

26 April 2022

Market Announcements Office
ASX Limited

MODIFICATIONS TO INVESTMENT OBJECTIVE AND STRATEGY OF BETASHARES AUSTRALIAN DIVIDEND HARVESTER FUND (MANAGED FUND)

BetaShares Capital Ltd (**BetaShares**), the issuer of BetaShares Australian Dividend Harvester Fund (managed fund) (ASX: HVST), an exchange traded fund quoted on the AQUA market of the ASX (**Fund**), announces that the Fund's investment objective and strategy will be modified with effect on 31 May 2022 following close of trading.

What's changing?

The Fund is maintaining its core income objective for investors - to provide regular income comprising dividends and franking credits from a portfolio of Australian shares that exceeds the net income yield of the broad Australian share market on an annual basis ("**dividend harvest strategy**").

Going forward, the Fund will also aim to provide market exposure corresponding with a diversified portfolio of Australian shares. As a result, the Fund will no longer employ a futures-based risk management overlay aimed at reducing the volatility of the Fund's equity investment returns.

How the Fund pursues the dividend harvest strategy is changing with the aim of significantly reducing deviation ("**tracking error**") to the broader Australian share market (as measured by the S&P/ASX 200 Index) while still generating similar net dividend yields to the current strategy.

The modifications include:

- expanding the eligible stocks universe for the Fund's portfolio from the largest 50 companies (weighted by market cap) to the largest 100 companies (weighted by market cap) on the ASX;
- increasing the number of securities in the Fund's securities portfolio from up to 18 to approximately 40-60;
- maintaining a sector neutral securities portfolio relative to the broader Australian share market at each portfolio rebalance;
- additional portfolio diversification by holding a permanent allocation to an exchange traded fund that seeks to track a broad-based Australian equity index;
- as, in addition to its existing core yield objective, the Fund will going forward also aim to provide market exposure corresponding with a diversified portfolio of Australian shares, the Fund will no longer employ a futures-based risk management overlay aimed at reducing the volatility of the Fund's equity investment returns; and
- reduction in the Fund's overall estimated management costs from 0.90% p.a. to 0.72% p.a.¹

Further information about the modifications is set out in the table below, and in the attached Supplementary Product Disclosure Statement for the Fund.

Effective date of modifications

The modifications will take effect on 31 May 2022 following close of trading.

¹ Management costs refers to the ongoing costs of operating the Fund, including the management fee and recoverable expenses, but excluding transaction costs associated with buying and selling the Fund's assets.

Why are these modifications being made?

The revised investment objective and strategy aims to reduce the Fund's tracking error relative to the broader Australian share market by moving to an expanded, more diversified, sector neutral portfolio, while maintaining the Fund's core income objective of seeking to provide regular income from a portfolio of Australian shares that exceeds the net income yield of the broad Australian share market on an annual basis. It is anticipated that the revised strategy will generate similar net dividend yields to the current strategy. The Fund's income yield is therefore expected to remain competitive amongst similar investment funds that target a high yield from Australian shares.

The Fund's aim going forward (in addition to its existing core yield objective) of providing market exposure corresponding with a diversified portfolio of Australian shares facilitates the removal of the futures-based risk management overlay that is currently managed by a third party, the costs of which have to date been borne by investors.

With these modifications in place, BetaShares is able to effect a reduction in the Fund's overall management costs.

Investors should note that the removal of the risk management overlay means that, in the event of periods of sustained market declines, the Fund's performance will fully reflect movements in the portfolio comprising securities and the exchange traded fund, and the Fund could therefore experience a greater decline compared to an equivalent strategy with the risk management overlay in place.

Details of modifications

The modifications being made to the Fund are as follows:

