

4 November 2020

Market Announcements Office
ASX Limited

IMPORTANT CHANGES TO BETASHARES DIVERSIFIED CONSERVATIVE INCOME ETF

BetaShares Capital Ltd (**BetaShares**), the issuer of the BetaShares Diversified Conservative Income ETF (ASX code: DZZF), an exchange traded fund quoted on the AQUA market of the ASX (**Fund**), announces that important changes to the Fund will take effect following close of trading on 15 December 2020. These include changes to the Fund's investment strategy, management fee and name. Please note that these changes are being made in conjunction with changes to BetaShares' three other diversified ETFs (ASX: DHHF, DGGF & DBBF).

Summary of changes

A summary of the changes being made to the Fund is as below, with further detail set out in the Schedule to this letter.

Current fund name	New fund name	Change to investment strategy and risk-return profile	Asset allocation changes
BetaShares Diversified Conservative Income ETF (DZZF)	BetaShares Ethical Diversified High Growth ETF (DZZF) The ASX code DZZF will remain the same.	The current conservative risk-return profile will change to an ethical high growth risk-return profile which will be delivered via a new mix of underlying ETFs whose investments are selected according to responsible investment (or ethical) considerations. See the Schedule for further information.	The Fund's asset allocation will reflect a high-growth risk-return profile, with a higher allocation to growth assets (Australian and international equities) relative to defensive assets (global and Australian bonds). Within the allocation to defensive assets, there will no longer be a separate allocation to cash. Within the allocation to growth assets there will no longer be a separate allocation to property securities.

Change to management fee

The Fund's management fee will be increased from 0.26% p.a. to 0.39% p.a. to reflect the higher management fees associated with the new mix of underlying ETFs used to gain its investment exposure. We note that the Fund will be more cost-effective than directly acquiring the same investment exposure via the underlying ETFs.

Supplementary PDS

A Supplementary Product Disclosure Statement updating the Fund's PDS dated 25 November 2019 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 15 December 2020.

Rationale for changes

The investment strategy change is in response to significant investor demand for 'all-in-one' diversified ethical exposures tailored to risk-return profiles, which have to date not been available in Australia.

Next steps

Investors who wish to remain invested in the Fund are not required to take any action as a result of these changes. Investors who wish to transact in their units can do so in the normal way, via their broker.

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.

For any inquiries regarding this announcement, please contact BetaShares Client Services on 1300 487 577.

SCHEDULE OF CHANGES

ASX: DZZF	Current	New (effective following close of trading on 15 December 2020)
Fund name	BetaShares Diversified Conservative Income ETF	BetaShares Ethical Diversified High Growth ETF
ASX code	DZZF	DZZF (no change)
Risk-return profile	Conservative	High Growth
Investment objective	Provide investors with a broadly diversified portfolio, tilted towards income returns, consistent with a conservative risk-return profile	Provide investors with a broadly diversified portfolio consistent with a high growth risk-return profile, comprising investments selected according to responsible investment considerations
Strategic asset allocation – cash	15%	Nil
Strategic asset allocation – global and Australian bonds	60%	10%
Strategic asset allocation – property securities	2.5%	Nil
Strategic asset allocation – Australian equities	10%	36%
Strategic asset allocation – international equities	12.5%	54%
Management fee	0.26% p.a. of the Fund's net asset value	0.39% p.a. of the Fund's net asset value
Distribution frequency	Monthly	Quarterly
Distribution Reinvestment Plan (DRP)	DRP does not apply automatically. Distributions are paid in cash to investor's nominated Australian bank account if no DRP election is made.	For new investors, DRP will apply automatically, unless investor elects to opt out and have distributions paid in cash to their nominated Australian bank account.

New underlying ETFs used for investment exposure

The new underlying ETFs used to obtain investment exposure consistent with the Fund's high growth risk-return profile are shown below. To learn more about these ETFs, visit the relevant product pages on BetaShares' website.

Underlying ETF	Investment exposure
<p>BetaShares Sustainability Leaders Diversified Bond ETF – Currency Hedged (ASX: GBND), a fund which aims to track the Solactive Australian and Global Select Sustainability Leaders Bond TR Index - AUD Hedged, before fees and expenses.</p> <p>GBND's index comprises a portfolio of fixed rate, investment grade global and Australian bonds, with a significant allocation to "green bonds", that have been screened to avoid bond issuers with material exposure to the fossil fuel industry or bond issuers engaged in other activities deemed inconsistent with responsible investment considerations.* Bond issuers may be corporations, governments or government agencies in developed and emerging markets, or supranational bodies.</p>	Global and Australian bonds

<p>"Green bonds" are bonds issued specifically to finance environmentally friendly projects, as certified by the Climate Bonds Initiative, an international not-for-profit organisation which promotes the development of green bonds.</p>	
<p>BetaShares Australian Sustainability Leaders ETF (ASX code: FAIR), which aims to track the Nasdaq Future Australian Sustainability Leaders Index, before fees and expenses.</p> <p>FAIR's index comprises a portfolio of ASX-listed equity securities that have been screened to preference companies engaged in sustainable business activities and to avoid companies engaged in activities deemed inconsistent with responsible investment considerations.*</p>	<p>Australian equities</p>
<p>BetaShares Global Sustainability Leaders ETF (ASX code: ETHI), which aims to track the Nasdaq Future Global Sustainability Leaders Index, before fees and expenses.</p> <p>ETHI's index comprises 200 large global stocks which are climate change leaders (as measured by their relative carbon efficiency) that have also passed screens to exclude companies with direct or significant exposure to fossil fuels or engaged in activities deemed inconsistent with responsible investment considerations.*</p>	<p>International equities</p>

* For companies, the business activities screened out in this process (subject to certain materiality thresholds) include: gambling, tobacco, armaments, uranium and nuclear energy, destruction of valuable environments, animal cruelty, chemicals of concern, alcohol, junk foods, pornography, human rights and supply chain concerns, and lack of board-level gender diversity. Sovereign bond issuers are screened to remove any issuers that are subject to current sanctions as a result of human rights concerns imposed by international bodies such as the United Nations and European Union.

