

Booklet 1

BetaShares Australian High Interest Cash ETF (ARSN 143 219 961)

BetaShares British Pound ETF (ARSN 151 133 514)

BetaShares Euro ETF (ARSN 151 131 967)

BetaShares U.S. Dollar ETF (ARSN 147 517 280)

Annual Financial Report

30 June 2016

Booklet 1
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Directors' report

The directors of BetaShares Capital Ltd, the Responsible Entity of the following managed investment funds (the "Funds") present their report together with the annual financial report of the Funds for the year ended 30 June 2016 and the auditor's report thereon.

Fund name	Referred to in this document as	Financial reporting period	ARSN
BetaShares Australian High Interest Cash ETF	Australian High Interest Cash ETF	1 July 2015 to 30 June 2016	143 219 961
BetaShares British Pound ETF	British Pound ETF	1 July 2015 to 30 June 2016	151 133 514
BetaShares Euro ETF	Euro ETF	1 July 2015 to 30 June 2016	151 131 967
BetaShares U.S. Dollar ETF	U.S. Dollar ETF	1 July 2015 to 30 June 2016	147 517 280

Responsible Entity

The Responsible Entity of the Funds is BetaShares Capital Ltd (ABN 78 139 566 868). The Responsible Entity's registered office and principal place of business is Level 11, 50 Margaret Street, Sydney, NSW 2000.

Principal activities

The principal activity of each Fund is to invest in accordance with the investment objective and guidelines as set out in the Fund's current Product Disclosure Statement and its Constitution.

The Funds did not have any employees during the year.

There were no significant changes in the nature of the Funds' activities during the year.

Directors

The following persons held office as directors of BetaShares Capital Ltd during the year or since the end of the year and up to the date of this report:

David Nathanson (appointed 21 September 2009)

Alex Vynokur (appointed 21 September 2009)

Howard Atkinson (appointed 2 March 2010, resigned 12 August 2015)

Taeyong Lee (appointed 12 August 2015)

Thomas Park (appointed 12 August 2015)

Directors' report (continued)

Review and results of operations

During the year, the Funds continued to invest in accordance with target asset allocations as set out in their governing documents and in accordance with the provisions of the Funds' Constitutions.

The results of operations of the Funds are disclosed in the statements of comprehensive income. The income distributions payable by each of the Funds are disclosed in the statements of financial position. The income distributions paid and payable by each of the Funds are disclosed in note 4 to the financial statements.

Significant changes in state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Funds that occurred during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect:

- (i) the operations of the Funds in future financial years;
- (ii) the results of those operations in future financial years; or
- (iii) the state of affairs of the Funds in future financial years.

Likely developments and expected results of operations

The principal activity of each Fund is to invest in accordance with the investment objective and guidelines as set out in the Fund's current Product Disclosure Statement and its Constitution.

The results of the Funds' operations will be affected by a number of factors, including the performance of investment markets in which the Funds invest. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Further information on likely developments in the operation of the Funds and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Funds.

Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Funds in regard to insurance cover provided to either the officers of BetaShares Capital Ltd or the auditor of the Funds. So long as the officers of BetaShares Capital Ltd act in accordance with the Funds' Constitutions and the law, the officers remain indemnified out of the assets of the Funds against losses incurred while acting on behalf of the Funds. The auditor of the Funds is in no way indemnified out of the assets of the Funds.

Fees paid to and interests held in the Funds by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of the Funds' property during the year are disclosed in note 9 to the financial statements.

No fees were paid out of the Funds' property to the directors of the Responsible Entity during the year.

The number of interests in the Funds held by the Responsible Entity or its associates as at the end of the financial year are disclosed in note 9 to the financial statements.

Directors' report (continued)

Interests in the Funds

The movement in units on issue in the Funds during the year is disclosed in note 3 to the financial statements.

The value of the Funds' assets and liabilities is disclosed on the statements of financial position and derived using the basis set out in note 2 to the financial statements.

Environmental regulation

The operations of the Funds are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

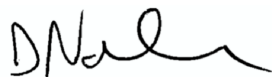
Rounding of amounts to the nearest thousand dollars or nearest dollar

The Funds are entities of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that instrument, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars or nearest dollar, unless otherwise stated.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

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



David Nathanson
Director

Sydney
27 September 2016



Alex Vynokur
Director



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

To: the directors of BetaShares Capital Limited, the Responsible Entity for the Schemes:

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2016, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Tanya Gilerman
Partner

