

BETASHARES INTEREST RATE HEDGED AUSTRALIAN INVESTMENT GRADE CORPORATE BOND ETF

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SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT

DATED: 8 DECEMBER 2022
ISSUER: BETASHARES CAPITAL LTD
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This Supplementary Product Disclosure Statement ("SPDS") is supplemental to the Product Disclosure Statement dated 4 November 2022 in respect of BetaShares Interest Rate Hedged Australian Investment Grade Corporate Bond 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 8 December 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.

Contribution and withdrawal fees for Authorised Participants

The purpose of this SPDS is to reflect an increase in the contribution fees and the withdrawal fees payable only by Authorised Participants in respect of applications and withdrawals made directly with the Fund. These contribution fees and withdrawal fees are being changed to add a variable component of up to 0.04% to cover variable transaction costs. This is to ensure that the transaction costs associated with applications and redemptions are borne by the transacting Authorised Participants and not by other investors. These fees are not applicable for investors who buy or sell units in the Fund on the ASX. This change will take effect on the first ASX Business Day which is 30 days after the date of this SPDS, being 9 January 2023.

There is no change to the management fees and costs (management fee, recoverable expenses and indirect costs) of the Fund.

The PDS is amended as follows:

- By deleting section 3.1 and replacing it with the following:

3.1 FEES AND OTHER COSTS

This section 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 the 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: FEES AND COSTS SUMMARY

| BetaShares Interest Rate Hedged Australian Investment Grade Corporate Bond ETF | | |
|--|--|-------------------|
| TYPE OF FEE OR COST | AMOUNT | HOW AND WHEN PAID |
| Ongoing annual fees and costs | | |
| Management fees and costs: | 0.29% per annum of the Fund's Net Asset Value. | |
| The fees and costs for managing your investment | | |

BetaShares Interest Rate Hedged Australian Investment Grade Corporate Bond ETF

| TYPE OF FEE OR COST | AMOUNT | HOW AND WHEN PAID |
|--|--|---|
| | <p>As at the date of this PDS, the management fees and costs of the Fund consist of the following components:</p> <p>Management fee</p> <p>0.29% per annum of the Fund's Net Asset Value.</p> <p>Plus</p> <p>Recoverable expenses¹</p> <p>Estimated at 0.00% per annum of the Fund's Net Asset Value.</p> <p>Plus</p> <p>Indirect costs</p> <p>Estimated at 0.00% per annum of the Fund's Net Asset Value.²</p> | <p>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.</p> <p>Any expenses normally incurred in operating the Fund are paid as and when they arise by the Responsible Entity out of its own resources. Any extraordinary expenses are deducted from the Fund's assets as and when they arise.</p> <p>The 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.</p> |
| <p>Performance fees:</p> <p>Amounts deducted from your investment in relation to the performance of the product</p> | <p>Nil.</p> | <p>Not applicable.</p> |
| <p>Transaction costs:</p> <p>The costs incurred by the scheme when buying or selling assets</p> | <p>Estimated at 0.01% per annum of the Fund's Net Asset Value.³</p> | <p>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 to the Fund and paid from the Fund's assets according to a regular monthly or quarterly cycle.</p> |
| <p>Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)</p> | | |
| <p>Establishment fee:</p> <p>The fee to open your investment</p> | <p>Nil.</p> | <p>Not applicable.</p> |
| <p>Contribution fee:</p> <p>The fee on each amount contributed to your investment</p> | <p>If you are not an Authorised Participant – \$0</p> <p>If you are an Authorised Participant – up to \$400 plus 0.04% for in-kind applications.⁵</p> | <p>Payable only by Authorised Participants.⁴</p> <p>This fee will be payable by Authorised Participants together with the application consideration at the time of applying for Units, for in-kind applications.</p> |