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 of any financial product 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 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 NAV. 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® and Back Your View® are registered trademarks of BetaShares Holdings Pty Ltd.

BETASHARES DIVERSIFIED CONSERVATIVE INCOME ETF

ARSN: 624 897 703| ASX CODE: DZZF

BETASHARES DIVERSIFIED BALANCED ETF

ARSN: 633 062 772| ASX CODE: DBBF

BETASHARES DIVERSIFIED GROWTH ETF

ARSN: 633 062 996| ASX CODE: DGGF

BETASHARES DIVERSIFIED HIGH GROWTH ETF

ARSN: 633 063 260| ASX CODE: DHHF

SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT

DATED: 4 NOVEMBER 2020
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 25 November 2019 in respect of BetaShares Diversified Conservative Income ETF, BetaShares Diversified Balanced ETF, BetaShares Diversified Growth ETF and BetaShares Diversified High Growth ETF (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 4 November 2020. 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.

Changes to investment strategies and certain other features of the BetaShares Diversified ETFs effective following close of trading on 15 December 2020

The Responsible Entity gives notice that the investment strategies and certain other features of the BetaShares Diversified ETFs will change effective following close of trading on 15 December 2020 (the **Effective Date**). Further information about the changes is set out below.

Changes to BetaShares Diversified Conservative Income ETF, BetaShares Diversified Balanced ETF & BetaShares Diversified Growth ETF

Each Fund will retain its existing risk-return profile (with the exception of BetaShares Diversified Conservative Income ETF), but each Fund’s investment exposure to asset classes will be obtained using a new mix of Underlying ETFs, whose investments are selected according to responsible investment (or ethical) considerations, consistent with the Fund’s risk-return profile. Currently, traditional Underlying ETFs are used that are not dedicated to selecting their investments based solely on ethical considerations. Initially, the new Underlying ETFs will be:

<i>Underlying ETF</i>	<i>Investment exposure</i>
BetaShares Sustainability Leaders Diversified Bond ETF (ASX: GBND)	Global and Australian bonds
BetaShares Australian Sustainability Leaders ETF (ASX: FAIR)	Australian equities
BetaShares Global Sustainability Leaders ETF (ASX: ETHI)	International equities

In addition, the BetaShares Diversified Conservative Income ETF will change from its existing conservative risk-return profile to an ethical high growth risk-return profile.

For each Fund, within the allocation to defensive assets, there will no longer be a separate allocation to cash. Within the allocation to growth assets, there will no longer be a separate allocation to property securities, while the allocation to international equities will be increased relative to Australian equities.

Each Fund's name will change, while the Fund's management fee will be increased to reflect the management fees associated with the new mix of Underlying ETFs used to gain investment exposure. Each Fund's trading code will remain unchanged.

The key changes are summarised below.

	Current	New (effective following close of trading on 15 December 2020)
Fund name	BetaShares Diversified Balanced ETF	BetaShares Ethical Diversified Balanced ETF
ASX code	DBBF	DBBF (no change)
Investment objective	Provide investors with a broadly diversified portfolio consistent with a balanced risk-return profile	Provide investors with a broadly diversified portfolio consistent with a balanced risk-return profile, comprising investments selected according to responsible investment considerations
Strategic asset allocation – cash	10%	Nil
Strategic asset allocation – global and Australian bonds	40%	50%
Strategic asset allocation – property securities	2.5%	Nil
Strategic asset allocation – Australian equities	22.5%	20%
Strategic asset allocation – international equities	25%	30%
Management fee	0.26% p.a. of the Fund's Net Asset Value	0.39% p.a. of the Fund's Net Asset Value

	Current	New (effective following close of trading on 15 December 2020)
Fund name	BetaShares Diversified Growth ETF	BetaShares Ethical Diversified Growth ETF
ASX code	DGGF	DGGF (no change)
Investment objective	Provide investors with a broadly diversified portfolio consistent with a growth risk-return profile	Provide investors with a broadly diversified portfolio consistent with a growth risk-return profile, comprising investments selected according to responsible investment considerations
Strategic asset allocation – cash	5%	Nil
Strategic asset allocation – global and Australian bonds	25%	30%

Strategic asset allocation – property securities	3.5%	Nil
Strategic asset allocation – Australian equities	31.5%	28%
Strategic asset allocation – international equities	35%	42%
Management fee	0.26% p.a. of the Fund's Net Asset Value	0.39% p.a. of the Fund's Net Asset Value

	Current	New (effective following close of trading on 15 December 2020)
Fund name	BetaShares Diversified Conservative Income ETF	BetaShares Ethical Diversified High Growth ETF
ASX code	DZZF	DZZF (no change)
Risk-return profile	Conservative	High Growth
Investment objective	Provide investors with a broadly diversified portfolio, tilted towards income returns, consistent with a conservative risk-return profile	Provide investors with a broadly diversified portfolio consistent with a high growth risk-return profile, comprising investments selected according to responsible investment considerations
Strategic asset allocation – cash	15%	Nil
Strategic asset allocation – global and Australian bonds	60%	10%
Strategic asset allocation – property securities	2.5%	Nil
Strategic asset allocation – Australian equities	10%	36%
Strategic asset allocation – international equities	12.5%	54%
Management fee	0.26% p.a. of the Fund's Net Asset Value	0.39% p.a. of the Fund's Net Asset Value
Distribution frequency	Monthly	Quarterly
Distribution Reinvestment Plan (DRP)	DRP does not apply automatically. Distributions are paid in cash to investor's nominated Australian bank account if no DRP election is made.	DRP will apply automatically, unless investor elects to opt out and have distributions paid in cash to their nominated Australian bank account

Changes to BetaShares Diversified High Growth ETF

The Fund will change from its existing (non-ethical) high growth risk-return profile to a very high growth risk-return profile, with the strategic asset allocation changing to 100% growth assets (from 90% growth assets and 10% defensive assets).