Sydney

27 September 2016

Booklet 1
Statements of comprehensive income
For the year ended 30 June 2016

Statements of comprehensive income		Australian High Interest Cash ETF²	Australian High Interest Cash ETF ²	British Pound ETF²	British Pound ETF ²	Euro ETF²	Euro ETF ²	U.S. Dollar ETF²	U.S. Dollar ETF ²
	Notes	30 June 2016 \$'000	30 June 2015 \$'000	30 June 2016 \$'000	30 June 2015 \$'000	30 June 2016 \$¹	30 June 2015 \$ ¹	30 June 2016 \$'000	30 June 2015 \$'000
Investment income									
Interest income		21,722	22,286	37	20	15	55	537	43
Net foreign exchange gains/(losses)		-	-	(951)	810	134,592	(3,417)	14,024	51,913
Total net investment income/(loss)		21,722	22,286	(914)	830	134,607	(3,362)	14,561	51,956
Expenses									
Management fees	9	1,480	1,245	46	26	16,562	16,894	2,150	1,289
Other expenses		60	54	4	3	2,361	3,228	67	53
Total operating expenses		1,540	1,299	50	29	18,923	20,122	2,217	1,342
Operating profit/(loss)		20,182	20,987	(964)	801	115,684	(23,484)	12,344	50,614
Finance costs attributable to unitholders									
Distributions to unitholders	4	(20,447)	(21,160)	(34)	-	-	-	(421)	-
Change in net assets attributable to unitholders (total comprehensive income)	3	(265)	(173)	(998)	801	115,684	(23,484)	11,923	50,614

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

¹ Rounded to the nearest whole dollar as the Fund does not meet the criteria set out in Instrument 2016/191 to round to the nearest thousand dollars.

² Refer to note 1 for the financial reporting period.

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Statements of financial position
As at 30 June 2016

Statements of financial position		Australian High Interest Cash ETF²	Australian High Interest Cash ETF ²	British Pound ETF²	British Pound ETF ²	Euro ETF²	Euro ETF ²	U.S. Dollar ETF²	U.S. Dollar ETF ²
		30 June 2016 \$'000	30 June 2015 \$'000	30 June 2016 \$'000	30 June 2015 \$'000	30 June 2016 \$¹	30 June 2015 \$ ¹	30 June 2016 \$'000	30 June 2015 \$'000
Assets									
Cash and cash equivalents	5	889,121	705,646	22,292	10,193	4,596,235	3,778,524	538,667	408,683
Receivables		1,867	1,112	4	4	487	456	130	52
Total assets		890,988	706,758	22,296	10,197	4,596,722	3,778,980	538,797	408,735
Liabilities									
Distributions payable	4	1,661	1,599	34	-	-	-	421	-
Other payables		159	138	4	7	1,321	3,020	198	174
Total liabilities (excluding net assets attributable to unitholders)		1,820	1,737	38	7	1,321	3,020	619	174
Net assets attributable to unitholders - liability	3	889,168	705,021	22,258	10,190	4,595,401	3,775,960	538,178	408,561

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

¹ Rounded to the nearest whole dollar as the Fund does not meet the criteria set out in Instrument 2016/191 to round to the nearest thousand dollars.

² Refer to note 1 for the financial reporting period.

Statements of changes in equity

The Funds' net assets attributable to unitholders are classified as a liability under AASB 132 *Financial Instruments: Presentation*. As such the Funds have no equity and no items of changes in equity have been presented for the current or comparative period.

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Statements of cash flows
For the year ended 30 June 2016

Statements of cash flows	Australian High Interest Cash ETF ²		Australian High Interest Cash ETF ²		British Pound ETF ²		British Pound ETF ²		Euro ETF ²		Euro ETF ²		U.S. Dollar ETF ²		U.S. Dollar ETF ²	
	30 June 2016 \$'000	30 June 2015 \$'000	30 June 2016 \$'000	30 June 2015 \$'000	30 June 2016 \$ ¹	30 June 2015 \$ ¹	30 June 2016 \$'000	30 June 2015 \$'000								
Cash flows from operating activities																
Interest received	20,974	21,940	37	18	16	142	483	35								
Management fees paid	(1,462)	(1,201)	(49)	(23)	(18,261)	(16,971)	(2,126)	(1,182)								
Other expenses paid	(66)	(61)	(4)	(3)	(2,393)	(3,254)	(91)	(80)								
Net cash inflow/(outflow) from operating activities	19,446	20,678	(16)	(8)	(20,638)	(20,083)	(1,734)	(1,227)	6							
Cash flows from financing activities																
Proceeds from applications by unitholders	280,728	322,550	19,921	4,409	1,460,802	-	183,741	234,822								
Payments for redemptions by unitholders	(97,683)	(119,979)	(6,855)	-	(757,045)	-	(66,047)	(40,014)								
Distributions paid	(19,016)	(19,625)	-	-	-	-	-	-								
Net cash inflow/(outflow) from financing activities	164,029	182,946	13,066	4,409	703,757	-	117,694	194,808								
Net increase/(decrease) in cash and cash equivalents	183,475	203,624	13,050	4,401	683,119	(20,083)	115,960	193,581								
Cash and cash equivalents at the beginning of the financial year	705,646	502,022	10,193	4,982	3,778,524	3,802,024	408,683	163,189								
Effects of foreign currency exchange rate changes on cash and cash equivalents	-	-	(951)	810	134,592	(3,417)	14,024	51,913								
Cash and cash equivalents at the end of the financial year	889,121	705,646	22,292	10,193	4,596,235	3,778,524	538,667	408,683	5							
Non-cash financing activities																
Units issued upon reinvestment of distributions	1,367	1,490	-	-	-	-	-	-								

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

¹ Rounded to the nearest whole dollar as the Fund does not meet the criteria set out in Instrument 2016/191 to round to the nearest thousand dollars.

² Refer to note 1 for the financial reporting period.

