



BETASHARES EXCHANGE TRADED FUNDS
PRODUCT DISCLOSURE STATEMENT

BETASHARES

U.S. DOLLAR ETF
ASX CODE: USD

(the "Fund")

BetaShares Capital Ltd
ABN 78 139 566 868 | AFSL 341181
Dated: 21 January 2011



BetaShares
BACK YOUR VIEW.®

BETASHARES U.S. DOLLAR ETF

ARSN: 147 517 280 | ASX CODE: USD

SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT

DATED: 25 NOVEMBER 2016
ISSUER: BETASHARES CAPITAL LTD
ABN: 78 139 566 868
AFS LICENCE: 341181

This supplementary product disclosure statement ("SPDS") is supplemental to the BetaShares U.S. Dollar ETF product disclosure statement dated 21 January 2011, as updated by the first supplementary product disclosure statement dated 7 August 2013 and the second supplementary product disclosure statement dated 1 July 2014 (together, 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 25 November 2016. 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.

New Zealand Investors

The purpose of this SPDS is to replace the warning statement for New Zealand investors in the PDS with the warning statement prescribed in New Zealand's Financial Markets Conduct Regulations 2014. The inclusion of this information, together with compliance with certain other requirements, enables the Fund's Units to continue to be offered by the Responsible Entity in New Zealand under the mutual recognition scheme between Australia and New Zealand.

In the PDS, the section titled "Warning statement for New Zealand investors" at the end of the "IMPORTANT INFORMATION" section on the first page of the PDS is replaced with the following:

"Warning statement for New Zealand investors"

The following disclosure is made to enable the Fund's Units to be offered by the Responsible Entity in New Zealand under the mutual recognition scheme between Australia and New Zealand:

1. This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.
2. This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Aust) and the regulations made under that Act set out how the offer must be made.
3. There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.
4. The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.
5. Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.
6. The taxation treatment of Australian financial products is not the same as for New Zealand financial products.
7. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

Currency exchange risk

1. The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.
2. If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

Trading on financial product market

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

Dispute resolution process

The dispute resolution process described in this offer document is available only in Australia and is not available in New Zealand.”

BETASHARES U.S. DOLLAR ETF

SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT

DATED: 1 JULY 2014
ARSN: 147 517 280
ASX CODE: USD
ISSUER: BETASHARES CAPITAL LTD
ABN: 78 139 566 868
AFS LICENCE: 341181

This supplementary product disclosure statement ("SPDS") is supplemental to the BetaShares U.S. Dollar ETF product disclosure statement dated 21 January 2011, as updated by the first supplementary product disclosure statement dated 7 August 2013 ("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 1 July 2014. 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.

The purpose of this SPDS is to update the PDS as follows:

FEES AND OTHER COSTS

The *Superannuation Legislation Amendment (MySuper Measures) Regulation 2013*, which was introduced on 28 June 2014, made some minor amendments to the fee disclosure regulations in Schedule 10 of the *Corporations Regulations 2001*, including a modified fee template, example and warning.

As a consequence, the PDS is amended as follows:

1. By deleting the consumer advisory warning above section 3.1 and replacing it with the following:

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (www.moneysmart.gov.au) has a managed investment fee calculator to help you check out different fee options.

2. By deleting section 3.1 and replacing it with the following:

3.1 FEES AND 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 the managed investment scheme as a whole.

Taxes are set out in another part of this PDS. All amounts shown are in Australian Dollars, unless otherwise stated.

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 OR COSTS

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.
Application/Contribution fee: The fee on each amount contributed to your investment	\$750	Payable only by Authorised Participants. This fee will be payable together with the application amount.
Withdrawal fee: The fee on each amount you take out of your investment	\$1,500	Payable only by Authorised Participants at the time of the redemption.
Exit fee: The fee to close your investment	Nil	Not applicable.
Management costs¹: The fees and costs for managing your investment	Capped (while this PDS is current) at 0.45% p.a.	Calculated and accrued daily as a percentage of the Fund's Net Asset Value. Management costs are paid monthly on or after the first day of the following month. Management costs are reflected in the daily Net Asset Value per Unit.
Service fees Switching fee: The fee for changing investment options	Nil	Not applicable.

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 input tax credits.

¹ For more information, refer to explanation of "Management costs" in the "Additional Explanation of Fees and Costs" section below.

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

3.2 EXAMPLE OF ANNUAL FEES AND COSTS

The following table provides examples of how the fees and costs can affect the 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	AMOUNT	BALANCE OF \$50,000 WITH A CASH CONTRIBUTION OF \$5,000 DURING THE YEAR
CONTRIBUTION FEES¹	\$750	\$750
PLUS MANAGEMENT COSTS²	0.45% p.a.	For every \$50,000 you invest in the Fund you will be charged \$225 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 ³ during that year, you would be charged fees of \$975.
		What it costs you will depend on whether you are an Authorised Participant, the investment option you choose and the fees you negotiate.

An Authorised Participant who redeems Units directly will also be charged a withdrawal fee of \$1,500 for a redemption. 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 Payable only by Authorised Participants.

² For more information, refer to explanation of "Management costs" in the "Additional Explanation of Fees and Costs" section below.

³ Assumes the \$50,000 is invested for the entire year and the \$5,000 investment occurs on the last day of the year.

FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA)

FATCA was enacted in 2010 by the U.S. Congress and has important implications for financial institutions globally including investment entities such as the Fund.

As a consequence, the PDS is amended as follows:

4. By inserting the following section after the '*Other comments*' part of section 7.1.5:

7.1.6 Foreign Account Tax Compliance Act ("FATCA")

FATCA was enacted in 2010 by the U.S. Congress, to target non-compliance by US taxpayers using foreign accounts. FATCA has important implications for financial institutions globally, including an obligation to:

- (a) identify US accounts and report information relating to US accounts to the Internal Revenue Service ("**IRS**"); and
- (b) withhold 30% FATCA tax on US connected payments to non-participating foreign financial institutions ("**FFIs**") (that is, where the FFI has not entered into a relevant 'compliance reporting' Agreement with the IRS in the US).

FATCA withholding is due to commence on 1 July 2014 and affected FFIs can include investment entities such as the Fund.

On 28 April 2014, Australia entered into an Intergovernmental Agreement with the US to improve international tax compliance and implement FATCA (the "**IGA**"). The IGA will allow Australian resident financial institutions that are investment entities (such as the Fund) to register as a Registered Deemed - Compliant Foreign Financial Institution with the IRS in the US. This will ensure that there is:

- (a) No requirement for the Fund to enter a compliance agreement directly with the IRS in the US; and
- (b) No requirement to withhold 30% FATCA withholding tax on US connected payments made to the Fund in Australia.

Exposure draft legislation has also been released by the Australian Treasury which will give domestic effect to Australia's obligations under the IGA.

In accordance with IGA and proposed Australian domestic laws, the Fund (or BetaShares Capital Ltd acting on behalf of the Fund) will be required to:

- (a) register with the IRS;
- (b) conduct appropriate due diligence procedures, and
- (c) collect and report information to the Australian Taxation Office ("**ATO**") relating to U.S. Reportable Accounts and payments to Non-participating Financial Institutions (rather than the IRS), which may be exchanged with the IRS.

Accordingly, the Fund (or BetaShares Capital Ltd acting on behalf of the Fund) may request that you provide certain information about yourself (for individual investors) or your controlling persons (where you are an entity) in order for the Fund (or BetaShares Capital Ltd acting on behalf of the Fund) to comply with its Australian tax obligations.

We note, that in the event the Fund (or BetaShares Capital Ltd acting on behalf of the Fund) suffers any amount of withholding tax (including FATCA withholding tax) and/or penalties, neither the Fund nor BetaShares Capital Ltd acting on behalf of the Fund will be required to compensate you for any such tax, except in exceptional circumstances.

BETASHARES U.S. DOLLAR ETF

SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT

DATED: 7 AUGUST 2013
ARSN: 147 517 280
ASX CODE: USD
ISSUER: BETASHARES CAPITAL LTD
ABN: 78 139 566 868
AFS LICENCE: 341181

This supplementary product disclosure statement ("SPDS") is supplemental to the BetaShares U.S. Dollar ETF product disclosure statement dated 21 January 2011 ("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 7 August 2013. 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.

The purpose of this SPDS is to update the PDS as follows:

1. NEW ZEALAND INVESTORS

This SPDS inserts certain important information in the PDS for New Zealand investors, as required by New Zealand law. The inclusion of this information, together with compliance with certain other requirements, will enable the Fund's Units to be offered by the Responsible Entity in New Zealand under the mutual recognition scheme between Australia and New Zealand.

The following is inserted at the end of the "IMPORTANT INFORMATION" section on the first page of the PDS:

"WARNING STATEMENT FOR NEW ZEALAND INVESTORS

- This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 and Regulations. In New Zealand, this is the Securities Act (BetaShares Capital Limited) Exemption Notice 2012.
- This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 and Regulations (Australia) set out how the offer must be made.
- There are differences in how securities are regulated under Australian law. For example, the disclosure of fees for collective investment schemes is different under the Australian regime.
- The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.
- Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.
- The taxation treatment of Australian securities is not the same as for New Zealand securities.
- If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.
- The offer may involve a currency exchange risk. The currency for the securities is not New Zealand dollars. The value of the securities will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.
- If you expect the securities to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.
- If the securities are able to be traded on a securities market and you wish to trade the securities through that market, you will have to make arrangements for a participant in that market to sell the securities on your behalf. If the securities market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the securities and trading may differ from securities markets that operate in New Zealand.
- The dispute resolution process described in this offer document is only available in Australia and is not available in New Zealand.