Within the allocation to growth assets, there will no longer be a separate allocation to property securities, while the allocation to international equities will be increased relative to Australian equities.

The Fund's name will change to BetaShares Diversified All Growth ETF, while the Fund's management fee will be reduced. The Fund's trading code will remain "DHHF".

The changes are summarised below.

	Current	New (effective following close of trading on 15 December 2020)
Fund name	BetaShares Diversified High Growth ETF	BetaShares Diversified All Growth ETF
ASX code	DHHF	DHHF (no change)
Risk-return profile	High Growth	Very High Growth
Investment objective	Provide investors with a broadly diversified portfolio consistent with a high growth risk-return profile	Provide investors with a broadly diversified portfolio consistent with a very high growth risk-return profile
Strategic asset allocation – cash	2.5%	Nil
Strategic asset allocation – Australian fixed rate government bonds	7.5%	Nil
Strategic asset allocation – property securities	4.5%	Nil
Strategic asset allocation – Australian equities	40.5%	37%
Strategic asset allocation – international equities	45%	63%
Management fee	0.26% p.a. of the Fund's Net Asset Value	0.19% p.a. of the Fund's Net Asset Value

Following the close of trading on the Effective Date, the specific amendments to the PDS pursuant to this SPDS are as follows:

1. All references to the Funds' names are replaced as follows:

Old name	New name
BetaShares Diversified Balanced ETF	BetaShares Ethical Diversified Balanced ETF
BetaShares Diversified Growth ETF	BetaShares Ethical Diversified Growth ETF
BetaShares Diversified Conservative Income ETF	BetaShares Ethical Diversified High Growth ETF
BetaShares Diversified High Growth ETF	BetaShares Diversified All Growth ETF

2. In section 1.1 of the PDS titled "Introduction to the BetaShares Diversified ETFs", the information under the heading is replaced with the following:

The BetaShares Diversified ETFs (the "**Funds**") provide investors with access to cost-effective, diversified portfolios developed to suit a range of investment goals and risk profiles.

Each Fund seeks to provide investment returns over the long term consistent with its risk profile (balanced, growth, high growth or very high growth) using a passive investment approach which blends asset classes, including Australian and international equities, and Australian and international bonds, according to the strategic asset allocation set for the Fund.

Investment exposure to each asset class is achieved using a range of cost-effective, transparent, exchange traded funds ("ETFs") traded on the ASX and other global exchanges, issued by BetaShares as well as other global fund managers as and where deemed appropriate by BetaShares.

The following Funds are available:

- BetaShares Ethical Diversified Balanced ETF;
 - BetaShares Ethical Diversified Growth ETF;
 - BetaShares Ethical Diversified High Growth ETF;
- (together called "BetaShares Ethical Diversified ETFs")
- BetaShares Diversified All Growth ETF.

The BetaShares Ethical Diversified ETFs are designed to provide exposure to investments that that have been selected according to responsible investment considerations.

The BetaShares Diversified All Growth ETF is not designed to provide exposure to investments selected according to responsible investment considerations.

3. In Table 1.2: Summary of Key Information, the first paragraph in the section "Investment objective" is replaced with the following:

The investment objective of each Fund is to provide an investment return consistent with its particular risk profile (balanced, growth, high growth or very high growth) by investing across different asset classes.

4. In Table 1.2: Summary of Key Information, the information in the section "Distributions" is replaced with the following:

The Responsible Entity intends to make quarterly distributions in respect of each Fund (assuming there is distributable income).

5. In section 2.1.1 of the PDS titled "Investment objective", the first paragraph is deleted and replaced with the following:

The investment objective of each Fund is to provide an investment return over the long term consistent with its particular risk profile (balanced, growth, high growth or very high growth) using a passive investment approach which blends asset classes, including Australian and international equities, and Australian and international bonds, according to the strategic asset allocation set for the Fund.

6. In section 2.1.2 of the PDS titled "How are the Funds' portfolios structured and managed?", the first and second paragraphs are deleted and replaced with the following:

Each Fund's portfolio is built using a strategic asset allocation ("SAA") consistent with the Fund's risk-return profile (balanced, growth, high growth or very high growth) to establish the allocations between the major asset classes – Australian and international equities, and Australian and international bonds. The SAA is set by applying forward-looking, long-term expected returns and risk for each asset class, which is then reviewed, and may be adjusted, annually.

The strategic asset allocation will therefore be different for each Fund. For example, the BetaShares Ethical Diversified High Growth ETF will have a higher allocation to growth asset classes such as equities, and a lower allocation to defensive asset classes such as bonds, relative to the BetaShares Ethical Diversified Balanced ETF.

7. In section 2.1.2 of the PDS titled "How are the Funds' portfolios structured and managed?", the table showing APRA Standard Risk Measures is deleted and replaced with the following:

Risk Band	Portfolio Risk Profile	Risk Label	Est # of negative returns years every 20 years
4	Balanced	Medium	2 < 3
5	Growth	Medium to high	3 < 4
6	High Growth	High	4 < 6
7	Very High Growth	Very High	6 or greater

8. Section 2.1.3 of the PDS titled “Labour standards and environmental, social and ethical considerations” is deleted and replaced with the following:

In the case of the BetaShares Ethical Diversified ETFs, the indices which the Underlying ETFs aim to track take into account environmental, social and ethical considerations in their selection processes and eligibility criteria.