BetaShares Interest Rate Hedged Australian Investment Grade Corporate Bond ETF

| TYPE OF FEE OR COST | AMOUNT | HOW AND WHEN PAID |
|--|---|---|
| Buy-sell spread: An amount deducted from your investment representing costs incurred in transactions by the scheme | Nil. ⁶ | Not applicable. |
| 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 \$400 plus 0.04% for in-kind redemptions. ⁵ | Payable only by Authorised Participants. ⁴ This fee will be deducted from the redemption proceeds at the time of the redemption, for in-kind redemptions. |
| Exit fee: The fee to close your investment | Nil. | Not applicable. |
| Switching fee: The fee for changing investment options | Nil. | Not applicable. |

¹ As the Fund is newly established, this figure reflects the recoverable expenses that the Responsible Entity, at the date of this PDS, reasonably estimates will apply for the current financial year (adjusted to reflect a 12 month period). For more information on recoverable expenses, please see section 3.3.3 in the “Additional Explanation of Fees and Costs” section below.

² As the Fund is newly established, this figure reflects the indirect costs that the Responsible Entity, at the date of this PDS, reasonably estimates will apply for the current financial year (adjusted to reflect a 12 month period). Any non-trivial management costs borne by the Fund through its investment in other ETFs will be reimbursed to the Fund by the Responsible Entity from its own resources. For more information on the meaning and calculation of indirect costs, see “Indirect costs” under the heading “Additional Explanation of Fees and Costs”.

³ As the Fund is newly established, this figure reflects the transaction costs that the Responsible Entity, at the date of this PDS, reasonably estimates will apply for the current financial year (adjusted to reflect a 12 month period). This estimate is net of estimated transaction costs for which the Responsible Entity reimburses the Fund out of the application and redemption fees it receives from Authorised Participants as described in section 3.3.6. 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”.

⁴ 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.

⁵ 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.

⁶ 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 any applicable stamp duty and are shown without any other adjustment in relation to any tax deduction available to the Responsible Entity or the extent to which any tax deduction may be passed on to unitholders.

2. By deleting section 3.2 and replacing it with the following:

3.2 EXAMPLE OF ANNUAL FEES AND COSTS

This table gives an example of how the ongoing annual fees and costs in the Fund can affect your investment over a one year period. You should use this table to compare this product with other managed investment schemes.

TABLE 3.2: EXAMPLE OF ANNUAL FEES AND COSTS

| EXAMPLE - BetaShares Interest Rate Hedged Australian Investment Grade Corporate Bond 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 \$400 plus 0.04% for in-kind applications if you are an Authorised Participant ² | \$0 if you are not an Authorised Participant; or \$402 if you are an Authorised Participant. |
| PLUS MANAGEMENT FEES AND COSTS³ | 0.29% p.a. of the Fund's Net Asset Value | And , for every \$50,000 you have in the Fund you will be charged or have deducted from your investment \$145 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 0.01% of the Fund's Net Asset Value | And , you will be charged or have deducted from your investment \$5 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 and costs of: \$150 (if you are not an Authorised Participant) or \$552 (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. |

* Additional fees may apply. An Authorised Participant who redeems Units directly will also be charged a withdrawal fee of up to \$400 plus 0.04% 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 Assumes the maximum contribution fee set out in Table 3.1 applies.

³ Management fees and costs are made up of the management fee, recoverable expenses and indirect costs. As the Fund is newly established, the figures used in the example above represent the amounts that the Responsible Entity, as at the date of this PDS, reasonably estimates will apply for the current financial year (adjusted to reflect a 12 month period). For more information, refer to the "Additional Explanation of Fees and Costs" section below.

⁴ As the Fund is newly established, this figure reflects the transaction costs that the Responsible Entity, at the date of this PDS, reasonably estimates will apply for the current financial year (adjusted to reflect a 12 month period). This estimate is net of estimated transaction costs for which the Responsible Entity reimburses the Fund out of the application and redemption fees it receives from Authorised Participants, as

described in section 3.3.6. 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 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.