It is a term of the offer of Units in New Zealand that the requirements set out in regulations 13(1) to (3) of New Zealand's Securities (Mutual Recognition of Securities Offerings-Australia) Regulations 2008 are complied with by BetaShares (as if they applied), except to the extent modified by paragraph 6(6) of the Securities Act (BetaShares Capital Limited) Exemption Notice 2012."

2. ASIC RELIEF REGARDING PERIODIC STATEMENTS

The following information is inserted in the PDS in section 6.4 "ASIC RELIEF" at the end of that section:

"Periodic Statements Relief

ASIC has granted relief under section 1020F(1) of the Corporations Act from 30 October 2012 so that the Responsible Entity does not have to provide periodic statements to Unitholders under section 1017D(1) of the Corporations Act for each reporting period ending on or before 1 March 2013. For subsequent reporting periods ending before 1 January 2014, ASIC has granted relief so that periodic statements may disclose balances, transactions and other amounts based on either the net asset value per Unit or the last market price for Units on either the relevant transaction date or the date of settlement of the transaction."

IMPORTANT INFORMATION

The offer under this Product Disclosure Statement (**PDS**) is for persons who have been authorised as 'trading participants' under the ASX Operating Rules and have entered into an Authorised Participant Agreement. Certain sections of the PDS (particularly those relating to applications for and redemptions of Units) are of direct relevance to such persons only.

Other investors cannot apply for Units under this PDS, but can buy Units on the ASX through a stockbroker, or via a financial adviser. Such investors may use this PDS for information purposes only.

This PDS is dated 21 January 2011.

BetaShares Capital Ltd ABN 78 139 566 868 AFS Licence 341181 is the issuer of this PDS and is responsible for its contents. In this PDS references to the "Responsible Entity", "BetaShares", "we", "our" and "us" refer to BetaShares Capital Ltd.

This PDS is the offer document for the following registered managed investment scheme: BetaShares U.S. Dollar ETF (ARSN 147 517 280). A copy of this PDS has been lodged with the Australian Securities and Investments Commission (**ASIC**) on 21 January 2011. Neither ASIC nor ASX Limited takes any responsibility for the contents of this PDS.

At the time of lodgement of this PDS with ASIC, the Units are yet to be quoted for trading on the ASX. An application has been made to the ASX for Units issued pursuant to this PDS to be quoted for trading on the ASX under the AQUA Rules.

A copy of the latest PDS for the Fund is available on the BetaShares website at www.betashares.com.au or by contacting BetaShares on 1300 487 577 (within Australia) or +61 2 9290 6888 (outside Australia). A paper copy will be provided free of charge on request.

The offer to which this PDS relates is available to Authorised Participants receiving the PDS (electronically or otherwise) in Australia.

This PDS does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer. Units have not been registered under the United States Securities Act of 1933 (as amended) and except in a transaction which does not violate such Act, may not be directly or indirectly offered or sold in the United States of America or any of its territories or for the benefit of a US Person (as defined in Regulation S of such Act).

Information in this PDS that is not materially adverse to investors is subject to change from time to time and may be updated by the Responsible Entity by publishing such information on the BetaShares website at www.betashares.com.au. A paper copy of any updated information will be provided free of charge on request. Any new or updated information that is materially adverse to investors will be available to investors via a supplementary or replacement PDS accessible via the ASX Company Announcements Platform.

An investment in the Units is subject to risk (refer to section 0), which may include possible delays in repayment and loss of income and capital invested.

No applications for Units in the Fund will be accepted until the exposure period for the Fund has expired. The exposure period for the Fund expires seven days after lodgement of this PDS with ASIC, subject to possible extension by ASIC for a further period of up to seven days.

None of BetaShares Holdings Pty Ltd, BetaShares, or any of their related entities, directors or officers gives any guarantee or assurance as to the performance of, or the repayment of capital or income reinvested in, the Fund described in this PDS. BetaShares Holdings Pty Ltd and its related entities may invest in, lend to or provide other services to the Fund.

This PDS is prepared for general information only and is not financial product advice. It is not intended to be a recommendation by the Responsible Entity, any of the Responsible Entity's associates or any other person to invest in the Fund. In preparing this PDS, the Responsible Entity did not take into account the investment objectives, financial situation or particular needs of any particular person. Before making an investment decision, investors need to consider whether an investment in the Fund is appropriate to their needs, objectives and circumstances.

Investors should consult a professional financial adviser and ensure that they understand the risks of the Fund before investing.

Certain terms used in this PDS are defined in the Glossary in section 8.

For further details on BetaShares' Exchange Traded Funds, please contact a stockbroker or financial adviser or visit www.betashares.com.au.

PRODUCT DISCLOSURE STATEMENT

CONTENTS

1	Key features	2
2	About the Fund	6
3	Fees and other costs	8
4	Risks	11
5	How to buy and sell Units	13
6	Additional information	15
7	Taxation of Units	21
8	Glossary	23
	Application Form	26
	Redemption Form	27
	Directory	28

1 KEY FEATURES

1.1 ABOUT THE FUND

The Fund is an exchange traded fund (or “ETF”). ETFs are managed investment funds that are traded on a stock exchange, such as the ASX, much like shares.

Currency ETFs, such as the Fund, are designed to enable investors to earn a return that tracks the performance of specified foreign currencies, before fees and expenses.

The Fund seeks to provide a simple, cost effective and convenient investment alternative for investors interested in gaining exposure to the performance of the U.S. Dollar relative to the Australian Dollar, without the need to invest directly in the foreign exchange market.

The Fund uses a “passive” approach to try to achieve its objective. This means the Fund does not engage in activities designed to

protect against, or profit from, fluctuations in the price of the U.S. Dollar.

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

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

1.2 SUMMARY OF KEY INFORMATION

The following table briefly summarises some of the key information contained in this PDS. It is not a complete summary of this PDS and you should read the PDS in its entirety. You should seek your own professional investment advice before deciding to invest in the Fund.

TABLE 1.2: SUMMARY OF KEY INFORMATION

TOPIC	SUMMARY	SECTION
Investment Objective	<p>The investment objective of the Fund is to track the change in value of the U.S. Dollar relative to the Australian Dollar, before taking into account fees and expenses.</p> <p>The Fund allows investors to gain exposure to the performance of the U.S. Dollar without the need to invest directly in the foreign exchange market.</p>	2.3.1
Investing	<p>The offer in this PDS is only available to Authorised Participants.</p> <p>Units can only be acquired in multiples of 75,000 under this PDS unless the Responsible Entity agrees otherwise. Every 75,000 Units represents one “Creation Unit”.</p> <p>Application amounts are payable in cash in U.S. Dollars, unless the Responsible Entity agrees otherwise, and are subject to an application fee described in section 3.</p> <p>Units will be quoted on the ASX. Once quoted (and subject to market conditions), investors may purchase Units on the ASX. The purchase of Units on the ASX is not governed by the terms of this PDS and therefore the minimum investment does not apply to purchases of Units on the ASX.</p>	5
Redemptions	<p>A Unitholder can only redeem Units if it is an Authorised Participant who is an Australian Resident.</p> <p>Units can only be redeemed in multiples of 75,000 under this PDS unless the Responsible Entity agrees otherwise.</p> <p>The amount payable to a Unitholder on redemption will be paid in cash in U.S. Dollars, unless the Responsible Entity agrees otherwise.</p> <p>In certain specified circumstances, redemption requests may be delayed or rejected. See section 6.2.7 for further information.</p> <p>Units will be quoted on the ASX. Once quoted (and subject to market conditions), investors may sell their Units on the ASX. The sale of Units on the ASX is not governed by the terms of this PDS and therefore the minimum redemption does not apply to sales of Units on the ASX.</p>	5, 6.2.7
Distributions	<p>In the event that any income earned by the Fund exceeds the sum of the Fund’s fees and expenses, the net income will be converted into Australian Dollars at the prevailing market exchange rate and the Fund will distribute the income to Unitholders at least annually. There is no guarantee that the Fund will distribute any income to</p>	2.4

TOPIC	SUMMARY	SECTION
	Unitholders.	
Risks	<p>There are a number of risks associated with investing in the Fund.</p> <p>Before investing, investors should carefully consider the risks associated with an investment in the Fund and obtain financial advice on whether an investment in the Fund is suitable for their objectives, financial situation and needs.</p> <p>For full details on the risks of investing, see section 4.</p>	4
Fees and costs	Fees and costs as described in section 3 of this PDS will apply.	3
Tax	Tax information of a general nature is set out in section 7. Investors should seek their own professional tax advice which takes into account their particular circumstances.	7
Complaints	The Responsible Entity has a process in place to deal with complaints from Unitholders.	6.2.21
Responsible Entity	BetaShares Capital Ltd is the responsible entity of the Fund and is the issuer of this PDS.	1.3

1.3 ABOUT THE RESPONSIBLE ENTITY

BetaShares Capital Ltd is the responsible entity of the Fund and is responsible for the ongoing management of the underlying assets of the Fund.