The Responsible Entity therefore takes into account environmental, social and ethical considerations when selecting, retaining or realising investments in the BetaShares Ethical Diversified ETFs.

A description of the environmental, social and ethical considerations and the extent to which the Responsible Entity takes these standards and considerations in account when selecting, retaining or realising investments in each BetaShares Ethical Diversified ETF is set out in the relevant Product Supplement.

In the case of the BetaShares Diversified All Growth ETF, the Responsible Entity does not take into account labour standards or environmental, social or ethical considerations when selecting, retaining or realising investments.

9. In section 2.2 of the PDS titled “Distributions”, the first paragraph is deleted and replaced with the following:

Each Fund intends to pay quarterly distributions. Distribution amounts may include dividends, interest income, realised gains or losses from disposal of securities, or other assessable income derived by the Funds, after allowing for fees and expenses.

10. In section 2.2.3 of the PDS titled “Distribution Reinvestment Plan”, the third and fourth paragraphs are deleted and replaced with the following:

For eligible Unitholders in the BetaShares Ethical Diversified Growth ETF, the BetaShares Ethical High Growth ETF and the BetaShares Diversified All Growth Growth ETF, the DRP will apply automatically to their investment so that distributions in respect of the relevant Fund will be reinvested in additional Units in that Fund, unless they elect to opt-out of the DRP. If Unitholders wish to opt-out of the DRP and have their distributions paid in cash to their nominated Australian bank, building society or credit union account, they can elect to do so by completing an on-line form available on the Registrar’s website or by contacting the Registrar (further information will be provided in the information pack you will receive when you become a Unitholder).

For Unitholders in the BetaShares Ethical Diversified Balanced ETF, the DRP will not apply automatically. If eligible Unitholders wish to participate in the DRP so that distributions in respect of the relevant Fund are reinvested in additional Units in that Fund, they can elect to do so by completing an on-line form available on the Registrar’s website or by contacting the Registrar (further information will be provided in the information pack you will receive when you become a Unitholder). If no DRP election is made, the distributions will automatically be paid into the Unitholder’s nominated Australian bank, building society or credit union account.

11. Section 3.1 of the PDS titled “Fees and Other Costs” is deleted and replaced with the following:

3.1 FEES AND OTHER COSTS

This PDS shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of each managed investment scheme as a whole.

Taxes are set out in another part of this PDS.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

TABLE 3.1: TABLE OF FEES AND OTHER COSTS FOR EACH FUND

BETASHARES ETHICAL DIVERSIFIED BALANCED ETF, BETASHARES ETHICAL DIVERSIFIED GROWTH ETF, BETASHARES ETHICAL DIVERSIFIED HIGH GROWTH ETF AND BETASHARES DIVERSIFIED ALL GROWTH ETF

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
FEES WHEN YOUR MONEY MOVES IN OR OUT OF THE MANAGED INVESTMENT PRODUCT		
Establishment fee: The fee to open your investment	Nil	Not applicable
Contribution fee: The fee on each amount contributed to your investment	If you are not an Authorised Participant - \$0 If you are an Authorised Participant – up to \$200 plus 0.02% of the application amount for in-kind applications. ²	Payable only by Authorised Participants ¹ . 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 applying for Units, for in-kind applications.
Withdrawal fee: The fee on each amount you take out of your investment	If you are not an Authorised Participant - \$0 If you are an Authorised Participant – up to \$200 plus 0.02% of the redemption amount for in-kind redemptions. ²	Payable only by Authorised Participants ¹ . This fee will be paid at the time of the redemption for in-kind redemptions.
Exit fee: The fee to close your investment	Nil	Not applicable
Management costs: The fees and costs for managing your investment	Betashares Ethical Diversified Balanced ETF Betashares Ethical Diversified Growth ETF Betashares Ethical Diversified High Growth ETF: 0.39% per annum of each Fund's Net Asset Value Betashares Diversified All Growth ETF: 0.19% per annum of the Fund's Net Asset Value	As at the date of this PDS, the management costs of each Fund consist of the following components: Management fee³ Betashares Ethical Diversified Balanced ETF Betashares Ethical Diversified Growth ETF Betashares Ethical Diversified High Growth ETF: 0.39% per annum of each Fund's Net Asset Value Betashares Diversified All Growth ETF: 0.19% per annum of the Fund's Net Asset Value The management fee is calculated and accrued daily as a percentage of each Fund's Net Asset Value, and reflected in the daily Net Asset Value per Unit. The amount is deducted from the relevant 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
		<p>Recoverable expenses⁴</p> <p>0.00% per annum of each Fund's Net Asset Value.</p> <p>Any expenses normally incurred in operating a Fund are paid as and when they arise by the Responsible Entity out of its own resources. Any extraordinary expenses are deducted from a Fund's assets as and when they arise.</p> <p>Plus</p> <p>Indirect costs⁵</p> <p>Estimated at 0.00% per annum of each Fund's Net Asset Value.</p> <p>Indirect costs are accrued and deducted in the Underlying ETFs and reflected in a Fund's daily Net Asset Value per Unit.</p>
Service fees:		
Switching fee:	Nil	Not applicable
The fee for changing investment options		

¹ An Authorised Participant is a trading participant under the ASX Operating Rules who 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". 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.

² Cash applications and redemptions are only available if agreed by the Responsible Entity. Additional contribution and withdrawal fees may apply in the case of a cash application or redemption as agreed with the Responsible Entity from time to time.

³ The management fee for each Fund charged for the previous financial year ended 30 June 2020 was 0.26% p.a. The management fee for the BetaShares Ethical Diversified ETFs was increased to 0.39% p.a. effective following the close of trading on 18 December 2020. The management fee for the BetaShares Diversified All Growth ETF was reduced to 0.19% p.a. effective following the close of trading on 18 December 2020.

