

15 July 2022

Market Announcements Office
ASX Limited

Change of Index and Name for GGOV

BetaShares Capital Ltd (**BetaShares**), the issuer of the BetaShares Global Government Bond 20+ Year ETF – Currency Hedged (ASX: GGOV), an exchange traded fund quoted on the AQUA market of the ASX (**Fund**), announces the benchmark index of the Fund will be changing following close of trading on the Australian Securities Exchange on 22 August 2022.

The Fund currently aims to track the S&P G7 Sovereign Duration-Capped 20+ Year AUD Hedged Bond Index (before fees and expenses). This index comprises a portfolio of long duration sovereign bonds, with remaining maturities greater than 20 years, which have been issued by G7 member governments into their domestic market in the local currency, with their performance hedged to Australian dollars.

The Fund's index will change to the S&P U.S. Treasury 20+ Year AUD Hedged Bond Index. The new index is solely comprised of a portfolio of U.S. Treasury bonds with remaining maturities of 20 or more years, with performance hedged to Australian dollars. As at 30 June 2022, U.S. Treasury bonds comprised the largest component within the Fund's portfolio, at approximately 29%.

As a result of this change, the Fund's name will change to the BetaShares U.S. Treasury Bond 20+ Year ETF – Currency Hedged. There will be no change to the ASX code or management costs.

Further information about the new index is set out in the attached Supplementary Product Disclosure Statement.

Summary of changes

A summary of the changes being made to the Fund is as below.

	Current	New (effective following close of ASX trading on 22 August 2022)
Investment objective	To provide an investment return that aims to track the performance of the S&P G7 Sovereign Duration-Capped 20+ Year AUD Hedged Bond Index, before fees and expenses.	To provide an investment return that aims to track the performance of the S&P U.S. Treasury 20+ Year AUD Hedged Bond Index, before fees and expenses.
Investment universe	Long duration sovereign bonds, with remaining maturities greater than 20 years, which have been issued by G7 member governments into their domestic market in the local currency, with their performance hedged to Australian dollars.	Long duration U.S. Treasury bonds (denominated in U.S. dollars) with remaining maturities of 20 or more years, with their performance hedged to Australian dollars.
Number of holdings	Approximately 130	Approximately 32

Fund name	BetaShares Global Government Bond 20+ Year ETF – Currency Hedged	BetaShares U.S. Treasury Bond 20+ Year ETF – Currency Hedged
ASX code	GGOV	GGOV (no change)

Supplementary PDS

A Supplementary Product Disclosure Statement updating the Fund's PDS dated 3 April 2020 has been issued reflecting these changes and is attached. It is also available at the Fund's product page at www.betashares.com.au.

Effective date of changes

The changes will take effect following close of trading on the Australian Securities Exchange on 22 August 2022.

Rationale for changes

The new index is expected to provide the following benefits to investors (when compared to the existing index):

- **Higher yield potential** - non-U.S. G7 member sovereign bonds (which are included in the Fund's current portfolio) have tended to have a lower yield than U.S. sovereign bonds;
- **Higher credit quality** - U.S. Treasury bonds are of a higher credit quality compared to the average credit quality of G7 member sovereign bonds; and
- **Lower transaction costs** - the new index has significantly fewer constituents that are generally more liquid than non-U.S. G7 member sovereign bonds.

Next steps

Investors who wish to remain invested in the Fund are not required to take any action. Investors who wish to transact in their units can do so in the normal way, via their broker or adviser.

As the information in this letter does not take into account the personal circumstances of any particular investor, investors should consider consulting their financial adviser regarding this information.

Contact

For any inquiries regarding this announcement, please contact BetaShares Client Services on 1300 487 577, via email info@betashares.com.au or visit <https://www.betashares.com.au/contact/>.

IMPORTANT INFORMATION: This information has been prepared by BetaShares Capital Ltd (ABN 78 139 566 868 AFSL 341181) (**BetaShares**), the issuer of the Fund. It is general information only and does not take into account any person's objectives, financial situation or needs. The information does not constitute an offer or recommendation to make any investment decision. You should read the relevant Product Disclosure Statement (**PDS**) and ASX announcements and seek professional legal, financial, taxation, and/or other professional advice before making an investment decision regarding any BetaShares fund. For a copy of the PDS, Target Market Determination (**TMD**) and more information about BetaShares funds go to www.betashares.com.au or call 1300 487 577.

Units in the Fund trade on the ASX at market prices, not at net asset value. An investment in the Fund is subject to investment risk including possible delays in repayment and loss of income and principal invested. Neither BetaShares Capital Ltd nor BetaShares Holdings Pty Ltd guarantees the performance of the Fund or the repayment of capital or any particular rate of return. Past performance is not an indication of future performance. BetaShares® is a registered trademark of BetaShares Holdings Pty Ltd.