	Current	Revised (effective on 31 May 2022 following close of trading)
Investment objective	<ul style="list-style-type: none"> To provide regular income, comprising dividends and franking credits from Australian shares, that is at least one and a half times the income yield of the broad Australian share market (as measured by the S&P/ASX 200 Index) on an annual basis; and To reduce the volatility of the Fund's equity investment returns and cushion downside risk. 	<ul style="list-style-type: none"> To provide regular income, comprising dividends and franking credits from Australian shares, that exceeds the net income yield of the broad Australian share market (as measured by the S&P/ASX 200 Index) on an annual basis; and To provide market exposure corresponding with a diversified portfolio of Australian shares.
Investment strategy	<p>The Fund will aim to achieve the investment objective by investing its assets into a portfolio of dividend paying Australian equity securities (the "Securities Portfolio") and selling ASX SPI 200 futures contracts to manage volatility and cushion downside risk.</p> <p>The Securities Portfolio will generally consist of large capitalisation Australian securities selected from amongst the 50 largest securities, by market capitalisation, listed on the ASX (the "Investment Universe").</p>	<p>The Fund will aim to achieve the investment objective by investing its assets into a portfolio of dividend paying Australian equity securities (the "Securities Portfolio").</p> <p>The Securities Portfolio will generally consist of large capitalisation Australian securities selected from amongst the 100 largest securities, by market capitalisation, listed on the ASX (the "Investment Universe").</p>
Investment universe	The 50 largest securities, by market capitalisation, listed on the ASX.	The 100 largest securities, by market capitalisation, listed on the ASX.
Number of securities in	Up to eighteen securities selected from the	Approximately 40-60 securities selected

Securities Portfolio	50 largest securities, by market capitalisation, listed on the ASX that are expected to give the holder an entitlement to a dividend which exceeds a minimum yield threshold set by the Responsible Entity from time to time.	from the 100 largest securities, by market capitalisation, listed on the ASX that are expected to give the holder an entitlement to a dividend.
Portfolio rebalancing frequency	Approximately every two months. At each portfolio rebalance, the Responsible Entity will identify all securities from the Investment Universe that are expected, within the next rebalance period, to give a holder an entitlement to a dividend which exceeds a minimum yield threshold set by the Responsible Entity from time to time. Expected dividends are based on declared dividends or analyst consensus estimates.	Approximately every three months. At each portfolio rebalance, the Responsible Entity will identify all securities in the Investment Universe that are expected, within the next rebalance period, to give a holder an entitlement to a dividend. This is assessed based on past declared dividends or analyst estimates.
Weighting method for securities in Securities Portfolio	Securities are weighted based on expected dividend yield. Securities are ranked from highest to lowest expected dividend yield, with higher-yielding securities generally receiving a higher weighting than lower-yielding securities.	Securities are weighted based on a modified market capitalisation approach. Each security is assigned its free float market capitalisation weight subject to a cap on direct investment in any individual security, generally being the lower of 10% of the value of the Fund's overall portfolio or four times the weight of the security in the Investment Universe at the time of portfolio rebalance.
Sector exposure	As a result of the Fund's strategy, sector exposure can differ materially from that of the Investment Universe.	The composition of the Securities Portfolio will largely be sector neutral relative to the Investment Universe at the time of rebalance. Should sector neutrality not be achieved based on the securities expected to pay an upcoming dividend and their individual weighting caps, the largest non-dividend paying securities by market capitalisation in the Investment Universe will be added to the Securities Portfolio to achieve sector neutrality.
Use of ETFs to provide added diversification	Exchange traded funds quoted on the ASX that seek to track published Australian equity indices (such as the S&P/ASX 200 Index) may also be held. No permanent allocation to such ETFs.	There will also be a permanent allocation in the Fund's portfolio to an exchange traded fund quoted on the ASX that seeks to track a published, broad-based Australian equity index. This ETF allocation will generally be in the range of 15-30% of the Fund's net asset value as at each portfolio rebalance. Initially, the allocation will be 25% of the Fund's net asset value as at portfolio rebalance, which will be to the BetaShares Australia 200 ETF.
Risk management strategy	In addition to investing in the Securities Portfolio, the Fund sells ASX SPI 200 futures contracts with the aim of managing the Fund's overall volatility and cushioning downside risk by hedging against market	Not retained under the Fund's revised strategy. As, in addition to its existing core yield objective, the Fund will going forward also aim to provide market exposure corresponding with a diversified portfolio of Australian shares, the Fund will no longer

	declines.	<p>employ a futures-based risk management overlay aimed at reducing the volatility of the Fund's equity investment returns.</p> <p>Investors should note that the removal of the risk management overlay means that, in the event of periods of sustained market declines, the Fund's performance will fully reflect movements in the portfolio comprising securities and the exchange traded fund, and the Fund could therefore experience a greater decline compared to an equivalent strategy with the risk management overlay in place.</p>
Management fee	0.65% p.a. of the Fund's net asset value.	0.65% p.a. of the Fund's net asset value (no change).
Recoverable expenses	Estimated at 0.25% p.a. of the Fund's net asset value.	Estimated at 0.07% p.a. of the Fund's net asset value.
Application fee (payable only by Authorised Participants)	\$300 for in-kind applications.	\$500 for in-kind applications.
Redemption fee (payable only by Authorised Participants)	\$500 for in-kind redemptions.	\$500 for in-kind redemptions (no change).