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1 General information

These financial statements cover the following managed investment funds ("the Funds"). The Funds are registered managed investment schemes under the *Corporations Act 2001*. The Responsible Entity cannot issue or redeem any units from the 80th anniversary of the day before the day the Funds commenced if that issue or redemption would cause a contravention of the rule against perpetuities or any other rule of law or equity. The Funds may be terminated in accordance with the provisions of their Constitutions. The Funds are domiciled in Australia.

Abbreviated Fund name	Registered date	Commenced operations	Financial reporting period
Australian High Interest Cash ETF	3 May 2010	6 March 2012	1 July 2015 to 30 June 2016
British Pound ETF	9 June 2011	8 July 2011	1 July 2015 to 30 June 2016
Euro ETF	9 June 2011	8 July 2011	1 July 2015 to 30 June 2016
U.S. Dollar ETF	3 December 2010	1 February 2011	1 July 2015 to 30 June 2016

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

The financial statements were authorised for issue by the directors of the Responsible Entity on 27 September 2016. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

The financial statements are presented in Australian dollars, which is the Funds' functional currency.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001* in Australia.

The Funds operated solely in one segment which is the business of investment management within Australia.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

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

Compliance with International Financial Reporting Standards

The financial statements of the Funds also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Use of estimates and judgement

The Funds make estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Funds' financial instruments, quoted market prices are readily available. However, certain financial instruments are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and regularly reviewed by experienced personnel of the Responsible Entity, independent of the area that created them.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

For certain other financial instruments, including amounts due from/to brokers and payables, the carrying amounts approximate fair value due to the short-term nature of these financial instruments.

Investment entity exception

The Funds meet the definition of an investment entity and therefore apply the investment entity amendments to IFRS 10 *Consolidated Financial Statements*, IFRS 12 *Disclosure of Interest in Other Entities* and IAS 27 *Separate Financial Statement*. IFRS 10 is applicable to all investees; among other things, it requires the consolidation of an investee if the Funds control the investee on the basis of de facto circumstances. An exception however exists where an entity meets the definition of an investment entity.

The Funds meet the definition of investment entity due to the following factors:

- (a) the Funds obtain funds from one or more unitholders for the purpose of providing the unitholders with investment management services;
- (b) the Funds commit to their unitholders that their business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- (c) the Funds measure and evaluate the performance of substantially all of their investments on a fair value basis.

In making the above assessments, the Funds have multiple investments and multiple investors. Their investors are generally unrelated parties of the Funds. Although all units attributable to unitholders are recognized as debt rather than equity, unitholders invest for returns from capital appreciation, investment income, or both. Directors of the RE have concluded that the Funds meet the definition of investment entity.

Assessment of the Funds' investments as structured entities

The Funds have assessed whether the securities in which they invest are structured entities. The Funds have considered the voting rights and other similar rights afforded to investors in these funds, including the rights to remove the fund manager or redeem holdings. The Funds have assessed whether these rights are the dominant factor in controlling the funds, or whether the contractual agreement with the fund manager is the dominant factor in controlling these funds. The Funds have concluded that the managed investment funds in which they invest are not structured entities.

(b) Changes in accounting policy and transition

There were no changes in the accounting policies of the Funds during the financial year.

(c) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2016 reporting periods and have not been early adopted by the Funds. The directors' assessment of the impact of these new standards (to the extent relevant to the Funds) and interpretations is set out below:

2 Summary of significant accounting policies (continued)

(c) New accounting standards and interpretations (continued)

(i) *AASB 9 Financial Instruments* (and applicable amendments), (effective from 1 January 2018)

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting. The directors do not expect this to have a significant impact on the recognition and measurement of the Funds' financial instruments. The derecognition rules have not been changed from the previous requirements, and the Funds do not apply hedge accounting. The Funds have not yet decided when to adopt AASB 9.

(ii) *AASB 15 Revenue from Contracts with Customers*, (effective from 1 January 2018)

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 Revenue which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

The Funds' main sources of income are interest, distributions and gains on financial instruments held at fair value. All of these are outside the scope of the new revenue standard. As consequence, the directors do not expect the adoption of the new revenue recognition rules to have a significant impact on the Funds' accounting policies or the amounts recognised in the financial statements.

There are no other standards that are not yet effective and that are expected to have a material impact on the Funds in the current or future reporting periods and on foreseeable future transactions.

(d) Net assets attributable to unitholders

Units are normally redeemable only by unitholders being Authorised Participants at the unitholders' option (other unitholders only have a right to redeem units in special circumstances) and are accordingly therefore classified as financial liabilities. The units can be put back to the Funds at any time (subject to the *Corporations Act 2001* and the Funds' Constitutions) for cash based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the end of the reporting period if unitholders exercised their right to redeem units in the Funds.

(e) Cash and cash equivalents

For the purpose of presentation in the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. The carrying amount of cash approximates fair value.

(f) Investment income

Interest income is recognised in the statements of comprehensive income for all financial instruments that are not held at fair value through profit or loss using the effective interest method. Other changes in fair value for such instruments are recorded in accordance with the policies described in note 2(b).

(g) Expenses

All expenses are recognised in the statements of comprehensive income on an accruals basis.

(h) Income tax

Under current legislation, the Funds are not subject to income tax as unitholders are presently entitled to the taxable income (including assessable realised capital gains) of the Funds.