The S&P U.S. Treasury 20+ Year AUD Hedged Bond Index (**Index**) is a product of S&P Dow Jones Indices LLC or its affiliates (**SPDJI**) and has been licensed for use by BetaShares. Standard & Poor's® and S&P® are registered trademarks of Standard & Poor's Financial Services LLC (**S&P**); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC (**Dow Jones**); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by BetaShares. The Fund is not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates, and none of such parties make any representation regarding the advisability of investing in the Fund nor do they have any liability for any errors, omissions, or interruptions of the Index.

BETASHARES GLOBAL GOVERNMENT BOND 20+ YEAR ETF – CURRENCY HEDGED

ARSN: 636 987 730 | ASX CODE: GGOV

SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT

DATED: 15 JULY 2022
ISSUER: BETASHARES CAPITAL LTD
ABN: 78 139 566 868
AFS LICENCE: 341181

This Supplementary Product Disclosure Statement (“**SPDS**”) is supplemental to the Product Disclosure Statement dated 3 April 2020 in respect of BetaShares Global Government Bond 20+ Year ETF – Currency Hedged (the “**PDS**”).

The PDS and this SPDS should be read together.

A copy of this SPDS has been lodged with the Australian Securities and Investments Commission (“**ASIC**”) on 15 July 2022. Neither ASIC nor ASX Limited takes any responsibility for the contents of this SPDS.

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

Change to investment objective and strategy of BetaShares Global Government Bond 20+ Year ETF – Currency Hedged effective following close of ASX trading on 22 August 2022

The BetaShares Global Government Bond 20+ Year ETF’s – Currency Hedged current investment objective is to track the performance of the S&P G7 Sovereign Duration-Capped 20+ Year AUD Hedged Bond Index, before fees and expenses, which comprises a portfolio of sovereign bonds with remaining maturities greater than 20 years that have been issued by G7 member countries into their domestic market in the local currency, with their performance hedged to Australian dollars.

The Responsible Entity gives notice that the investment objective of the Fund will change effective following the close of ASX trading on 22 August 2022 (the **Effective Date**). Following the close of trading on the Effective Date, the Fund will aim to track the performance of a different index, namely, the S&P U.S. Treasury 20+ Year AUD Hedged Bond Index, before fees and expenses. While the S&P G7 Sovereign Duration-Capped 20+ Year AUD Hedged Bond Index includes sovereign bonds issued by all G7 member governments, the S&P U.S. Treasury 20+ Year AUD Hedged Bond Index is solely comprised of U.S. Treasury bonds (denominated in U.S. dollars) with remaining maturities of 20 or more years, with their performance hedged to Australian dollars.

The Fund’s name will change to BetaShares U.S. Treasury Bond 20+ Year ETF – Currency Hedged. The Fund’s trading code will remain “GGOV”.

The changes are summarised below.

	Current	New (effective following close of ASX trading on 22 August 2022)
Investment objective	To provide an investment return that aims to track the performance of the S&P G7 Sovereign Duration-Capped 20+ Year AUD Hedged Bond Index, before fees and expenses.	To provide an investment return that aims to track the performance of the S&P U.S. Treasury 20+ Year AUD Hedged Bond Index, before fees and expenses.
Investment universe	Long duration sovereign bonds, with remaining maturities greater than 20 years, that have been issued by G7 member governments into their domestic market in the local currency, with their performance hedged to Australian dollars.	Long duration U.S. Treasury bonds (denominated in U.S. dollars) with remaining maturities of 20 or more years, with their performance hedged to Australian dollars.
Number of holdings	Approximately 130	Approximately 32
Fund name	BetaShares Global Government Bond 20+ Year ETF – Currency Hedged	BetaShares Treasury Bond 20+ Year ETF – Currency Hedged
ASX code	GGOV	GGOV (no change)

With effect on 22 August 2022 following close of ASX trading, the amendments to the PDS pursuant to this SPDS are as follows:

1. All references to "BetaShares Global Government Bond 20+ Year ETF – Currency Hedged" are replaced with references to "BetaShares U.S. Treasury Bond 20+ Year ETF – Currency Hedged".
2. All references to "S&P G7 Sovereign Duration Capped 20+ Year AUD Hedged Bond Index" are replaced with "S&P U.S. Treasury 20+ Year AUD Hedged Bond Index".

3. In section 1.1 titled "About the Fund", the wording below the title is deleted and replaced with the following:

This PDS relates to the BetaShares U.S. Treasury Bond 20+ Year ETF – Currency Hedged (the "Fund"). The Fund is an exchange traded fund (or "ETF"), which is a managed investment scheme whose units will trade on the ASX, much like listed shares.

The investment objective of the Fund is to provide an investment return that aims to track the performance of the S&P U.S. Treasury 20+ Year AUD Hedged Bond Index (the "Index"), before taking into account fees and expenses.

The Index comprises a portfolio of U.S. Treasury bonds (denominated in U.S. dollars) with remaining maturities of 20 or more years, with their performance hedged to Australian dollars.