Supplementary PDS

A Supplementary Product Disclosure Statement updating the Fund's PDS dated 26 August 2019 has been issued reflecting these modifications and is attached. It is also available at the Fund's product page at www.betashares.com.au.

Next steps

Investors who wish to remain invested in the Fund are not required to take any action as a result of these modifications. 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.

BETASHARES AUSTRALIAN DIVIDEND HARVESTER FUND (MANAGED FUND)

ARSN: 169 907 064 | ASX CODE: HVST

SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT

DATED: 26 APRIL 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 26 August 2019 in respect of BetaShares Australian Dividend Harvester Fund (managed fund) (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 26 April 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.

Modifications to investment objective and strategy of BetaShares Australian Dividend Harvester Fund (managed fund) effective on 31 May 2022 following close of ASX trading

The Responsible Entity gives notice that the investment objective and strategy of the Fund will be modified effective on 31 May 2022 following the close of trading. The Fund will continue to adopt a “dividend harvest” strategy, seeking to provide regular income from a portfolio of Australian shares that exceeds the net income yield of the broad Australian share market on an annual basis, but going forward will also aim to provide market exposure that corresponds with a diversified portfolio of Australian shares. This is intended to significantly reduce deviation (“tracking error”) to the broader Australian share market, which the Fund will seek to achieve by expanding the investment universe, increasing the number of securities in the portfolio, pursuing a sector neutral portfolio relative to the broader market, and by holding a permanent allocation to an exchange traded fund that aims to track a broad-based Australian equity index.

As a result, the Fund will no longer employ a futures-based risk management overlay aimed at reducing the volatility of the Fund’s equity investment returns. Due to this removal, the Responsible Entity is able to effect a reduction in the Fund’s overall management costs.

The changes are summarised below.

	Current	Revised (effective on 31 May 2022 following close of ASX trading)
Investment objective	<ul style="list-style-type: none">To provide regular income, comprising dividends and franking credits from Australian shares, that is at least one and a half times the income yield of the broad Australian sharemarket (as measured by the S&P/ASX 200 Index) on an annual basis; andTo reduce the volatility of the Fund’s equity investment returns and cushion downside risk.	<ul style="list-style-type: none">To provide regular income, comprising dividends and franking credits from Australian shares, that exceeds the net income yield of the broad Australian share market (as measured by the S&P/ASX 200 Index) on an annual basis; andTo provide market exposure corresponding with a diversified portfolio of Australian shares.
Investment strategy	The Fund will aim to achieve the investment objective by investing its assets into a portfolio of dividend paying Australian equity securities (the “Securities Portfolio”) and selling ASX SPI	The Fund will aim to achieve the investment objective by investing its assets into a portfolio of dividend paying Australian equity securities (the “Securities Portfolio”).