2 Summary of significant accounting policies (continued)

(i) Distributions

In accordance with the Funds' Constitutions, the Funds distribute income adjusted for amounts determined by the Responsible Entity, to unitholders by cash or reinvestment.

The distributions are recognised in the statements of comprehensive income as finance costs attributable to unitholders.

(j) Change in net assets attributable to unitholders

Income not distributed is included in net assets attributable to unitholders. Movements in net assets attributable to unitholders are recognised in the statements of comprehensive income.

(k) Foreign currency translation

(i) Functional and presentation currency

Items included in the Funds' financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Funds compete for funds and is regulated. The Australian dollar is also the Funds' presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statements of comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined. Translation differences on assets and liabilities carried at fair value are reported in the statements of comprehensive income on a net basis within net gains/(losses) on financial instruments held at fair value through profit or loss.

(l) Receivables

Receivables may include amounts for dividends, interest and trust distributions. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment in accordance with the policy set out in note 2(f) above. Amounts are generally received within 30 days of being recorded as receivables. The carrying amount of receivables approximates fair value.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Funds will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial.

(m) Payables

Payables include liabilities and accrued expenses owing by the Funds which are unpaid as at the end of the reporting period.

The distribution amount payable to unitholders as at the end of each reporting period is recognised separately in the statements of financial position when unitholders are presently entitled to the distributable income.

2 Summary of significant accounting policies (continued)

(n) Applications and redemptions

Applications received for units in the Funds are recorded net of any entry fees payable (if applicable) prior to the issue of units in the Funds. Redemptions from the Funds are recorded gross of any exit fees payable (if applicable) after the cancellation of units redeemed.

(o) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Funds by third parties such as custodial services and investment management fees have been passed onto the Funds. The Funds qualify for Reduced Input Tax Credits (RITC) at a rate of 55% to 85%; hence investment management fees, custodial fees and other expenses have been recognised in the statements of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the statements of financial position. Cash flows relating to GST are included in the statements of cash flows on a gross basis.

(p) Rounding of amounts

The Funds are an entity of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded off to the nearest thousand dollars or nearest dollar in accordance with that Instrument, unless otherwise indicated.

3 Net assets attributable to unitholders

As stipulated within the Constitution of each Fund, each unit represents a right to an individual share in the relevant Fund and does not extend to a right to the underlying assets of the Fund. There are no separate classes of units and each unit of a Fund has the same rights attaching to it as all other units of the Fund (subject to applicable ASIC relief).

Movements in the number of units and net assets attributable to unitholders during the year were as follows:

	Australian High Interest Cash ETF	Australian High Interest Cash ETF	Australian High Interest Cash ETF	Australian High Interest Cash ETF	British Pound ETF	British Pound ETF	British Pound ETF	British Pound ETF
	30 June 2016 Units '000	30 June 2015 Units '000	30 June 2016 \$'000	30 June 2015 \$'000	30 June 2016 Units '000	30 June 2015 Units '000	30 June 2016 \$'000	30 June 2015 \$'000
Net assets attributable to unitholders								
Opening balance	14,079	10,710	705,021	536,276	501	276	10,190	4,980
Applications	5,600	5,733	280,728	287,407	1,075	225	19,921	4,409
Redemptions	(1,950)	(2,394)	(97,683)	(119,979)	(325)	-	(6,855)	-
Units issued upon reinvestment of distributions	27	30	1,367	1,490	-	-	-	-
Change in net assets attributable to unitholders	-	-	(265)	(173)	-	-	(998)	801
Closing balance	17,756	14,079	889,168	705,021	1,251	501	22,258	10,190

3 Net assets attributable to unitholders (continued)

	Euro ETF	Euro ETF	Euro ETF	Euro ETF	U.S. Dollar ETF	U.S. Dollar ETF	U.S. Dollar ETF	U.S. Dollar ETF
	30 June 2016 Units ¹	30 June 2015 Units ¹	30 June 2016 \$ ¹	30 June 2015 \$ ¹	30 June 2016 Units '000	30 June 2015 Units '000	30 June 2016 \$'000	30 June 2015 \$'000
Net assets attributable to unitholders								
Opening balance	265,000	265,000	3,775,960	3,799,444	32,036	15,636	408,561	163,139
Applications	100,000	-	1,460,802	-	13,825	19,700	183,741	234,822
Redemptions	(50,000)	-	(757,045)	-	(4,800)	(3,300)	(66,047)	(40,014)
Units issued upon reinvestment of distributions	-	-	-	-	-	-	-	-
Change in net assets attributable to unitholders	-	-	115,684	(23,484)	-	-	11,923	50,614
Closing balance	315,000	265,000	4,595,401	3,775,960	41,061	32,036	538,178	408,561

Capital risk management

The Funds consider their net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Funds are subject to daily applications and redemptions at the discretion of eligible unitholders.

Daily applications and redemptions are reviewed relative to the liquidity of the Funds' underlying assets on a daily basis by the Responsible Entity. Under the terms of the Funds' Constitutions, the Responsible Entity has the discretion to reject an application for units and to extend the period allowed for satisfaction of redemption of units or reject or spread redemptions in specified circumstances.