⁴ This figure reflects the recoverable expenses incurred by the Fund for the previous financial year ended 30 June 2020. For more information on recoverable expenses, see "Recoverable expenses" in the "Additional Explanation of Fees and Costs" section below.

⁵ This figure reflects the indirect costs incurred by the Fund for the previous financial year ended 30 June 2020. For more information on the meaning and calculation of indirect costs, see "Indirect costs" in the "Additional explanation of fees and costs" section below.

Certain additional costs apply, such as transactional and operational costs. 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.

12. Section 3.2 of the PDS titled "Example of Annual Fees and Costs" is deleted and replaced with the following:

3.2 EXAMPLE OF ANNUAL FEES AND COSTS

This table gives an example of how the fees and costs can affect your investment over a one year period. You should use this table to compare these products with other managed investment products.

TABLE 3.2: EXAMPLE OF ANNUAL FEES AND COSTS

EXAMPLE – APPLICABLE TO BETASHARES ETHICAL DIVERSIFIED BALANCED ETF, BETASHARES ETHICAL DIVERSIFIED GROWTH ETF AND BETASHARES ETHICAL DIVERSIFIED HIGH GROWTH ETF	AMOUNT	BALANCE OF \$50,000 WITH A CASH CONTRIBUTION OF \$5,000 ¹ DURING THE YEAR
CONTRIBUTION FEES²		For every additional \$5,000 you put in, you will be charged:
	\$0 if you are not an Authorised Participant; or	\$0 if you are not an Authorised Participant; or
	Up to \$201 for in-kind applications if you are an Authorised Participant	\$201 if you are an Authorised Participant.
PLUS MANAGEMENT COSTS³ (management fee plus recoverable expenses plus indirect costs)	0.39% p.a. of the Fund's Net Asset Value	And , for every \$50,000 you have in the Fund you will be charged \$195 each year.
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 ⁴ during that year, you would be charged fees of \$195 (if you are not an Authorised Participant) or \$396 (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.
EXAMPLE – APPLICABLE TO BETASHARES DIVERSIFIED ALL GROWTH ETF	AMOUNT	BALANCE OF \$50,000 WITH A CASH CONTRIBUTION OF \$5,000 ¹ DURING THE YEAR
CONTRIBUTION FEES²		For every additional \$5,000 you put in, you will be charged:
	\$0 if you are not an Authorised Participant; or	\$0 if you are not an Authorised Participant; or
	Up to \$201 for in-kind applications if you are an Authorised Participant	\$201 if you are an Authorised Participant.
PLUS MANAGEMENT COSTS³ (management fee plus recoverable expenses plus indirect costs)	0.19% p.a. of the Fund's Net Asset Value	And , for every \$50,000 you have in the Fund you will be charged \$95 each year.
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 ⁴ during that year, you would be charged fees of \$95 (if you are not an Authorised Participant) or \$296 (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 as set out in Table 3.1 above (for an in-kind redemption). 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.

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 each Fund by an Authorised Participant is for the number of Units that make up a Creation Unit, unless the Responsible Entity agrees otherwise.

² Assumes the maximum contribution fee set out in Table 3.1 applies.

³ Management costs are made up of the management fee, recoverable expenses and indirect costs. Certain additional costs may apply, such as transactional and operational costs. For more information, refer to the “Additional Explanation of Fees and Costs” section below.

⁴ Assumes the \$50,000 is invested for the entire year and the \$5,000 investment occurs on the last day of the year.

13. Section 3.3.3 “Recoverable expenses”, section 3.3.4 “Indirect costs” and section 3.3.5 “Transactional and operational costs” are deleted and replaced with the following:

3.3.3 Recoverable expenses

The recoverable expenses represent the operating expenses incurred in the operation of a Fund. A Fund’s Constitution allows all properly incurred expenses to be recovered from the Fund and does not place any limit on the amount or types of expenses that can be recovered.

The expenses normally incurred in the day to day operation of a Fund include custodian, fund administration, unit registry, ASX and audit costs (other than transactional and operational costs described above).

The Responsible Entity, as at the date of this PDS, reasonably estimates that the normally incurred recoverable expenses of each Fund that will apply will be nil, as these expenses will be paid out of the Responsible Entity’s own resources.

Extraordinary expenses are expenses that are not normally incurred in the day to day operation of a Fund and are not necessarily incurred in any given year. They may include costs associated with holding unitholder meetings, changing a Fund’s Constitution, or defending or pursuing legal proceedings. Extraordinary expenses will not be paid out of the Responsible Entity’s own resources. Any such expenses will be recovered from the relevant Fund and reflected in its Net Asset Value per Unit. At the date of this PDS, the extraordinary expenses of the Fund for the previous financial year ended 30 June 2020 were nil.

3.3.4 Indirect costs

Indirect costs are any amounts that we know or where required, reasonably estimate, will reduce a Fund’s returns that are paid from the respective Fund’s assets (other than the management fee, recoverable expenses, and transactional and operational costs described elsewhere in this section) or that are paid from the assets of any interposed vehicle (such as an underlying fund) in which a Fund may invest.

Each Fund can be expected to incur indirect costs as they invest in Underlying ETFs, which would be accrued and paid in the Underlying ETFs and reflected in the value of the relevant Fund’s holding in the Underlying ETFs. At the date of this PDS the indirect costs of each Fund for the previous financial year ended 30 June 2020 are estimated to be 0.00% p.a. of the Net Asset Value of the Fund, as any non-trivial management costs borne by the relevant Fund through its investment in Underlying ETFs were, and will be, reimbursed to the Fund by the Responsible Entity from its own resources.

3.3.5 Transactional and operational costs

Each Fund incurs transactional and operational costs, such as brokerage, clearing costs, transactional custodian fees, and other transaction fees associated with buying and selling a Fund’s assets. Transactional and operational costs are an additional cost and are not included in the management costs.