	<p>200 futures contracts to manage volatility and cushion downside risk.</p> <p>The Securities Portfolio will generally consist of large capitalisation Australian securities selected from amongst the 50 largest securities, by market capitalisation, listed on the ASX (the "Investment Universe").</p>	<p>The Securities Portfolio will generally consist of large capitalisation Australian securities selected from amongst the 100 largest securities, by market capitalisation, listed on the ASX (the "Investment Universe").</p>
Investment universe	The 50 largest securities, by market capitalisation, listed on the ASX.	The 100 largest securities, by market capitalisation, listed on the ASX.
Number of securities in Securities Portfolio	Up to 18 securities selected from the 50 largest securities, by market capitalisation, listed on the ASX that are expected to give the holder an entitlement to a dividend which exceeds a minimum yield threshold set by the Responsible Entity from time to time.	Approximately 40-60 securities selected from the 100 largest securities, by market capitalisation, listed on the ASX that are expected to give the holder an entitlement to a dividend.
Portfolio rebalancing frequency	<p>Approximately every two months.</p> <p>At each portfolio rebalance, the Responsible Entity will identify all securities from the Investment Universe that are expected, within the next rebalance period, to give a holder an entitlement to a dividend which exceeds a minimum yield threshold set by the Responsible Entity from time to time. Expected dividends are based on declared dividends or analyst consensus estimates.</p>	<p>Approximately every three months.</p> <p>At each portfolio rebalance, the Responsible Entity will identify all securities in the Investment Universe that are expected, within the next rebalance period, to give a holder an entitlement to a dividend. This is assessed based on past declared dividends or analyst estimates.</p>
Weighting method for securities in Securities Portfolio	Securities are weighted based on expected dividend yield. Securities are ranked from highest to lowest expected dividend yield, with higher-yielding securities generally receiving a higher weighting than lower-yielding securities.	Securities are weighted based on a modified market capitalisation approach. Each security is assigned its free float market capitalisation weight subject to a cap on direct investment in any individual security, generally being the lower of 10% of the value of the Fund's overall portfolio or four times the weight of the security in the Investment Universe at the time of portfolio rebalance.
Sector exposure	As a result of the Fund's strategy, sector exposure can differ materially from that of the Investment Universe.	The composition of the Securities Portfolio will largely be sector neutral relative to the Investment Universe at the time of rebalance. Should sector neutrality not be achieved based on the securities expected to pay an upcoming dividend and their individual weighting caps, the largest non-dividend paying securities by market capitalisation in the Investment Universe will be added to the Securities Portfolio to achieve sector neutrality.
Use of ETFs to provide added diversification	<p>Exchange traded funds quoted on the ASX that seek to track published Australian equity indices (such as the S&P/ASX 200 Index) may also be held.</p> <p>No permanent allocation to such ETFs.</p>	<p>There will also be a permanent allocation in the Fund's portfolio to an exchange traded fund quoted on the ASX that seeks to track a published, broad-based Australian equity index. This ETF allocation will generally be in the range of 15-30% of the Fund's net asset value as at each portfolio rebalance.</p> <p>Initially, the allocation will be 25% of the Fund's net asset value as at portfolio rebalance, which will be to the BetaShares Australia 200 ETF.</p>

Risk management strategy	In addition to investing in the Securities Portfolio, the Fund sells equity index futures contracts (i.e. ASX SPI 200 futures) with the aim of managing the Fund's overall volatility and cushioning downside risk by hedging against market declines.	Not retained under the Fund's revised strategy. As, in addition to its existing core yield objective, the Fund will going forward also aim to provide market exposure corresponding with a diversified portfolio of Australian shares, the Fund will no longer employ a futures-based risk management overlay aimed at reducing the volatility of the Fund's equity investment returns. Unitholders should note that the removal of the risk management overlay means that, in the event of periods of sustained market declines, the Fund's performance will fully reflect movements in the portfolio comprising securities and the exchange traded fund, and the Fund could therefore experience a greater decline compared to an equivalent strategy with the risk management overlay in place.
Management fee	0.65% p.a. of the Fund's net asset value.	0.65% p.a. of the Fund's net asset value (no change).
Recoverable expenses	Estimated at 0.25% p.a. of Fund's net asset value.	Estimated at 0.07% p.a. of the Fund's net asset value.
Application fee (payable only by Authorised Participants)	\$300 for in-kind applications.	\$500 for in-kind applications.
Redemption fee (payable only by Authorised Participants)	\$500 for in-kind redemptions.	\$500 for in-kind redemptions (no change).

With effect on 31 May 2022 following close of ASX trading, the specific amendments to the PDS pursuant to this SPDS are as follows:

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

The BetaShares Australian Dividend Harvester Fund (the Fund) is a managed investment fund whose units trade on the ASX, much like listed shares.

The Fund aims:

- to provide regular income, comprising dividends and franking credits from Australian shares, that exceeds the net income yield of the broad Australian share market (as measured by the S&P/ASX 200 Index) on an annual basis; and
- to provide market exposure corresponding with a diversified portfolio of Australian shares.

The Responsible Entity will aim to achieve the investment objective by following a "dividend harvest" strategy, which seeks to provide exposure to dividend paying Australian equity securities, while maintaining a largely sector neutral securities portfolio relative to the broader Australian share market at each portfolio rebalance.

In addition, because the Units of the Fund will be quoted on the ASX, investors can benefit from simple trading of their investment, including the ability to buy and sell during the course of the trading day, much like listed shares.

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

2. In section 1.2, the following amendments are made to Table 1.2 titled "Summary of Key Information"

In the "Investment objective" row, the "Summary" column text is deleted and replaced with the following:

The investment objective of the Fund is:

- to provide regular income, comprising dividends and franking credits from Australian shares, that exceeds the net income yield of the broad Australian share market (as measured by the S&P/ASX 200 Index) on an annual basis; and
- to provide market exposure corresponding with a diversified portfolio of Australian shares.