4 Distributions to unitholders

The distributions for the year were as follows:

	Australian High Interest Cash ETF	Australian High Interest Cash ETF	Australian High Interest Cash ETF	Australian High Interest Cash ETF	British Pound ETF	British Pound ETF	British Pound ETF	British Pound ETF
	30 June 2016 \$'000	30 June 2016 CPU	30 June 2015 \$'000	30 June 2015 CPU	30 June 2016 \$'000	30 June 2016 CPU	30 June 2015 \$'000	30 June 2015 CPU
Distributions paid - July	1,512	10.74	1,768	14.33	-	-	-	-
Distributions paid - August	1,490	10.58	1,680	13.50	-	-	-	-
Distributions paid - September	1,540	10.21	1,742	14.43	-	-	-	-
Distributions paid - October	1,594	10.23	1,790	13.81	-	-	-	-
Distributions paid - November	1,664	10.53	1,625	12.07	-	-	-	-
Distributions paid - December	1,681	10.64	1,968	14.38	-	-	-	-
Distributions paid - January	1,654	9.85	1,907	13.17	-	-	-	-
Distributions paid - February	1,859	10.63	1,698	11.34	-	-	-	-
Distributions paid - March	2,001	10.53	1,943	12.48	-	-	-	-
Distributions paid - April	1,914	9.97	1,834	11.55	-	-	-	-
Distributions paid - May	1,877	10.04	1,606	10.44	-	-	-	-
Distributions payable - June	1,661	9.35	1,599	11.36	34	2.69	-	-
Total distributions	20,447	-	21,160	-	34	-	-	-

¹ Rounded to the nearest whole dollar/unit as the Fund does not meet the criteria set out in Instrument 2016/191 to round to the nearest thousand dollars.

4 Distributions to unitholders (continued)

	Euro ETF	Euro ETF	Euro ETF	Euro ETF	U.S. Dollar ETF	U.S. Dollar ETF	U.S. Dollar ETF	U.S. Dollar ETF
	30 June 2016	30 June 2016	30 June 2015	30 June 2015	30 June 2016	30 June 2016	30 June 2015	30 June 2015
	\$ ¹	CPU	\$ ¹	CPU	\$'000	CPU	\$'000	CPU
Distributions paid - September	-	-	-	-	-	-	-	-
Distributions paid - December	-	-	-	-	-	-	-	-
Distributions paid - March	-	-	-	-	-	-	-	-
Distributions payable - June	-	-	-	-	421	1.03	-	-
Total distributions	-	-	-	-	421	1.03	-	-

5 Cash and cash equivalents

	Australian High Interest Cash ETF	Australian High Interest Cash ETF	British Pound ETF	British Pound ETF	Euro ETF	Euro ETF	U.S. Dollar ETF	U.S. Dollar ETF
	30 June 2016	30 June 2015	30 June 2016	30 June 2015	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	\$'000	\$'000	\$'000	\$'000	\$ ¹	\$ ¹	\$'000	\$'000
Cash and cash equivalents	889,121	705,646	22,292	10,193	4,596,235	3,778,524	538,667	408,683
Total	889,121	705,646	22,292	10,193	4,596,235	3,778,524	538,667	408,683

¹ Rounded to the nearest whole dollar as the Fund does not meet the criteria set out in Instrument 2016/191 to round to the nearest thousand dollars.

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

	Australian High Interest Cash ETF	Australian High Interest Cash ETF	British Pound ETF	British Pound ETF	Euro ETF	Euro ETF	U.S. Dollar ETF	U.S. Dollar ETF
	30 June 2016 \$'000	30 June 2015 \$'000	30 June 2016 \$'000	30 June 2015 \$'000	30 June 2016 \$¹	30 June 2015 \$ ¹	30 June 2016 \$'000	30 June 2015 \$'000
Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities								
Operating profit/(loss) for the year	20,182	20,987	(964)	801	115,684	(23,484)	12,344	50,614
Net change in interest receivable	(748)	(346)	-	(2)	1	87	(54)	-
Net change in receivables and other assets	(7)	(16)	-	-	(32)	(26)	(24)	(35)
Net foreign exchange (gains)/losses	-	-	951	(810)	(134,592)	3,417	(14,024)	(51,913)
Net change in payables and other liabilities	19	53	(3)	3	(1,699)	(77)	24	107
Net cash inflow/(outflow) from operating activities	19,446	20,678	(16)	(8)	(20,638)	(20,083)	(1,734)	(1,227)

7 Financial risk management

The Funds are exchange traded managed funds that primarily invest in a portfolio of Australian and foreign cash and cash equivalents.

The Funds' activities expose them to a variety of financial risks which may include: market risk (including price risk, foreign exchange risk and interest rate risk), counterparty/credit risk and liquidity risk. The Funds use different methods to measure different types of risk to which they are exposed. Methods include sensitivity analysis in the case of price risk.

The Funds' overall risk management programs focus on ensuring compliance with the Funds' Product Disclosure Statements (PDSs) and seek to maximise the returns derived for the level of risk to which the Funds are exposed. Financial risk management is carried out by an investment manager under policies approved by the Board of Directors of the Responsible Entity (the Board).