The Responsible Entity is a wholly-owned subsidiary of BetaShares Holdings Pty Ltd, which is an Australian asset management business located in Sydney. BetaShares Holdings Pty Ltd was established in 2009 to be a specialist provider of exchange traded fund products and is majority owned by its directors and staff.

BetaPro Management Inc. ("BetaPro"), a leading ETF issuer based in Canada, is a shareholder (through a subsidiary) in BetaShares Holdings Pty Ltd. As at September 30 2010, BetaPro, together with its subsidiary AlphaPro Management Inc., managed more than \$3 billion in assets in ETFs listed on the Toronto Stock Exchange and in other funds.

The directors of the Responsible Entity as at the date of this PDS are:

David Nathanson: David is a Managing Director of BetaShares Capital Ltd and BetaShares Holdings Pty Ltd. He has approximately 14 years experience in the financial services and legal industries in Sydney and New York at firms including Goldman, Sachs & Co, Macquarie Bank and Freehills. He is a director of Apex Capital Partners Pty Ltd, an advisory and investment firm based in Sydney. He holds a Bachelor of Commerce and a Bachelor of Laws from University of NSW, and an MBA from Stanford Business School.

Alex Vynokur: Alex is a Managing Director of BetaShares Capital Ltd and BetaShares Holdings Pty Ltd. He has approximately 10 years experience in the funds management, investment and legal industries. Alex was involved in the establishment and development of several leading Australian financial services businesses including Pengana Capital and Centric Wealth. He is a director of Apex Capital Partners Pty Ltd, an advisory and investment firm based in Sydney. He was previously a lawyer at Baker & McKenzie. He holds a Bachelor of Commerce and a Bachelor of Laws from University of NSW.

Howard Atkinson: Howard is President and Director of BetaPro Management Inc. He has 23 years of investment industry experience. Prior to BetaPro, Howard was responsible for iShares' Exchange Traded Products business in Canada, and held positions with a national investment dealer and major mutual fund companies in Canada. He is a past President of the Toronto CFA Society board of directors, a CFA Charterholder and holds the ICD.D designation from the Institute of Corporate Directors. He is a member of the S&P/TSX Canada Index Advisory Panel. He holds a Bachelor of Science, Economics from University of New Orleans.

Adam Felesky: Adam is Chief Executive Officer and Director of BetaPro Management Inc. In addition to managing the largest number of ETFs listed on the Toronto Stock Exchange, BetaPro is the majority owner of AlphaPro Management Inc, a provider of actively managed ETFs. Prior to founding BetaPro, Adam worked at JPMorgan in New York. Previously, he worked in investment banking for JPMorgan Canada and CIBC World Markets. He holds a Bachelor of Engineering and Bachelor of Arts in Political Science from McMaster University.

The Responsible Entity has sufficient working capital to enable it to operate the Fund as outlined in this PDS.

1.4 AQUA MARKET OF THE ASX

Application has been made to admit the Units to trading status on the ASX under the AQUA Rules. The AQUA Rules form part of the

ASX Operating Rules. The Fund will not be listed on the ASX under the ASX Listing Rules.

The AQUA Rules have been designed to offer greater flexibility and are specifically designed for managed funds, ETFs and structured products.

Since many investors may be more familiar with the ASX Listing Rules, it is important to note the main differences between the AQUA Rules and the ASX Listing Rules.

1.4.1 Trading status

In operational terms, the market for products quoted under the AQUA Rules operates in the same way that it does for listed equities, with continuous matching of bids and offers and an opening and closing auction.

1.4.2 AQUA Rules: fundamental difference

The key distinction between products admitted under the Listing Rules and those quoted under the AQUA Rules is the level of control and influence that the issuer of the relevant product has over the value of the underlying assets of the product.

Under the ASX Listing Rules, listed equity securities typically reflect the value of the business operated by the issuer. By contrast, the value of a product quoted on AQUA typically reflects the performance of the underlying assets.

1.4.3 Key specific differences between the Listing Rules and the AQUA Rules

Due to the different nature of shares listed under the Listing Rules and AQUA Products quoted under the AQUA Rules, the requirements relating to AQUA Products differ from those relating to products listed under the Listing Rules. The key differences for AQUA Products are as follows:

1. *Continuous disclosure* – the continuous disclosure requirements for AQUA issuers are different to those under the ASX Listing Rules because of the nature and regulation of the underlying asset. There is a requirement under the AQUA Rules that an AQUA Product issuer provide the ASX with any information the non-disclosure of which may lead to the establishment of a false market in the products or would materially affect the price of its products. The Responsible Entity must also disclose information about dividends and distributions to the ASX. Additionally, the Responsible Entity intends to comply with the *Corporations Act* continuous disclosure requirements under section 675 as if the Fund were a disclosing entity, so information will be disclosed to ASIC. The Responsible Entity intends to make disclosure to ASX and market participants using the Company Announcements Platform of the ASX at the same time information is disclosed to ASIC. The Responsible Entity also intends to post any such information on its website www.betashares.com.au at the same time.

2. *Periodic disclosure* – AQUA Product issuers are not required to disclose half yearly and annual financial information or annual reports to ASX, but the Responsible Entity will still lodge these with ASIC as it will treat the Fund as a disclosing entity. However, because the Fund is a registered managed investment scheme, the Responsible Entity is required to prepare certain financial reports under Chapter 2M of the *Corporations Act 2001*.

3. *Spread requirements* – The requirements under the ASX Listing Rules that issuers satisfy certain minimum spread requirements (i.e. a minimum number of holders each having a minimum parcel size) do not apply to AQUA Products. Under the AQUA Rules, unless and until a suitable spread of holders is achieved, an AQUA Product

Issuer must appoint a market maker to make reasonable bids for trading in the Units in certain circumstances.

4. *Corporate control* – the ASX requirements in relation to matters such as takeover bids, share buy-backs, change of capital, new issues, restricted securities, disclosure of directors' interests and substantial holdings are not relevant and do not apply to AQUA Products. The Responsible Entity is subject to general *Corporations Act* requirements in respect of some of these matters in some circumstances. Unlike the responsible entity of a managed investment scheme listed under the Listing Rules, the Responsible Entity can only be replaced by a resolution passed by the votes of a majority of all the votes eligible to be cast. The *Corporations Act* provisions that apply to takeovers and substantial shareholding

requirements for listed managed investment schemes do not apply to AQUA Products.

5. *Related party transactions* – ASX requirements relating to transactions between an entity and persons in a position to influence the entity, do not apply to AQUA Products. However, *Corporations Act* requirements (i.e. Chapter 2E and Part 5C.7 of the *Corporations Act*) in this regard applicable to public companies and registered managed investment schemes will still apply to the Responsible Entity.

6. *Auditor rotation obligations* – AQUA Product issuers, including the Responsible Entity, will not be subject to the requirements in Division 5 of Part 2M.4 of the *Corporations Act* in relation to auditor rotation.

2 ABOUT THE FUND

2.1 RATIONALE FOR THE FUND

The purpose of the Fund is to provide investors with a cost-effective and convenient way to gain investment benefits similar to those that may come from investing directly in the U.S. Dollar. Potential advantages of investing in the Units may include:

- **Easily accessible.** It is intended that Units will be quoted on the ASX, providing investors with indirect exposure to the U.S. Dollar in an easily-accessible form.
- **Cost efficient.** The Responsible Entity believes that, for many investors, the costs associated with the purchase of Units on the ASX and the payment of the Fund's ongoing costs and expenses will be lower than those associated with buying U.S. Dollars directly from a bank.
- **Transparent.** The value of the Fund's assets and Net Asset Value per Unit will be reported daily on the BetaShares website at www.betashares.com.au.

2.2 THE FOREIGN EXCHANGE MARKET

2.2.1 Overview

In every economy, prices are expressed in units of currency. The value of the currency itself, however, can only be judged against an external reference. This reference – the exchange rate – is therefore the fundamental price in any economy. Most often, the reference against which a currency's value is measured is other currencies. Determining the relative values of different currencies is the role of the foreign exchange market, and the foreign exchange market is therefore a critical foundation for all other financial markets.

The currency market is the largest and most liquid financial market in the world, with turnover in excess of US\$3 trillion per day.

Foreign exchange trading generally operates as an over-the-counter market, meaning participants negotiate directly with one another. The market is decentralised, with no central exchange or clearing house, although the biggest geographic trading centre is London, followed by New York. Markets for foreign exchange operate continuously 24 hours a day, excluding weekends.

2.2.2 Participants

The main participants in the foreign exchange market are banks (including central banks), investment banks, money managers, multinational corporations and institutional investors. These participants access the market for many reasons, including to facilitate the purchase of goods and services from abroad, to invest in assets denominated in foreign currency, to speculate on currency movements and, in the case of central banks, to influence exchange rates.

The most significant participants in the market are the major international commercial banks that act as both brokers and as dealers. In their dealer role, these banks seek to profit from changes in exchange rates. In their broker role, the banks handle buy and sell orders from commercial customers, such as multinational corporations.