The table below sets out our reasonable estimate, as at the date of this PDS, of each Fund’s total transactional and operational costs for the previous financial year ended 30 June 2020. However, the Responsible Entity reimburses each Fund for certain transactional and operational costs out of the application and redemption fees it receives, as described in section 3.3.6. Our estimate of the net transactional and operational costs of each Fund (representing the total transactional and operational costs minus the transactional and operational costs reimbursed to a Fund out of the application and redemption fees) for the previous financial year ended 30 June 2020 are also set out in the table below. The net transactional and operational costs are borne by each Fund.

	Estimated total transactional and operational costs - % p.a. of the Fund's Net Asset Value	Estimated net transactional and operational costs - % p.a. of the Fund's Net Asset Value
BetaShares Ethical Diversified Balanced ETF	0.21%	0.04% (or \$20 for every \$50,000 you have in the Fund)
BetaShares Ethical Diversified Growth ETF	0.16%	0.03% (or \$15 for every \$50,000 you have in the Fund)
BetaShares Ethical Diversified High Growth ETF	0.33%	0.04% (or \$20 for every \$50,000 you have in the Fund)
BetaShares Diversified All Growth ETF	0.13%	0.00% (or \$0 for every \$50,000 you have in the Fund)

These transactional and operational costs are in addition to the management costs set out in Table 3.1 and Table 3.2 above.

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

14. In section 4 of the PDS titled "Risks", a new section 4.6 titled "Index Methodology Risk" is inserted immediately after section 4.5 as follows (and the following sections are renumbered sequentially):

In the case of the BetaShares Ethical Diversified ETFs, there is no assurance that underlying indices that use responsible investment-related criteria to select investments will outperform traditional indices that are based purely on market capitalisation, or any other methodology for constructing an index, over any time period.

15. Each Product Supplement is deleted and replaced with the following:

PRODUCT SUPPLEMENT

BETASHARES ETHICAL DIVERSIFIED HIGH GROWTH ETF

WHO MAY THE FUND SUIT?

The Fund may suit investors:

- seeking access to a cost-effective, diversified portfolio across a range of different asset classes, managed within a risk controlled framework;
- seeking exposure to investments selected according to responsible investment considerations;
- who have a high tolerance for risk and who are therefore willing to accept a high degree of volatility in their portfolio in order to achieve their long-term objective; and
- who have an investment timeframe of at least 7 years.

INVESTMENT OBJECTIVE

The Fund will aim to:

- provide investors with a broadly diversified portfolio consistent with a high growth risk-return profile, comprising investments selected according to responsible investment considerations; and
- passively blend the returns of the index-tracking Underlying ETFs in which the Fund invests, in proportion to the Fund's strategic asset allocation.

INVESTMENT STRATEGY

The Fund will have a long-term average target exposure of 10% in defensive assets and 90% in growth assets.

The table below shows the strategic asset allocation ("SAA") to each asset class and the Underlying ETFs in which the Fund will invest to provide exposure to the asset classes.

Asset Class	Strategic Asset Allocation	Underlying ETFs selected to provide investment exposure
Global and Australian Bonds	10.0%	<p>BetaShares Sustainability Leaders Diversified Bond ETF – Currency Hedged (ASX: GBND), a fund which is benchmarked to the Solactive Australian and Global Select Sustainability Leaders Bond TR Index - AUD Hedged.</p> <p>The Index comprises a portfolio of fixed rate, investment grade global and Australian bonds, with a significant allocation to "green bonds", that have been screened to avoid bond issuers with material exposure to the fossil fuel industry or bond issuers engaged in other activities deemed inconsistent with responsible investment considerations.* Bond issuers may be corporations, governments or government agencies in developed and emerging markets, or supranational bodies.</p> <p>"Green bonds" are bonds issued specifically to finance environmentally friendly projects, as certified by the Climate Bonds Initiative, an international not-for-profit organisation which promotes the development of green bonds.</p>
Total Defensive Assets	10.0%	
Australian Equities	36%	<p>BetaShares Australian Sustainability Leaders ETF (ASX code: FAIR), a fund which is benchmarked to the Nasdaq Future Australian Sustainability Leaders Index.</p> <p>The Index comprises a portfolio of ASX-listed equity securities that have been screened to preference companies engaged in sustainable business activities and to avoid companies engaged in activities deemed inconsistent with responsible investment considerations.*</p>
International Equities	54%	<p>BetaShares Global Sustainability Leaders ETF (ASX code: ETHI), a fund which is benchmarked to the Nasdaq Future Global Sustainability Leaders Index.</p> <p>The Index comprises 200 large global stocks which are climate change leaders (as measured by their relative carbon efficiency) that have also passed screens to exclude companies with direct or significant exposure to fossil fuels or engaged in activities deemed inconsistent with responsible investment considerations.*</p>
Total Growth Assets	90.0%	

* For companies, the business activities screened out in this process (subject to certain materiality thresholds) include: gambling, tobacco, armaments, uranium and nuclear energy, destruction of valuable environments, animal cruelty, chemicals of concern, alcohol, junk foods, pornography, human rights and supply chain concerns, and lack of board-level gender diversity. Sovereign bond issuers are screened to remove any issuers that are subject to current sanctions as a result of human rights concerns imposed by international bodies such as the United Nations and European Union.

The Fund's asset allocation will be rebalanced back to the above SAA weightings if market movements or other circumstances cause the allocation to an asset class (including the allocation to defensive assets and growth assets) to deviate from the SAA by more than 2% as at the end of each calendar quarter.

The SAA is reviewed, and may be adjusted, annually.