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

In the “Risks” row, the “Summary” column text is deleted and replaced with the following:

There are a number of risks associated with investing in the Fund. The key risks include the following:

- There is no guarantee that the Fund’s investment strategy will be successful or that the investment objectives will be achieved.
- The Fund’s investment returns will be influenced by the performance of the share market as a whole. Changes in Australian share prices, which may be volatile and fluctuate from day to day, may result in a loss in the value of Units.
- The Fund’s strategy of purchasing securities on a rotation basis that are expecting to pay dividends may result in sustained periods of underperformance compared to a “buy and hold” strategy.
- The Fund’s Securities Portfolio will be rebalanced frequently and can be expected to have a relatively high rate of portfolio turnover.
- In certain circumstances, the Responsible Entity can suspend or scale down applications or redemptions.
- Although the Units will be quoted on the AQUA market of the ASX, there can be no assurance that there will be a liquid market for Units, and no assurance that there will be a liquid market for the Fund’s investments.
- The trading price of Units on the ASX may differ from the Net Asset Value per Unit.

This is not a comprehensive summary of all the risks of investing in the Fund. Before investing in the Fund, investors should carefully consider the risks associated with an investment in the Fund and obtain financial advice on whether an investment in the Fund is suitable for their objectives, financial situation and needs.

For further details of the risks of investing, see section 4.

3. In section 2.1.1 of the PDS titled “Investment objective” the wording below the title is deleted and replaced with the following:

The investment objective of the Fund is:

- to provide regular income, comprising dividends and franking credits from Australian shares, that exceeds the net income yield of the broad Australian share market (as measured by the S&P/ASX 200 Index) on an annual basis; and
- to provide market exposure corresponding with a diversified portfolio of Australian shares.

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

4. In section 2.1.2 of the PDS titled “Investment strategy” the wording below the title is deleted and replaced with the following:

The Responsible Entity will aim to achieve the investment objective by investing its assets into a portfolio of dividend paying Australian equity securities (the “Securities Portfolio”). The Securities Portfolio will generally consist of large capitalisation Australian securities selected from amongst the 100 largest securities, by market capitalisation, listed on the ASX (the “Investment Universe”).

In addition to the Securities Portfolio, there will also be a permanent allocation in the Fund’s portfolio to an exchange traded fund (“ETF”) quoted on the ASX that seeks to track a published, broad-based Australian equity index. This ETF allocation will generally be in the range of 15-30% of the Fund’s NAV as at each portfolio rebalance. Initially, the Fund will hold the BetaShares Australia 200 ETF, an ETF issued by BetaShares which aims to track the Solactive Australia 200 Index (before fees and expenses), and the Fund’s initial allocation to the ETF will be 25% of the Fund’s NAV as at portfolio rebalance.

The Responsible Entity will adopt a “dividend harvest” strategy in the management of the Securities Portfolio, aimed at providing exposure to dividend paying equity securities. The Responsible Entity will manage the composition of the Securities Portfolio based on the following guidelines:

- The Fund’s Securities Portfolio will comprise approximately 40-60 securities selected from the Investment Universe and will generally be rebalanced approximately every three months.
- At each portfolio rebalance, the Responsible Entity will identify all securities in the Investment Universe that are expected, within the next rebalance period, to give a holder an entitlement to a dividend. This is assessed based on past declared dividends or analyst estimates.

- The weighting of each selected security within the Securities Portfolio is based on a modified market capitalisation approach. Each security is assigned its free float market capitalisation weight subject to a cap on direct investment in any individual security, generally being the lower of 10% of the value of the Fund's overall portfolio or four times the weight of the security in the Investment Universe at the time of portfolio rebalance. These caps do not include any additional exposure to a security held indirectly via the ETF component of the Fund's portfolio.

The composition of the Securities Portfolio may change considerably from one rebalance to another but will largely be sector neutral relative to the Investment Universe at the time of rebalance. Should sector neutrality not be achieved based on the securities expected to pay an upcoming dividend and their individual weighting caps, the largest non-dividend paying securities by market capitalisation in the Investment Universe will be added to the Securities Portfolio to achieve sector neutrality.

Generally, the total investment returns of a managed fund may comprise income returns and capital returns. As a result of implementing the "dividend harvest" strategy, it can be expected that the Fund's income returns may account for the majority, if not all, of the Fund's total returns. As such, investors should not necessarily expect the Fund's net asset value per unit to increase over time, and should be aware that net asset value per unit may decline, notwithstanding that positive total returns may be generated. Investors may wish to consider reinvesting all or part of their distributions in additional Units by electing to join the Distribution Reinvestment Plan (see section 2.2.3 below), in order to maximise participation in the total return growth potential of the Fund.

