RAFI Australia 200 ETF	0.30	0.30	0.10	0.10	-	-
Managed Risk Australian Share Fund	0.39	0.39	0.10	0.10	-	-
S&P/ASX Australian Technology ETF	0.38	N/A	0.10	N/A	-	N/A

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

	Active Australian Hybrids Fund		Australia 200 ETF		Australian Dividend Harvester Fund		Australian Financials Sector 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
	\$	\$	\$	\$	\$	\$	\$	\$
Management fees expensed to the Responsible Entity	2,673,609	938,590	485,981	231,152	997,704	1,090,943	118,671	105,458
Management fees payable to the Responsible Entity at reporting date	294,426	123,836	50,460	28,832	78,733	86,815	9,752	21,315
Expense recoveries expensed to the Responsible Entity	597,880	208,575	-	-	318,046	266,031	-	-
Expense recoveries payable to the Responsible Entity at reporting	65,428	27,519	-	-	25,437	25,377	-	-
Management fees rebate received from the Responsible Entity	16,851	-	-	-	-	-	-	-
Management fees rebate receivable from the Responsible Entity	2,728	-	-	-	-	-	-	-

12 Related party transactions (continued)

Responsible Entity's management fees and other transactions (continued)

	Australian Resources Sector ETF		Australian Small Companies Select Fund		Australian Sustainability Leaders ETF		Ex-20 Portfolio Diversifier 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
	\$	\$	\$	\$	\$	\$	\$	\$
Management fees expensed to the Responsible Entity	166,730	174,540	105,891	81,659	1,647,372	828,255	268,113	186,782
Management fees payable to the Responsible Entity at reporting date	16,019	9,341	10,485	7,933	190,120	94,420	21,508	20,232
Expense recoveries expensed to the Responsible Entity	-	-	23,164	17,863	422,403	212,373	67,028	46,695
Expense recoveries payable to the Responsible Entity at reporting	-	-	2,293	1,735	48,749	24,210	5,377	5,058
	FTSE RAFI Australia 200 ETF		Managed Risk Australian Share Fund		S&P/ASX Australian Technology ETF			
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020			
	\$	\$	\$	\$	\$	\$	\$	\$
Management fees expensed to the Responsible Entity	776,412	684,426	183,246	127,734	21,031			
Management fees payable to the Responsible Entity at reporting date	67,338	60,930	16,572	13,836	13,145			
Expense recoveries expensed to the Responsible Entity	258,804	228,142	46,986	32,752	5,535			
Expense recoveries payable to the Responsible Entity at reporting	22,446	20,310	4,249	3,548	3,459			

12 Related party transactions (continued)

Related party unitholdings

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

Active Australian Hybrids Fund

	Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund
							Total
BetaShares Capital Ltd	100,000	100,000	1,004,000	0.14	-	-	30,883
Total	100,000	100,000	1,004,000	0.14	-	-	30,883

	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
							Total
BetaShares Capital Ltd	100,000	100,000	1,020,248	0.28	-	-	38,694
Total	100,000	100,000	1,020,248	0.28	-	-	38,694

Australia 200 ETF

	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
							Total
BetaShares Australian Dividend Harvester Fund	1,233,646	1,143,854	112,805,622	14.20	2,300,269	2,390,061	3,984,949
BetaShares Diversified Balanced ETF	-	5,833	575,244	0.07	5,833	-	8,310
BetaShares Diversified Growth ETF	-	7,890	778,103	0.10	7,890	-	15,628
BetaShares Diversified High Growth ETF	-	19,312	1,904,528	0.24	19,312	-	26,689
Total	1,233,646	1,176,889	116,063,497	14.61	2,333,304	2,390,061	4,035,576

12 Related party transactions (continued)

Related party unitholdings (continued)

Australia 200 ETF

2019

Unitholder

BetaShares Australian Dividend Harvester Fund

Total

	Number of units held opening	Number of units held closing	Fair value of investment (\$)	Interest held (%)	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund (\$)
	(Units)	(Units)	(\\$)	(%)	(Units)	(Units)	(\\$)
Unitholder	-	1,233,646	137,835,268	26.71	1,621,939	388,293	1,189,107
Total	-	1,233,646	137,835,268	26.71	1,621,939	388,293	1,189,107

Australian Financials Sector ETF

2020

Unitholder

AMP Capital Dynamic Markets Fund (Hedge Fund)

Total

	Number of units held opening	Number of units held closing	Fair value of investment (\$)	Interest held (%)	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund (\$)
	(Units)	(Units)	(\\$)	(%)	(Units)	(Units)	(\\$)
Unitholder	105,179	-	-	-	6,734	111,913	-
Total	105,179	-	-	-	6,734	111,913	-

2019

Unitholder

AMP Capital Dynamic Markets Fund (Hedge Fund)