A small number of large international banks accounts for a large proportion of currency dealing worldwide, with the 10 most active traders accounting for more than 75% of trading volume. These

banks provide the market with "bid" and "ask" prices on a continuous basis. The bid/ask spread is the difference between the price at which a bank will sell and the price at which it will buy from a customer. The customer will buy at the higher "ask" price, and will sell at the lower "bid" price, thus giving up the spread as the cost of completing the trade.

The inter-bank market, which is characterised by high transaction volumes and very low spreads, is highly efficient. As transaction volumes decrease, the difference between bid and ask prices (and hence the effective cost of transacting) increases.

Retail traders (individuals) constitute a growing segment of the foreign exchange market. Currently, individuals participate indirectly through brokers or banks/dealers. Brokers act as an agent of the customer by seeking the best price in the market for a retail order, and dealing on behalf of the retail customer. They charge a commission or mark-up in addition to the price obtained in the market. Banks and dealers, by contrast, typically act as principal in the transaction versus the retail customer, and quote a price they are willing to deal at. The spread quoted to retail customers is typically much wider than that which applies in the inter-bank market.

2.2.3 Supply and demand

Supply and demand for any given currency, and thus its value, are influenced by a wide range of economic and political factors, as well as by market sentiment.

Fluctuations in exchange rates are caused by actual monetary flows as well as by expectations of changes in monetary flows caused by changes in gross domestic product growth, inflation, interest rates, speculative activity, budget and trade deficits or surpluses, large cross-border M&A deals and other macroeconomic conditions.

2.2.4 How exchange rates are quoted

Currencies are traded against one another. The exchange rate between any two currencies can be expressed in two alternative but equivalent ways. For example, the exchange rate between the U.S. Dollar and the Australian Dollar could be expressed either as (for example):

1 AUD = 0.80 USD; or

1 USD = 1.25 AUD

In this example, if the Australian Dollar was to decline in value relative to the U.S. Dollar, 1 AUD would be worth less than 0.80 USD and (equivalently), 1 USD would be worth more than 1.25 AUD.

2.3 INVESTMENT POLICY

2.3.1 Investment objective

The investment objective of the Fund is to track the change in value of the U.S. Dollar relative to the Australian Dollar, before taking into account fees and expenses.

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

2.3.2 Investment strategy

The Fund uses a "passive" investment strategy to try to achieve its objective. This means it does not engage in activities designed to

protect against, or profit from, fluctuations in the price of the U.S. Dollar.

It is intended that the Fund will invest primarily in bank deposit accounts denominated in U.S. Dollars.

The Fund may also gain exposure to the U.S. Dollar by investing in wholesale cash management trusts (denominated in U.S. Dollars) that carry, at the time of investment, the highest credit rating from one of the major credit rating agencies.

As at the date of this PDS, a deposit account has been established with JPMorgan Chase Bank N.A. The Responsible Entity will assess the risk and return characteristics of the deposit account which it holds from time to time and may in the future establish additional accounts, or close existing accounts. In selecting any additional or replacement banks, the Responsible Entity may have regard to a number of criteria, including but not limited to the requirement that a bank must be (or must be a subsidiary of) a reputable and regulated institution, subject to prudential supervision in Australia or elsewhere. The Responsible Entity may also, in its discretion, have regard to any other criteria it deems relevant in light of the then current market conditions, and having regard at all times to the best interests of Unitholders.

Any interest earned from holding assets will accrue to the benefit of the Fund.

2.3.3 Environmental, social and ethical considerations

The Responsible Entity does not take into account labour standards or environmental, social or ethical considerations when selecting, retaining or realising investments.

2.3.4 Performance

Performance information for the Fund and the Net Asset Value for the Fund, will be published on the BetaShares website at www.betashares.com.au. Information relating to past performance is not a reliable indicator of future performance. At the date of this PDS, the Fund has no material assets or liabilities and no performance information is available because the Fund is a new fund.

2.3.5 Changes to investment objectives and strategy

The Responsible Entity may from time to time vary the investment mandate for the Fund as set out in this PDS (i.e. the investment objective and strategy described in sections 2.3.1 and 2.3.2).

Where required by the ASX Operating Rules, the Responsible Entity will not make any significant change to the investment mandate described in this PDS without first obtaining the approval of a resolution of Unitholders passed by at least 75% of the votes cast.

2.4 DISTRIBUTIONS

The Fund may earn income such as interest on U.S. Dollar cash deposits held in the Fund. The Fund may also realise foreign currency gains or losses on the disposal of U.S. Dollars held in the Fund. There is no guarantee that any income generated by the Fund will be greater than the Fund's fees and expenses. As such, there is no guarantee that the Fund will distribute any income to Unitholders.

In the event that the income earned by the Fund exceeds the sum of the Fund's fees and expenses, the net income will be converted into Australian Dollars at the prevailing market exchange rate and the Fund will distribute the income to Unitholders in accordance with the Constitution.

2.4.1 Distributions

Unitholders holding Units in the Fund at the end of a distribution period are entitled to a pro-rata share of the distributable income (if any) for that period based on the number of Units held in the Fund at the end of the distribution period.

Any income of the Fund will be distributed at least annually in respect of the period ending on 30 June each year. The amount of distributable income at the end of any distribution period will be determined by the Responsible Entity.

Distributions will generally be paid within 30 business days of the end of the distribution period to which they relate.

The amount of any distribution will vary from period to period, and there may be periods when the Fund will not pay a distribution.

The Responsible Entity may, in its discretion, change the duration of a distribution period for the Fund (provided that distribution periods cannot be longer than one year).

Unitholders may also become entitled to the distributable income of the Fund on the redemption of their Units. See section 7.1.5 for further information.

2.4.2 Distribution statement

The Responsible Entity will, as soon as reasonably practicable after the end of each financial year, issue to each Unitholder who received an entitlement to the distributable income of the Fund during a financial year a statement which outlines the amount and composition of the taxable income of the Fund to which the Unitholder became entitled.

2.4.3 Distribution Reinvestment Plan

The Responsible Entity has established a distribution reinvestment plan (DRP) for the Fund.

Participation in the DRP is subject to the terms and conditions of the DRP policy document.

Unitholders can choose to:

- participate in the DRP, meaning all distributions from the Fund will be reinvested in additional Units in the Fund; or
- have the distributions paid directly to a nominated Australian bank account.

Partial reinvestment will not be available. If no DRP election is made, the distributions will automatically be paid into the nominated Australian bank account. Unitholders can elect to participate in the DRP by submitting a form available in the "Unitholder Records" section of the BetaShares website at www.betashares.com.au or from the Registrar.

3 FEES AND OTHER COSTS

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (www.fido.asic.gov.au) has a managed investment fee calculator to help you check out different fee options.

3.1 FEES AND 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 Fund's assets as a whole.

Taxes are set out in another part of this PDS. All amounts shown are in Australian Dollars, unless otherwise stated.

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 OR COSTS

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
FEES WHEN YOUR MONEY MOVES IN OR OUT OF THE FUND		
Establishment fee: The fee to open your investment	Nil	Not applicable.
Application/Contribution fee: The fee on each amount contributed to your investment	\$750	Payable only by Authorised Participants. This fee will be payable together with the application amount.
Withdrawal fee: The fee on each amount you take out of your investment	\$1,500	Payable only by Authorised Participants at the time of the redemption.
Termination fee: The fee to close your investment	Nil	Not applicable.
Management costs¹: The fees and costs for managing your investment	Capped (while this PDS is current) at 0.45% p.a.	Calculated and accrued daily as a percentage of the Fund's Net Asset Value. Management costs are paid monthly on or after the first day of the following month. Management costs are reflected in the daily Net Asset Value per Unit.
Service fees Investment switching fee: The fee for changing investment options	Nil	Not applicable.

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 input tax credits.

¹ For more information, refer to explanation of "Management costs" in the "Additional Explanation of Fees and Costs" section below.

3.2 EXAMPLE OF ANNUAL FEES AND COSTS

The following table provides examples of how the fees and costs can affect the 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	AMOUNT	BALANCE OF \$1,000,000 WITH A CASH CONTRIBUTION OF \$1,000,000 DURING THE YEAR
CONTRIBUTION FEES¹	\$750	\$750
PLUS MANAGEMENT COSTS²	0.45% p.a.	For every \$1,000,000 you invest in the Fund you will be charged \$4,500 each year.
EQUALS COST OF FUND		If you had an investment of \$1,000,000 at the beginning of the year and you put in an additional \$1,000,000 ³ during that year, you would be charged fees of \$5,250.

An Authorised Participant who redeems Units directly will also be charged a withdrawal fee of \$1,500 for a redemption.

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 Payable only by Authorised Participants.

² For more information, refer to explanation of "Management costs" in the "Additional Explanation of Fees and Costs" section below.

³ Assumes the \$1,000,000 investment occurs on the last day of the year.

3.3 ADDITIONAL EXPLANATION OF FEES AND COSTS

3.3.1 Management costs

The management costs for the Fund incorporate all relevant fees and other costs involved in managing the Fund and deriving investment returns, other than transaction and certain other operational costs.