The Fund's level of overall return volatility may be suitable for investors considered to have a "high" risk profile in accordance with APRA's Standard Risk Measure ("**SRM**"). Based on the SRM, the estimated number of annual negative return years for the portfolio is 4 to less than 6, on average, every 20-years (this is not a complete assessment of all applicable forms of investment risk – see section 2.1.2 for more information).

PRODUCT SUPPLEMENT

BETASHARES ETHICAL DIVERSIFIED BALANCED ETF

WHO MAY THE FUND SUIT?

The Fund may suit investors:

- seeking access to a cost-effective, diversified portfolio across a range of different asset classes, managed within a risk controlled framework;
- seeking exposure to investments selected according to responsible investment considerations;
- who have a medium tolerance for risk and who are therefore willing to accept some volatility in their portfolio in order to achieve their long-term objective; and
- who have an investment timeframe of at least 5 years.

INVESTMENT OBJECTIVE

The Fund will aim to:

- provide investors with a broadly diversified portfolio consistent with a balanced risk-return profile, comprising investments selected according to responsible investment considerations; and
- passively blend the returns of the index-tracking Underlying ETFs in which the Fund invests, in proportion to the Fund's strategic asset allocation.

INVESTMENT STRATEGY

The Fund will have a long-term average target exposure of 50% in defensive assets and 50% in growth assets.

The table below shows the strategic asset allocation ("**SAA**") to each asset class and the Underlying ETFs in which the Fund will invest to provide exposure to the asset classes.

Asset Class	Strategic Asset Allocation	Underlying ETFs selected to provide investment exposure
Global and Australian Bonds	50.0%	<p>BetaShares Sustainability Leaders Diversified Bond ETF – Currency Hedged (ASX: GBND), a fund which is benchmarked to the Solactive Australian and Global Select Sustainability Leaders Bond TR Index - AUD Hedged.</p> <p>The Index comprises a portfolio of fixed rate, investment grade global and Australian bonds, with a significant allocation to “green bonds”, that have been screened to avoid bond issuers with material exposure to the fossil fuel industry or bond issuers engaged in other activities deemed inconsistent with responsible investment considerations.* Bond issuers may be corporations, governments or government agencies in developed and emerging markets, or supranational bodies.</p> <p>“Green bonds” are bonds issued specifically to finance environmentally friendly projects, as certified by the Climate Bonds Initiative, an international not-for-profit organisation which promotes the development of green bonds.</p>
Total Defensive Assets	50.0%	
Australian Equities	20%	<p>BetaShares Australian Sustainability Leaders ETF (ASX code: FAIR), a fund which is benchmarked to the Nasdaq Future Australian Sustainability Leaders Index.</p> <p>The Index comprises a portfolio of ASX-listed equity securities that have been screened to preference companies engaged in sustainable business activities and to avoid companies engaged in activities deemed inconsistent with responsible investment considerations.*</p>

International Equities	30%	BetaShares Global Sustainability Leaders ETF (ASX code: ETHI), a fund which is benchmarked to the Nasdaq Future Global Sustainability Leaders Index. The Index comprises 200 large global stocks which are climate change leaders (as measured by their relative carbon efficiency) that have also passed screens to exclude companies with direct or significant exposure to fossil fuels or engaged in activities deemed inconsistent with responsible investment considerations.*
Total Growth Assets	50.0%	

* For companies, the business activities screened out in this process (subject to certain materiality thresholds) include: gambling, tobacco, armaments, uranium and nuclear energy, destruction of valuable environments, animal cruelty, chemicals of concern, alcohol, junk foods, pornography, human rights and supply chain concerns, and lack of board-level gender diversity. Sovereign bond issuers are screened to remove any issuers that are subject to current sanctions as a result of human rights concerns imposed by international bodies such as the United Nations and European Union.

The Fund's asset allocation will be rebalanced back to the above SAA weightings if market movements or other circumstances cause the allocation to an asset class (including the allocation to defensive assets and growth assets) to deviate from the SAA by more than 2% as at the end of each calendar quarter.

The SAA is reviewed, and may be adjusted, annually.

The Fund's level of overall return volatility may be suitable for investors considered to have a "medium" risk profile in accordance with APRA's Standard Risk Measure ("SRM"). Based on the SRM, the estimated number of annual negative return years for the portfolio is 2 to less than 3, on average, every 20-years (this is not a complete assessment of all applicable forms of investment risk – see section 2.1.2 for more information).

PRODUCT SUPPLEMENT

BETASHARES ETHICAL DIVERSIFIED GROWTH ETF

WHO MAY THE FUND SUIT?

The Fund may suit investors:

- seeking access to a cost-effective, diversified portfolio across a range of different asset classes, managed within a risk controlled framework;
- seeking exposure to investments selected according to responsible investment considerations;
- who have a medium to high tolerance for risk and who are therefore willing to accept a medium to high degree of volatility in their portfolio in order to achieve their long-term objective; and
- who have an investment timeframe of at least 7 years.

INVESTMENT OBJECTIVE

The Fund will aim to:

- provide investors with a broadly diversified portfolio consistent with a growth risk-return profile, comprising investments selected according to responsible investment considerations; and
- passively blend the returns of the index-tracking Underlying ETFs in which the Fund invests, in proportion to the Fund's strategic asset allocation.

INVESTMENT STRATEGY

The Fund will have a long-term average target exposure of 30% in defensive assets and 70% in growth assets.

The table below shows the strategic asset allocation ("SAA") to each asset class and the Underlying ETFs in which the Fund will invest to provide exposure to the asset classes.