The Board of Directors of the Responsible Entity has overall responsibility for the establishment and oversight of the Funds' risk management framework. The Funds' overall risk management programs focus on ensuring compliance with the Funds' PDSs and investment guidelines.

Compliance with the Funds' PDSs, Constitutions and investment guidelines are reported to the Board on a regular basis.

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity market prices will affect the Funds' income or the carrying value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Price risk

Due to the nature of the Funds' investments held, the Funds are not exposed to price risk.

¹ Rounded to the nearest whole dollar as the Fund does not meet the criteria set out in Instrument 2016/191 to round to the nearest thousand dollars.

7 Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market rates. The Funds are exposed to interest rate risk on their cash holdings. Interest income from cash holdings is earned at variable interest rates. Investments in cash holdings are at call.

The Australian High Interest Cash ETF invests all of their assets into bank deposit accounts maintained with one or more banks in Australia. They are therefore subject to risk due to changes in interest rates. Interest rates are broadly influenced by various economic factors such as present and expected levels of economic growth, inflation and unemployment rates, and specifically by the creditworthiness of issuers of debt instruments.

	Floating interest rate			Fixed interest rate			Total		
	30 June 2016 \$'000	3 months or less 30 June 2016 \$'000	Up to 1 year 30 June 2016 \$'000	30 June 2016 \$'000	30 June 2015 \$'000	3 months or less 30 June 2015 \$'000	Up to 1 year 30 June 2015 \$'000	30 June 2015 \$'000	
Cash and cash equivalents									
Australian High Interest Cash ETF	836,362	52,759	-	889,121	653,728	51,918	-	705,646	
British Pound ETF	22,292	-	-	22,292	10,193	-	-	10,193	
Euro ETF ¹	4,596,235	-	-	4,596,235	3,778,524	-	-	3,778,524	
U.S. Dollar ETF	538,667	-	-	538,667	408,683	-	-	408,683	
Total	5,993,556	52,759	-	6,046,315	4,851,128	51,918	-	4,903,046	

Sensitivity analysis - Interest rate risk

	Impact on net assets attributable to unitholders					
	Currencies	Sensitivity rate (basis points)	Strengthened 30 June 2016 \$'000	Weakened 30 June 2016 \$'000	Strengthened 30 June 2015 \$'000	Weakened 30 June 2015 \$'000
Australian High Interest Cash ETF	Australian Dollars	100	2,172	(2,172)	2,229	(2,229)
British Pound ETF	British pounds	100	4	(4)	2	(2)
Euro ETF ¹	Euro	100	2	(2)	6	(6)
U.S. Dollar ETF	U.S. Dollars	100	54	(54)	4	(4)

¹ Rounded to the nearest whole dollar as the Fund does not meet the criteria set out in Instrument 2016/191 to round to the nearest thousand dollars.

7 Financial risk management (continued)

(a) Market risk (continued)

(iii) Foreign exchange risk

The Funds hold monetary assets (foreign cash, foreign cash equivalents) denominated in currencies other than the Australian dollar. Foreign exchange risk arises as the value of these financial assets denominated in other currencies will fluctuate due to changes in exchange rates.

The tables below summarise the value of the Funds' total net assets attributable to unitholders, expressed in Australian dollars, that are exposed to foreign exchange risk sensitivity analysis:

	British Pound ETF	British Pound ETF	Euro ETF	Euro ETF	U.S. Dollar ETF	U.S. Dollar ETF
	30 June 2016 \$'000	30 June 2015 \$'000	30 June 2016 \$¹	30 June 2015 \$ ¹	30 June 2016 \$'000	30 June 2015 \$'000
USD	-	-	-	-	538,496	408,595
EURO	-	-	4,590,710	3,774,276	-	-
GBP	22,288	10,192	-	-	-	-
Net foreign currency exposure	22,288	10,192	4,590,710	3,774,276	538,496	408,595

Sensitivity analysis - Foreign exchange risk

Impact on profit/loss from operating activities and net assets attributable to unitholders

Foreign exchange risk - 10% upward movement in AUD (2015: 10%)

A decrease of 10% would have an equal, but the opposite effect to the amounts shown in the above table.

	British Pound ETF	British Pound ETF	Euro ETF	Euro ETF	U.S. Dollar ETF	U.S. Dollar ETF
	30 June 2016 \$'000	30 June 2015 \$'000	30 June 2016 \$¹	30 June 2015 \$ ¹	30 June 2016 \$'000	30 June 2015 \$'000
	(2,229)	(1,019)	(459,071)	(377,428)	(53,850)	(40,860)

¹ Rounded to the nearest whole dollar as the Fund does not meet the criteria set out in Instrument 2016/191 to round to the nearest thousand dollars.

7 Financial risk management (continued)

(b) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Funds.

The main concentration of credit risk to which the Funds are exposed arise from the Funds' investment in cash and cash equivalents. The Funds invest in bank deposit accounts. Whilst the banks with which the Funds' assets are deposited will be assessed by the Responsible Entity against a number of criteria, there is a risk that the relevant bank may not be in a financial position to pay interest or repay the deposit which may arise as a result of circumstances such as the bank's insolvency or other events of default.