The management costs include:

- Responsible Entity's fee;
- custodian fees (excluding transaction based fees);
- fund administration fees;
- accounting and audit fees;
- unit registry fees (other than transaction based unit registry fees);
- ASX fees; and
- any other expenses recoverable under the Constitution of the Fund (except for those excluded expenses described below), such as the cost of preparing and amending the Constitution and other fund administration expenses.

The management costs charged to the Fund are capped while this PDS is current. The capped management costs for the Fund are set out in the table in section 3.1.

The Responsible Entity may withdraw or replace this PDS at any time.

The management costs do not include transaction fees incurred by the Fund, such as ordinary brokerage and transaction fees associated with the buying and selling of the Fund's assets and transactional registry service fees. Therefore, the cap on management costs does not apply to these amounts. However, while this PDS is current the Responsible Entity will reimburse the Fund for the transaction costs, such as brokerage, bank charges and government duties, incurred in buying and selling the Fund's assets as a result of an application or redemption of Units.

The cap on management costs also does not apply to extraordinary fees and other costs not contemplated by the Responsible Entity at

the date of this PDS. If the cap on management costs is exceeded because of the payment of extraordinary or unanticipated fees or other costs, Unitholders will be notified.

3.3.2 Application and redemption fees for Authorised Participants.

No application fees or redemption fees are payable by investors who buy and sell Units on the ASX. However, brokerage charges may apply.

Application fees and redemption fees will only be payable by Authorised Participants on an application for or redemption of Units directly with the Fund.

The application fee and redemption fee applicable to the Fund is set out in the table in section 3.1.

These fees will be added to the investment amount receivable from an Authorised Participant on application, or separately payable by an Authorised Participant on redemption (as applicable). Any such fees will therefore not be incurred by the Fund and will not affect the Net Asset Value of the Fund. While this PDS is current, the Responsible Entity will reimburse the Fund for the transaction costs, such as brokerage, bank charges and government duties, incurred in buying and selling the Fund's assets as a result of the application or redemption.

3.3.3 Stockbroker fees for all other investors

Investors may incur customary brokerage fees and commissions when buying and selling Units on the ASX, as for any listed or quoted security. Please consult a stockbroker for more information in relation to their fees and charges.

3.3.4 Can fees and costs change and what are the maximums?

Yes, fees and costs can change subject to maximums in the Fund's Constitution.

The Constitution of the Fund limits the amount of the Responsible Entity's fee to a maximum of 3% p.a. of the Fund's Net Asset Value (plus GST). However, management costs (which include the

Responsible Entity's fee) are capped at the levels set out in the table in section 3.1 while this PDS is current.

The Constitution of the Fund provides for the following maximum application and redemption fees:

- a maximum application fee of 5% of the aggregate Issue Price of the Units applied for (plus GST);
- a maximum redemption fee of 5% of the aggregate Withdrawal Amount of the relevant Units (plus GST).

The Responsible Entity also has the right to recover from the Fund all expenses properly incurred in the performance of its duties.

As at the date of this PDS, the Responsible Entity does not have any intention to change the fees and costs described in this PDS, although it has the right to do so at any time. Any increase in the fees and costs for the Fund will be announced to the ASX via the Company Announcements Platform at least 30 days before it occurs.

3.3.5 Differential fees, rebates and related payments

The Responsible Entity may, from time to time, agree with wholesale clients to rebate or reduce some of the management or other fees on

a case by case basis. The amount of fee reduction is at the Responsible Entity's discretion. The Responsible Entity will achieve these reductions and meet any rebates in relation to management fees by payments from its own resources. For more information, please contact the Responsible Entity.

Any reduction in management fees offered by the Responsible Entity to a wrap platform or master trust operator may be passed on to the clients of the operator or retained by the operator.

The Responsible Entity may also pay one-off or annual product access payments to wrap platform or master trust operators for including the Fund in their offering. As of the date of this PDS, no product access payments have been made. The Responsible Entity would make any such payment from its own resources.

3.3.6 Indirect investors

Indirect investors investing through a wrap platform or master trust should note that the fees outlined in this section 3 are in addition to any other fees and costs imposed by the wrap platform or master trust operator.

4 RISKS

Unitholders in the Fund face a number of investment risks. There are risks associated with any investment. Generally, the higher the expected return of an investment, the higher the risk and the greater the variability of returns.

The market price and Net Asset Value per Unit can fluctuate within a wide range. When considering an investment in the Fund, personal tolerance for fluctuating market values should be taken into account.

The most common risks associated with investing in the Fund are described below, but there could be other risks that affect the performance of the Fund. The discussion below is general in nature.

The Responsible Entity does not provide assurances or guarantees on future profitability, returns, distributions or return of capital. An investment in the Fund could lose money over short or long periods.

You should seek your own professional advice on the appropriateness of this investment to your circumstances. You should also consider how an investment in the Fund fits into your overall investment portfolio.

4.1 MARKET RISK

Investment returns are influenced by the performance of financial markets as a whole. This means that the value of the Units can be affected by factors such as changes in interest rates, investor sentiment and global events, depending on which markets or asset classes you invest in. Markets are volatile and fluctuate from day-to-day. This volatility may cause the value of an investment in the Fund to decrease.

4.2 FOREIGN CURRENCY RISK

Investments denominated in foreign currencies and investments in securities or instruments that provide exposure to such currencies, currency exchange rates or interest rates are subject to foreign currency risk. Changes in currency exchange rates and the relative value of foreign currencies will affect the value of the Fund's investments and the value of Units. Because the Fund's Net Asset Value is determined on the basis of Australian Dollars, the Australian Dollar value of Units may go down if the value of the U.S. Dollar depreciates against the Australian Dollar. Conversely, the Australian Dollar value of Units may go up if the value of the U.S. Dollar appreciates against the Australian dollar.

4.3 INTEREST RATE RISK

Financial crisis, recession, and deflation could contribute to declines in interest rates. In addition, in order to invest in higher quality, more liquid investments, the Fund may need to accept a lower return on investment. Rates may be such that the interest earned by the Fund's investments is insufficient to cover the expenses of the Fund. In these circumstances, the Fund may need to use available cash to compensate for this shortfall. This could cause a decline in the Net Asset Value of the Fund.

While the Responsible Entity believes at the date of this PDS that the interest rate earned by the Fund on its bank deposit accounts are generally competitive, the interest rate may not be the best rate available. If the Responsible Entity forms the view that the interest rate is inadequate, it may close the bank deposit account and open a substitute account with another financial institution. The value of money market securities that the Fund may invest in may change in

response to changes in interest rates. Generally, if interest rates rise, the value of money market securities is expected to decrease. In general, securities with longer maturities are more vulnerable to interest rate changes.

4.4 CONCENTRATION RISK

The Fund invests substantially all of its assets in currencies or instruments linked to the U.S. Dollar. As such, the Fund is likely to be impacted by economic conditions or events affecting the United States. For example, political and economic conditions and changes in regulatory, tax or economic policy in the United States could have a negative impact on the Fund's performance.

Foreign exchange rates are influenced by the factors identified above and may also be influenced by: changing supply and demand for a particular currency; monetary policies of governments (including exchange control programs, restrictions on local exchanges or markets and limitations on foreign investment in a country or on investment by residents of a country in other countries); changes in balances of payments and trade; trade restrictions; and currency devaluations and revaluations. Also, governments from time to time intervene in the currency markets, directly and by regulation, in order to influence prices directly. These events and actions are unpredictable and could materially and adversely affect the value of Units.

4.5 GENERAL REGULATORY RISK

There is a risk that a government or regulator may introduce regulatory and/or tax changes, or a court makes a decision regarding the interpretation of the law, which affects the value of the Units or the tax treatment of the Fund and its Unitholders.

The Fund may be affected by changes to legislation or government policy or political developments both in Australia and in other countries. These changes are monitored by the Responsible Entity and action is taken, where appropriate, to facilitate the achievement of the investment objective of the Fund. The Responsible Entity may not always be in a position to take such action.

4.6 CREDIT RISK

It is intended that the Fund will invest primarily in bank deposit accounts. Whilst the banks with which the Fund's assets are deposited will be assessed by the Responsible Entity against a number of criteria (for example, a requirement that they be, or be a subsidiary of, a reputable and regulated institution that is subject to prudential supervision in Australia or elsewhere), 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.

The Fund may also invest in wholesale cash management trusts, which themselves invest in a diversified portfolio of money market and fixed income securities. The issuers of these money market and fixed income securities may not be in a financial position to pay interest or principal due on a security. This may cause the Fund to incur a loss. While any wholesale cash management trust that the Fund may invest in will have a credit rating at the time of acquisition in the highest ratings category of one of the major rating agencies, credit ratings can change quickly and may not accurately reflect the risk of an issuer. For general information about credit ratings, see

4.7 TAX RISK

Taxation law is complex and subject to changes by the Australian Government.

As the circumstances of each investor are different, the Responsible Entity strongly recommends that investors obtain professional independent tax advice relating to the tax implications of investing in and dealing in Units.

General information in relation to taxation matters is provided within this PDS in section 7.