Total

	Number of units held opening	Number of units held closing	Fair value of investment (\$)	Interest held (%)	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund (\$)
	(Units)	(Units)	(\\$)	(%)	(Units)	(Units)	(\\$)
Unitholder	-	105,179	1,224,284	1.68	105,179	-	6,327
Total	-	105,179	1,224,284	1.68	105,179	-	6,327

Australian Resources Sector ETF

2020

Unitholder

AMP Capital Dynamic Markets Fund (Hedge Fund)

Total

	Number of units held opening	Number of units held closing	Fair value of investment (\$)	Interest held (%)	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund (\$)
	(Units)	(Units)	(\\$)	(%)	(Units)	(Units)	(\\$)
Unitholder	-	56,663	338,845	0.54	344,425	287,762	10,612
Total	-	56,663	338,845	0.54	344,425	287,762	10,612

12 Related party transactions (continued)

Related party unitholdings (continued)

Australian High Interest Cash ETF

	Number of held opening (Units)	Number of 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 (\$)
2020							
Unitholder							
BetaShares Active Australian Hybrids Fund	270,406	409,000	20,490,900	1.04	842,135	703,541	163,830
Total	270,406	409,000	20,490,900	1.04	842,135	703,541	163,830
 2019							
Unitholder							
BetaShares Active Australian Hybrids Fund	49,901	270,406	13,537,219	0.90	220,505	-	126,095
Total	49,901	270,406	13,537,219	0.90	220,505	-	126,095

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.

Since the end of reporting period Australian Small Companies Select Fund's net asset value has changed by more than 10% due to changes in the fair value of investments held. The movement is a result from implementation of the investment strategy as set out in the relevant Fund's product disclosure statement. More specifically the net asset value changed by an increase of 10.38%.

No other significant events have occurred since the end of the reporting period which would impact on the financial position of the Funds disclosed in the statements of financial position as at 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 presents the Directors' Declaration in respect of the following funds:

BetaShares Active Australian Hybrids Fund (managed fund)
BetaShares Australia 200 ETF
BetaShares Australian Dividend Harvester Fund (managed fund)
BetaShares Australian Financials Sector ETF
BetaShares Australian Resources Sector ETF
BetaShares Australian Small Companies Select Fund (managed fund)
BetaShares Australian Sustainability Leaders ETF
BetaShares Ex-20 Portfolio Diversifier ETF
BetaShares FTSE RAFI Australia 200 ETF
BetaShares Managed Risk Australian Share Fund (managed fund)
BetaShares S&P/ASX Australian Technology 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 6 to 64 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 Active Australian Hybrids Fund (managed fund)

BetaShares Australia 200 ETF

BetaShares Australian Dividend Harvester Fund (managed fund)

BetaShares Australian Financials Sector ETF

BetaShares Australian Resources Sector ETF

BetaShares Australian Small Companies Select Fund (managed fund)

BetaShares Australian Sustainability Leaders ETF

BetaShares Ex-20 Portfolio Diversifier ETF

BetaShares FTSE RAFI Australia 200 ETF

BetaShares Managed Risk Australian Share Fund (managed fund)

BetaShares S&P/ASX Australian Technology 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 each of the Schemes is:

- Valuation and existence of financial instruments.

Valuation and existence of financial instruments

(BetaShares Active Australian Hybrids Fund (managed fund) \$701,814,000, BetaShares Australia 200 ETF \$795,799,000, BetaShares Australian Dividend Harvester Fund (managed fund) \$119,637,000, BetaShares Australian Financials Sector ETF \$35,486,000, BetaShares Australian Resources Sector ETF \$63,853,000, BetaShares Australian Small Companies Select Fund (managed fund) \$33,356,000, BetaShares Australian Sustainability Leaders ETF \$531,250,000, BetaShares EX-20 Portfolio Diversifier ETF \$117,544,000, BetaShares FTSE RAFI Australia 200 ETF \$248,769,000, BetaShares Managed Risk Australian Share Fund (managed fund) \$42,266,000, BetaShares S&P/ASX Australian Technology ETF \$43,916,000).

Refer to Note 5 to the Financial Report.

The Key Audit Matter	How the matter was addressed in our audits
Financial instruments at fair value through profit or loss comprise investments in listed securities, unlisted securities, debt securities	<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

and derivatives ("investments").

The Scheme outsources certain processes and controls relevant to:

- 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;

Valuation and existence of investments is a key audit matter due to the:

- 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.

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.

relevant to the fair value of investments, against the requirements of the accounting standards.

- 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:
 - 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.

	<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. <p>We evaluated the Scheme's disclosures of investments, using our understanding obtained from our testing, against the requirements of the accounting standards.</p>
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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.

A handwritten signature of the letters 'KPMG' in black ink.

KPMG

A handwritten signature of the name 'Nicholas Buchanan' in black ink.

Nicholas Buchanan

Partner

Sydney

22 September 2020

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