Cash balances may be held in the Fund from time to time.

The composition of the Fund's portfolio will be published daily in the "Resources" section of the Fund's product page on the BetaShares website at www.betashares.com.au.

The Fund may hold exchange-traded derivatives contracts from time to time (e.g. futures contracts) where this may help to achieve the Fund's investment objective. For example, exchange-traded derivatives may be used where direct investment in a particular security or securities is not possible or practical, to obtain an investment exposure without physically buying or selling the underlying asset, to manage cash flows or to facilitate timely exposure to the market. Exchange-traded derivatives will only be used in limited circumstances and will not be used to leverage the Fund.

Initially, the Responsible Entity does not intend to engage in securities lending in connection with the Fund, although it may do so in the future provided that any such change is notified in advance to investors and potential investors via a supplementary or new PDS accessible through the ASX Market Announcements Platform.

All assets of the Fund, whether securities or cash, will be held by the Fund's custodian, other than cash held in accordance with the Corporations Act as collateral for any futures positions.

5. In section 3.1, Table 3.1 titled "Table of Fees and Other Costs" is deleted and replaced with the following:

TABLE 3.1: TABLE OF FEES AND OTHER COSTS
BETASHARES AUSTRALIAN DIVIDEND HARVESTER FUND (MANAGED FUND)

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Ongoing annual fees and costs		
Management fees and costs	0.72% per annum of the Fund's Net Asset Value. ¹	
The fees and costs for managing your investment	As at the date of this PDS, the management fees and costs of the Fund consist of the following components:	
	Management fee	
	0.65% per annum of the Fund's Net Asset Value.	The management fee is calculated and accrued daily as a percentage of the Fund's Net Asset Value, and reflected in the daily Net Asset Value per Unit. The amount is deducted from the Fund's assets monthly on or after the first day of the following month.
	Plus	
	Recoverable expenses	
	Estimated at 0.07% per annum of the Fund's Net Asset Value. ²	The recoverable expenses are calculated and accrued daily as a percentage of the Fund's Net Asset Value, and reflected in the daily Net Asset Value per Unit. The amount is deducted from the Fund's assets monthly on or after the first day of the following month.
	Plus	

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
	Indirect costs	
	Estimated at 0.00% per annum of the Fund's Net Asset Value. ³	Any indirect costs are calculated and accrued daily as a percentage of the Fund's Net Asset Value, and reflected in the daily Net Asset Value per Unit. The amount is deducted from the Fund's assets as and when incurred.
Performance fees	Nil.	Not applicable
Amounts deducted from your investment in relation to the performance of the product		
Transaction costs:	Estimated at 0.10% per annum of the Fund's Net Asset Value. ⁴	Transaction costs reduce the Fund's Net Asset Value. How and when they are paid varies depending on the type of transaction cost. Certain costs, eg brokerage, are added to or deducted from the amounts payable from the Fund's assets or receivable by the Fund at the time of settlement in respect of investments.
The costs incurred by the scheme when buying or selling assets		
Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)		
Establishment fee:	Nil.	Not applicable.
The fee to open your investment		
Contribution fee:	If you are not an Authorised Participant - \$0.	Payable only by Authorised Participants. ⁶
The fee on each amount contributed to your investment	If you are an Authorised Participant - \$500 for in-kind applications. ⁵	This fee will be payable by Authorised Participants together with the transfer of the application securities and balancing cash component (if positive) at the time of the application (for "in-kind" applications).
Buy-sell spread:	Nil. ⁷	Not applicable.
An amount deducted from your investment representing costs incurred in transactions by the scheme		
Withdrawal fee:	If you are not an Authorised Participant - \$0.	Payable only by Authorised Participants. ⁶
The fee on each amount you take out of your investment	If you are an Authorised Participant - \$500 for in-kind redemptions. ⁵	This fee will be payable by Authorised Participants at the time of the redemption (for "in-kind" redemptions).
Exit fee:	Nil.	Not applicable.
The fee to close your investment		
Switching fee:	Nil.	Not applicable.
The fee for changing investment options		

¹ The estimated aggregate management fee and costs for the previous financial year ended 30 June 2021 were 0.90% p.a. The estimated aggregate management fee and costs were reduced to 0.72% p.a. effective on 31 May 2022 following close of ASX trading.