(i) Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is considered low as the Funds may only invest their assets into bank deposit accounts held with one or more of the following banks in Australia with the credit rating: JP Morgan Chase Bank N.A. (A- (S&P) and A3 (Moody's)), Bank of Western Australia (Aa2 Moody's), Westpac Banking Corporation Limited (Aa2 (Moody's) & AA- (S&P)), Bank of Queensland Ltd (A3 (Moody's) & A- (S&P)), RABO Bank (Aa2 (Moody's) & A+ (S&P)), as well as other banks that are regulated in Australia by Australian Prudential Regulatory Authority as authorised deposit taking institutions.

In accordance with the Funds' policy, the Responsible Entity monitors the Funds' credit position on a regular basis.

(ii) Other

The custody of the Funds' assets is mainly concentrated with one counterparty, namely RBC Investor Services Trust. RBC Investor Services Trust is a member of a major securities exchange, and at 30 June 2016 and 30 June 2015 had a credit rating of AA- (S&P) and Aa3 (Moody's). At 30 June 2016, substantially all cash and cash equivalents, balances due from brokers and investments are held in custody by RBC Investor Services Trust.

(c) Liquidity risk

Liquidity risk is the risk that the Funds will encounter difficulty in meeting obligations associated with financial liabilities.

The Funds are exposed to daily cash redemptions of redeemable units. The Funds' investments in cash and cash equivalents are considered to be readily realisable and the Funds maintain adequate liquidity to pay withdrawals and distributions when required.

The following tables analyse the Funds' non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts in the tables are the contractual undiscounted cash flows.

	Australian High Interest Cash ETF					Australian High Interest Cash ETF				
	On demand	1-6 months	6-12 months	1-2 years	Total	On demand	1-6 months	6-12 months	1-2 years	Total
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2016	2016	2016	2016	2016	2015	2015	2015	2015	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Distributions payable	-	1,665	-	-	1,665	-	1,601	-	-	1,601
Other payables	-	155	-	-	155	-	136	-	-	136
Net assets attributable to unitholders	889,168	-	-	-	889,168	705,021	-	-	-	705,021
Contractual cash flows (excluding net settled derivatives)	889,168	1,820	-	-	890,988	705,021	1,737	-	-	706,758

7 Financial risk management (continued)

(c) Liquidity risk (continued)

	British Pound ETF					British Pound ETF				
	On demand	1-6 months	6-12 months	1-2 years	Total	On demand	1-6 months	6-12 months	1-2 years	Total
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2016	2016	2016	2016	2016	2015	2015	2015	2015	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Distributions payable	-	34	-	-	34	-	-	-	-	-
Other payables	-	4	-	-	4	-	7	-	-	7
Net assets attributable to unitholders	22,258	-	-	-	22,258	10,190	-	-	-	10,190
Contractual cash flows (excluding net settled derivatives)	22,258	38	-	-	22,296	10,190	7	-	-	10,197

	Euro ETF					Euro ETF				
	On demand	1-6 months	6-12 months	1-2 years	Total	On demand	1-6 months	6-12 months	1-2 years	Total
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2016	2016	2016	2016	2016	2015	2015	2015	2015	2015
	\$ ¹	\$ ¹	\$ ¹	\$ ¹	\$ ¹	\$ ¹	\$ ¹	\$ ¹	\$ ¹	\$ ¹
Other payables	-	1,321	-	-	1,321	-	3,020	-	-	3,020
Net assets attributable to unitholders	4,595,401	-	-	-	4,595,401	3,775,960	-	-	-	3,775,960
Contractual cash flows (excluding net settled derivatives)	4,595,401	1,321	-	-	4,596,722	3,775,960	3,020	-	-	3,778,980

	U.S. Dollar ETF					U.S. Dollar ETF				
	On demand	1-6 months	6-12 months	1-2 years	Total	On demand	1-6 months	6-12 months	1-2 years	Total
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2016	2016	2016	2016	2016	2015	2015	2015	2015	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Distributions payable	-	421	-	-	421	-	-	-	-	-
Other payables	-	198	-	-	198	-	174	-	-	174
Net assets attributable to unitholders	538,178	-	-	-	538,178	408,561	-	-	-	408,561
Contractual cash flows (excluding net settled derivatives)	538,178	619	-	-	538,797	408,561	174	-	-	408,735

¹ Rounded to the nearest whole dollar as the Fund does not meet the criteria set out in Instrument 2016/191 to round to the nearest thousand dollars.

8 Auditor's remuneration

During the year the following fees were paid or payable for services provided by the auditor of the Funds. Audit fees were borne by the Responsible Entity:

	Australian High Interest Cash ETF	Australian High Interest Cash ETF	British Pound ETF	British Pound ETF	Euro ETF	Euro ETF	U.S. Dollar ETF	U.S. Dollar ETF
	30 June 2016	30 June 2015	30 June 2016	30 June 2015	30 June 2016	30 June 2015	30 June 2016	30 June 2015
KPMG	\$	\$	\$	\$	\$	\$	\$	\$
<i>Audit and other assurance service</i>								
Audit and review of financial reports	5,020	4,995	5,020	3,700	5,020	3,700	5,020	4,995
Audit of compliance plan	1,200	1,800	1,200	1,800	1,200	1,800	1,200	1,800
Total remuneration of audit and other assurance services	6,220	6,795	6,220	5,500	6,220	5,500	6,220	6,795

9 Related party transactions

Responsible entity

The Responsible Entity of the Funds is BetaShares Capital Ltd.