4.8 MANAGER RISK

There is a risk that the Responsible Entity's investment strategy is not successful, or not successfully implemented, resulting in the Fund failing to meet its objectives. No assurance can be given that the trading systems and strategies utilised by the Responsible Entity will prove successful under all or any market conditions.

4.9 FUND RISK

There is a risk that the Fund could terminate, that fees and expenses could change or that the Responsible Entity could be replaced as responsible entity of the Fund.

If the Fund incurs expenses in Australian Dollars, the Fund would be required to sell U.S. Dollars to pay these expenses. The sale of U.S. Dollars to pay expenses in Australian Dollars at a time of high Australian Dollar prices could adversely affect the value of the Units. The Responsible Entity will sell U.S. Dollars to pay any Fund expenses incurred in Australian Dollars, irrespective of the then prevailing exchange rates.

The Fund is not actively managed and no attempt will be made to buy or sell U.S. Dollars to protect against or to take advantage of fluctuations in the price of that currency.

4.10 OPERATIONAL RISK

A breakdown in administrative procedures or operational controls may cause disruption to day to day operations of the Fund or a negative impact on the value of the Fund's assets. Such business interruptions may arise internally through human error or technology or infrastructure failure, or possible external events.

There is a risk that circumstances beyond the Responsible Entity's reasonable control could prevent the Responsible Entity from managing the Fund in accordance with its investment strategies and as otherwise contemplated by this PDS. Examples of these

circumstances include strikes, industrial disputes, fires or other casualty, war, civil disturbance, terrorist acts, governmental pre-emption in connection with an emergency of state and epidemics (including potential epidemics).

4.11 TRADING RISK

In certain circumstances, the ASX may suspend trading of the Units of the Fund and therefore Unitholders will not be able to buy or sell Units of the Fund on the ASX. In these circumstances, the Responsible Entity may suspend the application and redemption process.

There may be other occasions where the Responsible Entity may suspend the application and redemption process, such as around the end of a distribution period or where other factors prevent the accurate calculation of Unit prices.

The ASX also imposes certain requirements for Units to continue to be quoted. The Responsible Entity will endeavour to meet these requirements at all times to ensure the Units remain quoted, although there can be no assurance that Units will remain quoted on the ASX. Under these circumstances, the Responsible Entity may take measures such as suspending the application and redemption process or potentially terminating the Fund.

Although the Units are quoted on the AQUA market of the ASX there can be no assurances that there will be a liquid market for Units. The Responsible Entity has in place market making arrangements to assist in maintaining liquidity for the Fund on the ASX. The Responsible Entity cannot guarantee that a market maker will fulfil its obligations or that a market maker will continue to be appointed. The market making arrangements agreed by the Responsible Entity with each market maker also specify certain permitted circumstances where the market making obligations may be suspended (such as operational disruptions, market disruptions or unusual conditions, other events set out in the ASX Operating Rules the suspension or rejection of applications for Units or redemption requests, or the market maker not having ASIC relief to allow short selling of Units). If a market maker defaults on its obligations, the Responsible Entity may seek to replace the market maker, although the arrangements with the market maker may limit or exclude any liability on the part of the market maker.

As with any exchange traded fund, it is possible that the trading price of Units on the ASX may differ from the Net Asset Value per Unit. The trading price is dependent on a number of factors including the demand for and supply of Units. The trading price may be affected if there is a suspension of the application and redemption process. The application and redemption facility is designed to reduce the likelihood of Units trading at a significant discount or premium to the Net Asset Value per Unit.

5 HOW TO BUY AND SELL UNITS

Only Authorised Participants may apply for Units directly through this PDS.

Other investors cannot apply for Units through this PDS. Such investors may buy and sell Units by trading on the ASX through a stockbroker, or via a financial adviser.

Prior to being issued Units, an Authorised Participant must execute an Authorised Participant Agreement that deals with, amongst other things, the rights and obligations of the Authorised Participant in relation to applying for Units. An Authorised Participant may only redeem Units if it is an Australian Resident. See section 6.3 for further information about the Authorised Participant Agreement.

To effect an application or redemption, Authorised Participants must complete the Application Form or Redemption Form attached to this PDS (or available on the BetaShares website www.betashares.com.au).

5.1 MINIMUM APPLICATIONS AND REDEMPTIONS

The minimum application and redemption amount is one Creation Unit. The number of Units that constitute a Creation Unit is 75,000 Units, unless otherwise agreed with the Responsible Entity.

Applications and redemptions must be for whole multiples of Creation Units, unless otherwise agreed with the Responsible Entity.

Application and redemption amounts are payable or receivable (as applicable) in cash in U.S. Dollars, unless otherwise agreed with the Responsible Entity.

5.2 PROCESSING APPLICATIONS AND REDEMPTIONS

Application/Redemption forms received from Authorised Participants before the Dealing Deadline on an ASX Business Day are processed at the Issue Price/Withdrawal Amount (being the Net Asset Value per Unit) for the Fund applicable to that day.

Application/Redemption forms received from Authorised Participants after the Dealing Deadline on an ASX Business Day, or on a non-ASX Business Day, will be treated as being received on the next ASX Business Day.

5.3 APPLICATIONS AND REDEMPTIONS

For applications, Authorised Participants must deliver to the Responsible Entity or custodian an amount of U.S. Dollars equal to the Issue Price for the relevant Units, plus the application fee in Australian Dollars. In return, they will receive the relevant Units.

For redemptions, Authorised Participants must deliver the relevant Units to the Responsible Entity or custodian, plus the redemption fee in Australian Dollars. In return, they will receive an amount of cash in U.S. Dollars equal to the Withdrawal Amount for the Units.

U.S. Dollar amounts payable pursuant to applications, or receivable upon redemptions, will be calculated by the Responsible Entity based on the same exchange rate used to calculate the Net Asset Value per Unit applicable to the effective date of the application or redemption. The relevant U.S. Dollar amount that is payable or

receivable will be notified to the Unitholder on the ASX Business Day following the effective date of the application or redemption.

An application received by the Dealing Deadline (on day T) will generally enable the Authorised Participant to receive the new Units in its CHESS account three ASX Business Days later (T+3), provided the Authorised Participant has paid the application proceeds and application fee no later than 11am on T+3.

A redemption request received by the Dealing Deadline (on day T) will generally enable the Authorised Participant to receive the redemption proceeds three ASX Business Days later (T+3), provided the Authorised Participant has transferred the Units and the redemption fee by no later than 11am on T+3.

By signing an Authorised Participant Agreement, an Authorised Participant agrees to be bound by certain execution and settlement procedures in relation to applications for and redemptions of Units which are set out in the Authorised Participant Agreement. Settlement failure procedures apply if an Authorised Participant does not comply with its obligations under the procedures. The procedures allow the Responsible Entity to cancel an application or redemption in certain circumstances and to take certain other action. The Responsible Entity may also reject any application in whole or in part at any time, without giving reasons.

5.4 SUSPENSIONS OF APPLICATIONS AND REDEMPTIONS

There may be occasions where the Responsible Entity may suspend applications or delay or reject redemption requests. This may occur, for example, around the end of a distribution period when the Responsible Entity is calculating and paying the distributable income (if any) for the relevant period or where there are factors, as determined by the Responsible Entity, which prevent the accurate calculation of Unit prices. The Responsible Entity will advise Unitholders of any suspension of applications or delay or rejection of redemptions.

Where the Responsible Entity cannot accurately determine the Net Asset Value per Unit, the Responsible Entity may suspend applications for Units and/or delay or reject redemptions of Units.

See section 6.2.7 for further information.

5.5 VALUATIONS AND PRICING

After the Units are quoted, the amount per Unit payable by an Authorised Participant upon an application for Units is known as the Issue Price, and is equal to the Net Asset Value per Unit.

The amount per Unit to which an Authorised Participant is entitled on the redemption of Units is known as the Withdrawal Amount, and is equal to the Net Asset Value per Unit.

The Issue Price and the Withdrawal Amount are calculated in the same manner and will have the same value at any time. This value is determined by dividing the Net Asset Value of the Fund by the number of Units on issue in the Fund at the time the Issue Price and/or Withdrawal Amount are determined (the valuation time).

The valuation time for the Fund applicable to each ASX Business Day is generally 4pm London time, unless otherwise determined by the Responsible Entity.

The Withdrawal Amount paid to a Unitholder on the redemption of Units may include an entitlement to the distributable income of the Fund. (Please refer to section 7.1.5 of this PDS for details regarding how this entitlement is determined).

The Net Asset Value of the Fund is calculated by deducting from the aggregate value of the assets of the Fund all accrued fees and other costs, liabilities and provisions relating to the Fund. Fees and other

costs, including the Responsible Entity's fees, are accrued daily. The value of any assets or liabilities denominated in a foreign currency is converted to Australian Dollars using the WM/Reuters closing spot rate (the midpoint of closing bid and ask rates) as of 4pm London time.

Details of the daily Net Asset Value per Unit (and hence the Issue Price and Withdrawal Amount) will be made available on the BetaShares website at www.betashares.com.au.

6 ADDITIONAL INFORMATION

6.1 THE ROLE OF CERTAIN ENTITIES IN REGARD TO THE FUND

There are a number of parties, in addition to the Responsible Entity, involved in the ongoing operation and administration of the Fund:

6.1.1 Custodian and Administrator

The custodian provides certain custodial services to the Responsible Entity, including holding the assets of the Fund.