² The estimated recoverable expenses incurred by the Fund for the previous financial year ended 30 June 2021 were 0.25% p.a. The estimated recoverable expenses were reduced to 0.07% p.a. effective on 31 May 2022 following close of ASX trading. For more information on recoverable expenses, please see section 3.3.3 in the "Additional Explanation of Fees and Costs" section below.

³ This figure reflects the indirect costs incurred by the Fund for the previous financial year ended 30 June 2021. For more information on the meaning and calculation of indirect costs, see "Indirect costs" under the heading "Additional Explanation of Fees and Costs".

⁴ This figure reflects the net estimated transaction costs incurred by the Fund for the previous financial year ended 30 June 2021. For more information on transaction costs and the application and redemption fees payable by Authorised Participants, see "Transaction costs" and "Application and redemption fees for Authorised Participants" under the heading "Additional Explanation of Fees and Costs".

⁵ Cash applications and redemptions are only available if agreed by the Responsible Entity.

⁶ An Authorised Participant is a financial institution which is a trading participant under the ASX Operating Rules (or which has engaged a trading participant to act on its behalf) which has entered into an agreement with the Responsible Entity in relation to Unit applications and redemptions. For an explanation of the contribution fees and withdrawal fees (also referred to in this PDS as application fees and redemption fees) please see section 3.3.6 "Application and redemption fees for Authorised Participants" in the "Additional Explanation of Fees and Costs" section. Unitholders who are not Authorised Participants may be charged a redemption fee if they redeem Units pursuant to their right to redeem in the special circumstances described in section 5.6 - see "Additional Explanation of Fees and Costs" section below for more information.

⁷ While the Fund does not charge a buy-sell spread, as the Fund is traded on a securities exchange, investors may incur a bid-offer spread when trading on the exchange.

Certain additional costs may apply. See the "Additional Explanation of Fees and Costs" section below for more information.

Each fee set out in this table may in some cases be negotiated with wholesale clients. For more information, refer to the explanation of "Differential fees, rebates and related payments" in the "Additional Explanation of Fees and Costs" section below.

All fees and costs in the table above include Goods and Services Tax ("GST") net of any reduced input tax credits and are shown without any other adjustment in relation to any tax deduction available to the Responsible Entity.

6. In section 3.2, Table 3.2 titled "Example of Annual Fees and Costs" is deleted and replaced with the following:

TABLE 3.2: EXAMPLE OF ANNUAL FEES AND COSTS

EXAMPLE - BETASHARES AUSTRALIAN DIVIDEND HARVESTER FUND (MANAGED FUND)	AMOUNT	BALANCE OF \$50,000 WITH A CASH CONTRIBUTION OF \$5,000 ¹ DURING THE YEAR
CONTRIBUTION FEES	\$0 if you are not an Authorised Participant; or \$500 for in-kind applications if you are an Authorised Participant. ²	For every additional \$5,000 you put in, you will be charged: \$0 if you are not an Authorised Participant; or \$500 if you are an Authorised Participant.
PLUS MANAGEMENT FEES AND COSTS³	0.72% p.a. of the Fund's Net Asset Value	And , for every \$50,000 you invest in the Fund you will be charged or have deducted from your investment \$360 each year
PLUS PERFORMANCE FEES	Nil	And , you will be charged or have deducted from your investment \$0 in performance fees each year. ⁶
PLUS TRANSACTION COSTS⁴	Estimated at 0.10% p.a. of the Fund's Net Asset Value	And , you will be charged or have deducted from your investment \$50 in transaction costs.
EQUALS COST OF FUND		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 ⁵ during that year, you would be charged fees of \$410 (if you are not an Authorised Participant) or \$910 (if you are an Authorised Participant for the Fund).

What it costs you will depend on whether you are an Authorised Participant, the investment option you choose and the fees you negotiate.

An Authorised Participant who redeems Units directly will also be charged a withdrawal fee of \$500 for an "in-kind" redemption based on a balance of \$50,000. Unitholders who are not Authorised Participants may be charged a redemption fee if they redeem Units pursuant to their right to redeem in the special circumstances described in section 5.6 – see "Redemption fees for other unitholders" in the "Additional Explanation of Fees and Costs" section below for more information.

Each fee in this table may in some cases be negotiated with wholesale clients. For more information, refer to the explanation of "Differential fees, rebates and related payments" in the "Additional Explanation of Fees and Costs" section below.