Key management personnel

The Funds do not employ personnel in their own right. However, the Funds are required to have an incorporated Responsible Entity to manage the activities and this is considered to be key management personnel. The directors of the Responsible Entity, which are key management personnel of the Responsible Entity, during or since the end of the financial year are:

(a) Directors

Executive Directors:

David Nathanson (appointed 21 September 2009)
Alex Vynokur (appointed 21 September 2009)

Non-Executive Directors:

Howard Atkinson (appointed 2 March 2010, resigned 12 August 2015)
Taeyong Lee (appointed 12 August 2015)
Thomas Park (appointed 12 August 2015)

9 Related party transactions (continued)

(b) Other key management personnel

There were no other persons with responsibility for planning, directing and controlling the activities of the Funds, directly or indirectly during the financial period.

Responsible Entity's management fees and other transactions

The Responsible Entity's fees are calculated in accordance with the Funds' constitutions. The Responsible Entity's fees comprise a management fee and (if applicable) expense recoveries (after taking account of GST and reduced input tax credits), which are calculated as a percentage of the net asset value of the Funds and are disclosed in the statements of comprehensive income. The following table discloses the Responsible Entity's fees for 30 June 2016 and 30 June 2015 as there has been no change in the fees during the year:

Funds	Management fee <u>30 June</u> 2016 %
Australian High Interest Cash ETF	0.18
British Pound ETF	0.45
Euro ETF	0.45
U.S. Dollar ETF	0.45

The transactions during the year and amounts payable at period end between the Funds and the Responsible entity were as follows:

	Australian High Interest Cash ETF <u>30 June</u> 2016 \$	Australian High Interest Cash ETF 30 June 2015 \$	British Pound ETF <u>30 June</u> 2016 \$	British Pound ETF 30 June 2015 \$	Euro ETF <u>30 June</u> 2016 \$	Euro ETF 30 June 2015 \$	U.S. Dollar ETF <u>30 June</u> 2016 \$	U.S. Dollar ETF 30 June 2015 \$
Management fees expensed to the Responsible Entity	1,480,497	1,245,223	45,595	26,025	16,562	16,894	2,149,668	1,288,720
Management fees payable to the Responsible Entity at reporting date	141,577	123,307	3,700	7,044	1,321	3,020	197,809	174,204

9 Related party transactions (continued)

(b) Other key management personnel (continued)

Related party unitholdings

Parties related to the Funds (including BetaShares Capital Ltd and other schemes managed by BetaShares Capital Ltd), held units in the Funds during the financial year as follows.

Australian High Interest Cash ETF

2016		Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
Unitholder								
BetaShares Australian Equities Bear Hedge Fund		580,000	655,000	32,799,369	3.69	275,000	200,000	605,368
Total		580,000	655,000	32,799,369	3.69	275,000	200,000	605,368
2015		Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
Unitholder								
BetaShares Australian Equities Bear Hedge Fund		730,000	580,000	29,043,495	4.12	-	150,000	928,287
Total		730,000	580,000	29,043,495	4.12	-	150,000	928,287

10 Events occurring after the reporting period

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Funds disclosed in the statements of financial position as at 30 June 2016 or on the results and cash flows of the Funds for the period ended on that date.

11 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2016 and 30 June 2015.

Directors' declaration

BetaShares Capital Ltd present the Directors' Declaration in respect of the following funds:

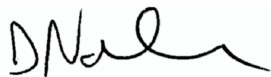
BetaShares Australian High Interest Cash ETF
BetaShares British Pound ETF
BetaShares Euro ETF
BetaShares U.S. Dollar ETF

In the opinion of the directors of BetaShares Capital Ltd, the Responsible Entity of the Funds:

- (a) the financial statements and notes set out on pages 6 to 25 are in accordance with the *Corporations Act 2001*, including:
- (i) complying with Accounting Standards, the *Corporations Regulations 2001*; and
 - (ii) giving a true and fair view of the Funds' financial positions as at 30 June 2016 and of their performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the Funds will be able to pay their debts as and when they become due and payable.

The directors draw attention to note 2(a) of the financial report which contains a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors of BetaShares Capital Ltd.



David Nathanson
Director

Sydney
27 September 2016



Alex Vynokur
Director



Independent auditor's report to the unitholders of the following Schemes ("the Schemes"):

BetaShares Australian High Interest Cash ETF

BetaShares British Pound ETF

BetaShares Euro ETF

BetaShares U.S. Dollar ETF

Report on the financial report

We have audited the accompanying financial report of the Schemes, which comprises the statements of financial position as at 30 June 2016, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year ended on that date, notes 1 to 11 comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

The directors of BetaShares Capital Limited ("the Responsible Entity") are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In note 2(a), the directors of the Responsible Entity also state, in accordance with Australian Accounting Standard AASB 101

Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.



We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Schemes' financial position, and of their performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

- (a) the financial report of the Schemes is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Schemes' financial position as at 30 June 2016 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

- (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2(a).

KPMG

Tanya Gilerman

Partner

Sydney

27 September 2016