The custodian may, from time to time, appoint sub-custodians.

The administrator provides administration services to the Responsible Entity. These services include fund accounting, maintenance of books and records, calculating distribution amounts, calculating the Issue Price and Withdrawal Amount, and taxation and other services. The Responsible Entity may change the custodian and administrator.

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

RBC Dexia Investor Services Trust
Level 17
2 Park Street
Sydney NSW 2000

6.1.2 Registrar

As for any quoted security, the role of the Registrar is to keep a record of the Unitholders in the Fund. This includes details such as the quantity of securities held and tax file numbers (if provided). The Responsible Entity may change the Registrar.

As of the date of this PDS, the registrar is:

Link Market Services
Level 12
680 George Street
Sydney NSW 2000

6.1.3 Market maker

The role of a market maker is to facilitate an orderly and liquid market in the Fund and to satisfy supply and demand for Units. They do this by:

- Subject to certain conditions, providing liquidity to the market through acting as the buyer and seller of Units on the ASX during a significant part of the trading day; and
- Creating and redeeming Units in the primary market pursuant to this PDS, which helps to ensure the number of Units on issue matches supply and demand.

The Responsible Entity seeks to appoint market making firms: that have experience in making markets in exchange-traded securities both in Australia and internationally; that have the necessary skill, expertise and financial capacity to perform market making functions; and that are ASX participants and have agreements in place with the ASX to provide certain market making services.

As of the date of this PDS, the Responsible Entity has selected IMC Pacific Pty Ltd and Optiver Australia Pty Ltd to act as lead market makers for the Fund.

The arrangements with these market makers specify certain permitted circumstances where the market making obligations may be suspended (such as operational disruptions, market disruptions or unusual conditions, other events set out in the ASX Operating Rules, the suspension or rejection of applications for Units or redemption requests, or the market maker not having ASIC relief to allow short selling of Units). If a market maker defaults on its obligations, the Responsible Entity may seek to replace the market maker, although the arrangements with the market maker may limit or exclude any liability on the part of the market maker. Subject to the AQUA Rules and agreements with the market makers, the Responsible Entity may replace or terminate a market maker. The Responsible Entity may determine to no longer appoint market makers in respect of the Fund in circumstances where it is no longer required to do so under the AQUA Rules.

6.2 OTHER INFORMATION YOU NEED TO KNOW

6.2.1 BetaShares as the responsible entity

BetaShares, as the responsible entity, is responsible for the management and administration of the Fund. The Responsible Entity holds an Australian Financial Services Licence (AFSL 341181) that authorises it to act as the responsible entity of the Fund. The powers and duties of the Responsible Entity are set out in the Constitution of the Fund, the *Corporations Act* and general trust law.

The Responsible Entity has the power to appoint an agent, or otherwise engage a person, to do anything that it is authorised to do in connection with the Fund and, for the purpose of determining whether the Responsible Entity has properly performed its duties as responsible entity, the Responsible Entity is taken to have done (or failed to do) anything that the agent or person has done (or failed to do) because of the appointment or engagement, even if they were acting fraudulently or outside the scope of their authority or engagement.

6.2.2 The Constitution

The Fund is a registered managed investment scheme governed by a Constitution. Under the Constitution, the Responsible Entity has all the powers of a natural person in respect of the Fund. The Constitution sets out the rights of the Unitholders and the obligations of the Responsible Entity, as responsible entity of the Fund. This PDS outlines some of the more important provisions of the Constitution.

A copy of the Constitution may be inspected by Unitholders at the Responsible Entity's office, during business hours. The Responsible Entity will provide Unitholders with a copy of the Constitution upon request by contacting BetaShares on 1300 487 577 (within Australia) or +61 2 9290 6888 (outside Australia).

6.2.3 Amendments to the Constitution

The Responsible Entity may amend the Constitution from time to time, subject to the provisions of the Constitution and the *Corporations Act*. Generally, the Responsible Entity can only amend the Constitution where the Responsible Entity reasonably considers that the change will not adversely affect the rights of Unitholders. Otherwise the Constitution can only be amended if approved at a meeting of Unitholders by a resolution approved by 75% of the votes cast by Unitholders entitled to vote on the resolution.

6.2.4 The compliance plan

The Responsible Entity has prepared and lodged a compliance plan for the Fund with ASIC. The compliance plan sets out the key criteria that the Responsible Entity will follow to ensure that it is complying with the *Corporations Act* and the Constitution. Each year the compliance plan, and the Responsible Entity's compliance with the compliance plan, will be independently audited, as required by the *Corporations Act*, and the auditor's report will be lodged with ASIC.

6.2.5 The compliance committee

The Responsible Entity has established a compliance committee with a majority of members that are external to the Responsible Entity. The compliance committee's functions include:

- monitoring the Responsible Entity's compliance with the compliance plan and reporting its findings to the Responsible Entity;
- reporting breaches of the *Corporations Act* or the Constitution to the Responsible Entity;
- reporting to ASIC if the committee is of the view that the Responsible Entity has not taken or does not propose to take appropriate actions to deal with breaches reported to it by the committee; and
- assessing the adequacy of the compliance plan, recommending any changes and reporting these to the Responsible Entity.

6.2.6 Unit pricing policy

The Responsible Entity has documented its policy as to how it determines Unit prices for the Fund. The policy has been designed to meet the ASIC requirements and is available on request to all Unitholders and prospective Unitholders at no charge.

The policy explains the Responsible Entity's approach in relation to valuation methodology, rounding of decimal places, cut-off times for receiving instructions and the frequency of income distributions and Unit pricing discretions generally.

6.2.7 Suspensions of applications and redemptions

The Constitution of the Fund allows the Responsible Entity to suspend the issue of Units in the Fund by publishing a notice to that effect. Application forms received during a period of suspension may be rejected or treated as received when the period of suspension ceases. The Responsible Entity may also reject any application in whole or in part at any time, without giving reasons.

The Constitution of the Fund provides that, in some circumstances, the period for satisfaction of redemption requests (generally three ASX Business Days) may be extended, or that redemption requests may be rejected. Those circumstances are where:

- i. the Responsible Entity has taken all reasonable steps to realise sufficient assets to pay amounts due in respect of Units to which a redemption request applies and is unable to do so due to circumstances outside its control, such as restricted or suspended trading in the market for an asset;
- ii. the Responsible Entity believes that it is impracticable or not possible to transfer, in the manner acceptable to the Responsible Entity, sufficient assets to satisfy the redemption request (for example, because of disruption to a settlement or clearing system);
- iii. the Responsible Entity believes that it is not practicable or desirable to carry out the calculations necessary to satisfy the redemption request (for example, because a relevant index, exchange rate or other reference price is not compiled or published, or it is impracticable or undesirable to calculate the

Net Asset Value because of restricted or suspended trading in the market for an asset or because the value of any asset cannot otherwise promptly or accurately be ascertained);

- iv. the quotation of any Units on the ASX is suspended or the trading of any Units is otherwise halted, interrupted or restricted by the ASX;
- v. the Units cease to be admitted to trading status on the ASX;
- vi. a redemption request is received in a financial year and the Responsible Entity determines that the date on which the completion of the redemption of the Units would otherwise occur would be in the next financial year;
- vii. a redemption request is received during the period commencing on the Fund's ex date for distributions and expiring at the end of the relevant distribution period;
- viii. the Responsible Entity does not consider that it is in the best interests of Unitholders of the Fund taken as a whole to transfer or realise sufficient assets to satisfy the redemption request; or
- ix. the Responsible Entity believes that assets cannot be realised at prices that would be obtained if assets were realised in an orderly fashion over a reasonable period in a stable market.

The redemption period may be extended for so long as the relevant circumstances apply.

6.2.8 Non-Authorised Participant redemption request

If there are no Authorised Participants, the Responsible Entity may accept a redemption request from a person who is not an Authorised Participant, provided such person is an Australian Resident at the time of giving the redemption request.

6.2.9 Information relating to redemptions

The information in section 5 relating to redemptions assumes that the Fund is liquid within the meaning of section 601KA of the *Corporations Act*. The Fund will be liquid if at least 80% of its assets are liquid assets under the *Corporations Act*. Broadly, liquid assets include money in an account or on deposit with a bank, bank accepted bills, marketable securities and other property which the Responsible Entity reasonably expects can be realised for its market value within the period specified in the Constitution for satisfying redemption requests. At the date of this PDS, the Responsible Entity expects that the Fund will be liquid under the *Corporations Act*. If the Fund is not liquid, a Unitholder will not have a right to redeem Units and can only redeem where the Responsible Entity makes a withdrawal offer to Unitholders in accordance with the *Corporations Act*. The Responsible Entity is not obliged to make such offers.

6.2.10 Rights of a Unitholder

A Unit confers a beneficial interest on a Unitholder in the assets of the Fund but not an entitlement or interest in any particular part of the fund or any asset.

The terms and conditions of the Fund's Constitution are binding on each Unitholder in the Fund and all persons claiming through them respectively, as if the Unitholder or person were a party to the Constitution.