¹ Please note the minimum investment in the Fund by an Authorised Participant is one Creation Unit, unless the Responsible Entity agrees otherwise.

² If cash applications are agreed to by the Responsible Entity, application fees payable by Authorised Participants for cash applications may be higher than for in-kind applications.

³ Management fees and costs are made up of the management fee, recoverable expenses and indirect costs. For more information, refer to the "Additional Explanation of Fees and Costs" section below.

⁴ This figure reflects the estimated net transaction costs incurred by the Fund for the previous financial year ended 30 June 2021. For more information, refer to "Transaction costs" under the "Additional Explanation of Fees and Costs" section below.

⁵ Assumes the \$50,000 is invested for the entire year and the \$5,000 investment occurs on the last day of the year and therefore the fees and costs in this example are calculated using the \$50,000 balance only.

⁶ The Fund does not charge, and there is no right for the Responsible Entity to charge, a performance fee.

7. Section 3.3.5 titled "Transactional and operational costs" is deleted and replaced with the following:

3.3.5 Transaction costs

The Fund incurs transaction costs, such as brokerage, clearing costs, transactional custodian fees, and other transaction fees associated with buying and selling the Fund's assets. Transaction costs are an additional cost to investors (to the extent they are not off-set by the application and redemption fees charged by the Responsible Entity to Authorised Participants) and are not included in the management fees and costs shown in Table 3.1.

Transaction costs reduce the Fund's Net Asset Value. How and when they are paid varies depending on the type of transaction cost. Certain costs, eg brokerage, are added to or deducted from the amounts payable from the Fund's assets or receivable by the Fund at the time of settlement in respect of investments purchased or sold for the Fund. Other costs, eg transactional custodian fees, are invoiced and paid from the Fund's assets according to a regular monthly or quarterly cycle.

The net transaction costs of the Fund for the previous financial year ended 30 June 2021 were approximately 0.10% p.a. of the Fund's Net Asset Value or \$50 for every \$50,000 you have in the Fund. These estimated net transaction costs were equal to the estimated gross transaction costs. These net transaction costs were borne by the Fund.

The transaction costs estimate shown in the fees and costs summary in Table 3.1 is shown net of any amount for which the Responsible Entity reimburses the Fund out of the application and redemption fees it receives from Authorised Participants.

The amount of these costs can be expected to vary from year to year depending on the volume and value of transactions undertaken.

8 In section 4 titled "Risks", sections 4.5 titled "Risk management strategy may not be effective" and 4.6 titled "Selling futures in rising markets" are deleted, and a new section 4.5 "Strategy risk" is added as follows:

4.5 STRATEGY RISK

The strategy of purchasing securities on a rotation basis that are expected to pay dividends may result in sustained periods of underperformance compared to a "buy and hold" strategy.

9 Section 4.7 titled "General derivatives risk" is deleted and replaced with the following:

4.7 DERIVATIVES RISK

Exchange traded derivatives may only be used in limited circumstances and will not be used to leverage the Fund. The primary risks associated with the use of such derivatives are:

- the values of the derivative failing to move in line with the underlying asset;
- the potential lack of liquidity of the derivative;
- the possibility that the derivative position is difficult or costly to manage or reverse;
- the Fund may not be able to meet payment obligations as they arise, including any requirements to make margin payments;

- the counterparties involved in trading derivatives (the relevant central clearing house or clearing broker) may not meet their contractual obligations;
- the collateral obligations in respect of margin requirements on derivative contracts can cause liquidity issues if insufficient collateral is available; and
- the electronic platforms on which such derivatives are traded are subject to risks related to system access, varying response times, security and system failure.

Any of the above factors could cause the Fund to incur losses, suffer increased costs, fail to realise gains or otherwise fail to achieve its investment objectives.

The Responsible Entity will aim to ensure that there is sufficient cash and other liquid assets available in the Fund at all times to meet any payment obligations under derivatives.

10 Section 4.10 titled "Securities trading risk" is amended as follows:

The words *" or in ASX SPI 200 futures;"* are deleted.

11 Section 6.1.1 titled "Investment adviser" is deleted.

12 Section 6.1.2 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

13 In section 6.3, Table 6.3 titled "Material Contracts" is amended by deleting the entire table row titled "Investment advisory agreement".

14 In section 6.9 titled "Consent & Disclaimer", the paragraph containing references to "Milliman" are deleted.

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

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

17 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

18 In section 1.3, all paragraphs containing references to "Mirae" are deleted.