ETFs combine certain features of index managed funds and listed shares in one investment. Like index managed funds, ETFs come with the benefits of diversification, transparency and attractive fee levels. Unlike index managed funds, however, ETFs trade on a stock exchange so they also benefit from simple trading, including the ability to buy and sell during the course of the trading day, much like listed shares.

The Fund carries investment risks. For information on the risks applicable to the Fund, see section 4.

4. In section 1.2, the following amendments are made to the "Country risk" item in the "Risks" row in Table 1.2 titled "Summary of Key Information":

- Country risk – The Fund will be exposed to political and financial risk associated with the United States of America.

5. In section 1.3, the third and fourth paragraphs (setting out information relating to Mirae Asset Global Investments Group) are deleted.

6. In section 2.1.1 titled "Investment objective", the wording below the title is deleted and replaced with the following:

The investment objective of the Fund is to provide an investment return that aims to track the performance of the S&P U.S. Treasury 20+ Year AUD Hedged Bond Index (the "Index"), before taking into account fees and expenses.

The Index comprises a portfolio of long duration U.S. Treasury bonds (denominated in U.S. dollars) with remaining maturities of 20 or more years, with performance hedged to Australian dollars.

There is no assurance or guarantee that the returns of the Fund will meet its investment objective.

7. In section 2.1.2 of the PDS titled "Investment strategy, the second sentence of the sixth paragraph is deleted and replaced with the following:

For index-tracking purposes, the Responsible Entity intends to hedge the Fund's currency exposure, using forward foreign exchange contracts (or similar instruments), with the objective of substantially offsetting the Fund's exposure to movements in the relevant foreign currency (being U.S. dollars).

8. In section 2.1.3 titled "About the Index" the wording below the title is deleted and replaced with the following:

The Index provider is a subsidiary of S&P Dow Jones Indices LLC ("Index Provider").

The Index measures the Australian dollar hedged performance of U.S. Treasury bonds (denominated in U.S. dollars) with remaining maturities of 20 or more years.

Each security is weighted in the Index according to its market value.

The Index constituents will comprise bonds that are eligible instruments under the AQUA Rules.

As at the date of the PDS, the Index holds approximately 32 constituents in total.

The Index is rebalanced monthly, on the last business day of the month, based on selection of index components determined 4 business days before the rebalance date.

The nature and method of calculation of the Index may change from time to time.

The Index provider is not a related company of the Responsible Entity.

Past performance information about the Index is available from various sources, including stockbrokers, financial information websites and major data providers such as Bloomberg or Reuters. Any past performance information about the Index does not take into account fees, costs or taxes that may be incurred as a result of investing in the Fund. Past performance of the Index is not a reliable guide to future performance of the Index or the Fund.

Further information about the Index can be found on the S&P website at <https://us.spindices.com/> and sub-pages.

A listing of the Fund's portfolio holdings will be available daily at www.betashares.com.au.

9. In section 4.3 titled "Interest rate risk", the wording below the title is deleted and replaced with the following:

The value of the fixed income securities held by the Fund will fluctuate as a result of changes in interest rates, particularly changes in longer term yields given the maturity exposure of the Fund's holdings is 20 or more years.

Typically, fixed income security values fall when interest rates rise, whilst conversely fixed income security values rise when interest rates fall. The degree of change in value depends on the term of the security. Generally, longer term securities are more impacted by interest rate risk than shorter term securities.

Due to its particularly long duration profile, the Fund may experience increased volatility relative to other fixed income exposures, particularly during periods where interest rates are very low or below zero, or are fluctuating.

When interest rates are very low or negative, Unitholders may receive a reduced distribution or no distribution for the relevant period(s). In addition, in certain market conditions when interest rates are low and the market prices for fixed income securities have increased, the Fund may have a very low or negative yield, which may in turn cause the value of an investment in the Units to decrease.

10. In section 4 titled "Risks", the wording below section 4.7 "Country risk" is deleted and replaced with the following:

Country risk is the risk that the assets of the Fund may fluctuate in value due to political and/or financial events, changes in laws or regulation or differences in accounting practices occurring in the U.S.

11. Section 6.1.1 titled "Custodian and Administrator" is amended by replacing the last paragraph in its entirety with the following:

As at the date of this PDS, the custodian and administrator is:

Citigroup Pty Ltd
Level 23
2 Park Street
Sydney NSW 2000

12. In section 8 of the PDS titled "Glossary", the "Dealing Day" definition is deleted and replaced with the following:

A day that is both (a) an ASX Business Day and (b) a business day in New York (being a day, other than a Saturday or a Sunday or a public holiday, on which commercial banks generally are open for the transaction of business in New York).

13. In the Directory on the back cover of the PDS, the information under "Custodian & Fund Administrator" is replaced in its entirety with the following information:

Citigroup Pty Ltd
Level 23
2 Park Street
Sydney NSW 2000

14. Each reference to "RBC Investor Services Trust" in the PDS is replaced with "Citigroup Pty Ltd".

15. Each reference to "RBC Investor Services" in the PDS is replaced with "Citigroup".