Asset Class	Strategic Asset Allocation	Underlying ETFs selected to provide investment exposure
Global and Australian Bonds	30.0%	<p>BetaShares Sustainability Leaders Diversified Bond ETF – Currency Hedged (ASX: GBND), a fund which is benchmarked to the Solactive Australian and Global Select Sustainability Leaders Bond TR Index - AUD Hedged.</p> <p>The Index comprises a portfolio of fixed rate, investment grade global and Australian bonds, with a significant allocation to "green bonds", that have been screened to avoid bond issuers with material exposure to the fossil fuel industry or bond issuers engaged in other activities deemed inconsistent with responsible investment considerations.* Bond issuers may be corporations, governments or government agencies in developed and emerging markets, or supranational bodies.</p> <p>"Green bonds" are bonds issued specifically to finance environmentally friendly projects, as certified by the Climate Bonds Initiative, an international not-for-profit organisation which promotes the development of green bonds.</p>
Total Defensive Assets	30.0%	
Australian Equities	28%	<p>BetaShares Australian Sustainability Leaders ETF (ASX code: FAIR), a fund which is benchmarked to the Nasdaq Future Australian Sustainability Leaders Index.</p> <p>The Index comprises a portfolio of ASX-listed equity securities that have been screened to preference companies engaged in sustainable business activities and to avoid companies engaged in activities deemed inconsistent with responsible investment considerations.*</p>

International Equities	42%	<p>BetaShares Global Sustainability Leaders ETF (ASX code: ETHI), a fund which is benchmarked to the Nasdaq Future Global Sustainability Leaders Index.</p> <p>The Index comprises 200 large global stocks which are climate change leaders (as measured by their relative carbon efficiency) that have also passed screens to exclude companies with direct or significant exposure to fossil fuels or engaged in activities deemed inconsistent with responsible investment considerations.*</p>
Total Growth Assets	70.0%	

* For companies, the business activities screened out in this process (subject to certain materiality thresholds) include: gambling, tobacco, armaments, uranium and nuclear energy, destruction of valuable environments, animal cruelty, chemicals of concern, alcohol, junk foods, pornography, human rights and supply chain concerns, and lack of board-level gender diversity. Sovereign bond issuers are screened to remove any issuers that are subject to current sanctions as a result of human rights concerns imposed by international bodies such as the United Nations and European Union.

The Fund's asset allocation will be rebalanced back to the above SAA weightings if market movements or other circumstances cause the allocation to an asset class (including the allocation to defensive assets and growth assets) to deviate from the SAA by more than 2% as at the end of each calendar quarter.

The SAA is reviewed, and may be adjusted, annually.

The Fund's level of overall return volatility may be suitable for investors considered to have a "medium to high" risk profile in accordance with APRA's Standard Risk Measure ("SRM"). Based on the SRM, the estimated number of annual negative return years for the portfolio is 3 to less than 4, on average, every 20-years (this is not a complete assessment of all applicable forms of investment risk – see section 2.1.2 for more information).

PRODUCT SUPPLEMENT

BETASHARES DIVERSIFIED ALL GROWTH ETF

WHO MAY THE FUND SUIT?

The Fund may suit investors:

- seeking access to a cost-effective, diversified portfolio across a range of different asset classes, managed within a risk controlled framework;
- who have a high tolerance for risk and who are therefore willing to accept a high degree of volatility in their portfolio in order to achieve their long-term objective; and
- who have an investment timeframe of at least 7 years.

INVESTMENT OBJECTIVE

The Fund will aim to:

- provide investors with a broadly diversified portfolio consistent with a very high growth risk-return profile; and
- passively blend the returns of the index-tracking Underlying ETFs in which the Fund invests, in proportion to the Fund's strategic asset allocation.

INVESTMENT STRATEGY

The Fund will have a long-term target exposure of 100% in growth assets.

The table below shows the strategic asset allocation ("SAA") to each asset class and the Underlying ETFs in which the Fund will invest to provide exposure to the asset classes.

Asset Class	Strategic Asset Allocation	Underlying ETFs selected to provide investment exposure
Australian Equities	37.0%	BetaShares Australia 200 ETF (ASX code: A200), a fund which is benchmarked to the Solactive Australia 200 Index.
International Equities	63.0%*	Vanguard Total Stock Market ETF (NYSE code: VTI), a fund which is benchmarked to the CRSP US Total Market Index. SPDR Portfolio Developed World ex-US ETF (NYSE code: SPDW), a fund which is benchmarked to the S&P Developed Ex-U.S. BMI Index. SPDR Portfolio Emerging Markets ETF (NYSE code: SPEM), a fund which is benchmarked to the S&P Emerging BMI Index.
Total Growth Assets	100.0%	

*Within the allocation to International Equities, the Fund may use more than one Underlying ETF to provide investment exposure. The Underlying ETFs selected provide exposure to U.S. equities, non-U.S. developed markets equities and emerging markets equities respectively. In combination, they provide the desired exposure. The Underlying ETFs will be passively weighted on a quarterly basis corresponding to the combined free float market capitalisations of the constituents of the respective indices which they aim to track.

For example, if, at the end of a quarter, the VTI ETF's index constituents represent 50% of the combined free float market capitalisations of the constituents of the respective indices which the three Underlying ETFs aim to track, SPDW ETF's 30% and SPEM ETF's 20%, and the BetaShares Diversified All Growth ETF's strategic asset allocation to international equities is 63%, the allocation to VTI ETF at rebalance will be 50% of 63% = 31.5%, SPDW ETF will be 30% of 63% = 19% and SPEM ETF will be 20% of 63% = 12.5%.

The Fund's asset allocation will be rebalanced back to the above SAA weightings if market movements or other circumstances cause the allocation to an asset class to deviate from the SAA by more than 2% as at the end of each calendar quarter.

The SAA is reviewed, and may be adjusted, annually.

The Fund's level of overall return volatility may be suitable for investors considered to have a "very high" risk profile in accordance with

APRA's Standard Risk Measure ("**SRM**"). Based on the SRM, the estimated number of annual negative return years for the portfolio is 6 or greater, on average, every 20-years (this is not a complete assessment of all applicable forms of investment risk – see section 2.1.2 for more information).