6.2.11 Reimbursement of expenses

In addition to any other indemnity which the Responsible Entity may have under the Fund's Constitution or at law, the Responsible Entity is indemnified and entitled to be reimbursed out of, or paid from, the assets of the Fund for all liabilities, losses and expenses incurred in relation to the proper performance of its duties as responsible entity of the Fund.

6.2.12 Retirement of BetaShares

BetaShares may retire as responsible entity of the Fund by calling a meeting of Unitholders to enable Unitholders to vote on a resolution to choose a company to be the new responsible entity. The Responsible Entity may be removed from office by an extraordinary resolution (i.e. 50% of the votes that may be cast by Unitholders entitled to vote on the resolution) passed at a meeting of Unitholders, in accordance with the *Corporations Act*.

6.2.13 Termination

The Responsible Entity may wind up the Fund at any time. Following winding up, the net proceeds will be distributed to Unitholders.

6.2.14 Limitation of liability of Unitholders

The Constitution of the Fund provides that the liability of each Unitholder is limited to the consideration (if any) which remains outstanding in relation their subscription, subject to:

- i. the indemnities each Unitholder gives the Responsible Entity for losses or liabilities incurred by the Responsible Entity:
 - a. in relation to the Unitholder's failure to provide requested information;
 - b. for tax or user pays fees as a result of any act or omission by the Unitholder or any matter arising in connection with the Units held by the Unitholder;
- ii. application/redemption fees and management fees; and
- iii. execution and settlement procedures prescribed by the Responsible Entity that relate to the issue and redemption of Units.

Subject to the matters described above, a Unitholder is not required to indemnify the Responsible Entity or a creditor of the Responsible Entity against any liability of the Responsible Entity in respect of the Fund. However, no complete assurance can be given in this regard, as the ultimate liability of a Unitholder has not been finally determined by the courts.

6.2.15 Meeting of Unitholders

The Responsible Entity may convene a meeting of Unitholders of the Fund at any time, (e.g. to approve certain amendments to the Fund's Constitution or to wind up the Fund). Unitholders also have limited rights to call meetings and have the right to vote at any Unitholder meetings. Except where the Fund's Constitution provides otherwise, or the *Corporations Act* requires otherwise, a resolution of Unitholders must be passed by Unitholders who hold Units exceeding 50% in value of the total value of all Units held by Unitholders who vote on the resolution.

A resolution passed at a meeting of Unitholders held in accordance with the Fund's Constitution binds all Unitholders of the Fund.

6.2.16 Indemnities and limitation of liability of the Responsible Entity

The Responsible Entity is indemnified out of the assets of the Fund for any liability incurred by it in properly performing or exercising any of its powers or duties in relation to the Fund.

To the extent permitted by the *Corporations Act*, the indemnity includes any liability incurred by the Responsible Entity as a result of any act or omission of a delegate or agent appointed by the Responsible Entity.

The Responsible Entity is not liable in contract, tort or otherwise to Unitholders for any loss suffered in any way relating to the Fund except to the extent that the *Corporations Act* imposes such liability.

6.2.17 Defective applications

The Constitution of the Fund allows the Responsible Entity to cancel Units in certain circumstances including where the Responsible Entity determines that the applicant was not entitled to apply for or hold the Units, the application form was incorrectly executed or was otherwise defective or where the execution and settlement procedures were not complied with.

6.2.18 Discretionary redemptions

The Constitution of the Fund allows the Responsible Entity to redeem some or all of a Unitholder's Units at any time.

6.2.19 Information from Unitholders

The Constitution of the Fund provides that the Responsible Entity may request any information from Unitholders where it believes that such information is necessary to (a) comply with any law or regulatory request; or (b) lessen the risk of the Fund or any Unitholder suffering a material detriment. If a Unitholder fails to provide the requested information, the Unitholder must indemnify the Responsible Entity for any loss suffered by the Responsible Entity in relation to such failure.

6.2.20 Borrowings

The Fund will only borrow where the Responsible Entity believes it is in the best interests of Unitholders to do so. It is not currently the Responsible Entity's intention to borrow for the purposes of gearing.

6.2.21 If you have a complaint

If a Unitholder has a complaint regarding the Fund or services provided by the Responsible Entity, please contact Client Services on 1300 487 577 (within Australia) or +61 2 9290 6888 (outside Australia) from 9:00 am to 5:00 pm Sydney time, Monday to Friday.

If the complaint is not satisfactorily resolved within three business days, a Unitholder may refer the matter in writing to:

Manager Client Services
BetaShares Capital Ltd
Level 12 50 Margaret Street
Sydney NSW 2000

To expedite a resolution of the matter, copies of all relevant documentation and other materials supporting the complaint should be provided with the complaint.

The Responsible Entity will try to resolve complaints as soon as possible, but in any event, will provide a written response within 45 days of receiving the written complaint.

In the event that a Unitholder is not satisfied with the outcome of a complaint, the Unitholder has the right to request the Responsible Entity to review their decision or to refer the matter to an external complaints resolution scheme. The Responsible Entity is a member of the Financial Ombudsman Services (FOS). Unitholders can contact FOS on 1800 780 808, or at the following address:

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
Email: info@fos.org.au

Information may also be obtained at www.fos.org.au. To be considered by FOS, the claim involved must fall within FOS's

jurisdiction as set out in their Terms of Reference (published on the above website), including that any claim must be less than \$500,000 (as may be amended by FOS from time to time).

6.2.22 Privacy policy

Privacy laws regulate, among other matters, the way organisations collect, use, disclose, keep secure and give people access to their personal information.

The Responsible Entity is committed to respecting the privacy of a Unitholder's personal information. The Responsible Entity's privacy policy states how the Responsible Entity manages personal information.

The Responsible Entity collects personal information in the Application and Redemption Form, and may collect additional personal information in the course of managing the Fund. Some information must be collected for the purposes of compliance with the *Anti-Money Laundering and Counter Terrorism Financing Act 2006*.

The Responsible Entity may provide personal information to a Unitholder's adviser if written consent is provided to the Responsible Entity. The Responsible Entity may disclose personal information to authorities investigating criminal or suspicious activity and to the Australian Transaction Reports and Analysis Centre (AUSTRAC) in connection with anti-money laundering and counter-terrorism financing.

The Responsible Entity may provide a Unitholder's personal information to its service providers for certain related purposes (as described under the *Privacy Act 1988*) such as account administration and the production and mailing of statements. The Responsible Entity may also use a Unitholder's personal information and disclose it to its service providers to improve customer service (including companies conducting market research) and to keep Unitholders informed of the Responsible Entity's or its partners' products and services, or to their financial adviser or broker to provide financial advice and ongoing service.

The Responsible Entity will assume consent to personal information being used for the purposes of providing information on services offered by the Responsible Entity and being disclosed to market research companies for the purposes of analysing the Responsible Entity's investment base unless otherwise advised.

To obtain a copy of the privacy policy, contact BetaShares on 1300 487 577 (within Australia) or +61 2 9290 6888 (outside Australia).

6.2.23 Anti-money laundering

The Responsible Entity is bound by laws regarding the prevention of money laundering and the financing of terrorism, including the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (AML/CTF Laws). By completing the Application or Redemption Form, the Unitholder agrees that:

- it does not subscribe to the Fund under an assumed name;
- any money used to invest in the Units is not derived from or related to any criminal activities;
- any proceeds of the investment will not be used in relation to any criminal activities;

- if the Responsible Entity requests, the Unitholder will provide to it any additional information that is reasonably required for the purposes of AML/CTF Laws (including information about the investor, any beneficial interest in the Units, or the source of funds used to invest);
- the Responsible Entity may obtain information about the Unitholder or any beneficial owner of a Unit from third parties if it is believed this is necessary to comply with AML/CTF Laws; and
- in order to comply with AML/CTF Laws, the Responsible Entity may be required to take action, including:

- delaying or refusing the processing of any application or redemption, or disclosing information that the Responsible Entity holds about the Unitholder or any beneficial owner of the Units to its related bodies corporate or service providers, or relevant regulators of AML/CTF Laws (whether in or outside of Australia);
- disclosing information that the Responsible Entity holds about the Unitholder or any beneficial owner of the Units to the Responsible Entity's related bodies corporate or service providers, or relevant regulators of AML/CTF Laws (whether in or outside of Australia).

6.2.24 Interest on amounts awaiting investment or redemption

Amounts paid to the Fund may accrue interest in the Fund's accounts pending the issue of Units or the return of application monies. Similarly, amounts made available to satisfy a redemption request may also accrue interest pending payment. Any such interest will be retained by the Responsible Entity as an asset of the Fund.

6.2.25 Other services

The Responsible Entity in its personal capacity, or companies related to the Responsible Entity, may provide services to the Fund. Any fees for such services will be at arm's length commercial rates.

6.2.26 Indicative Net Asset Value per Unit

The Responsible Entity may at its discretion make available, or may designate other persons to make available on its behalf, an estimated indicative Net Asset Value per Unit (**iNAV**) for the Fund from time to time. Such information, if made available on any ASX Business Day, will be calculated based upon information available to the Responsible Entity or its designate during the ASX Business Day or any portion of the ASX Business Day.

Any iNAV is not, and should not be taken to be or relied on as being, the value of a Unit or the price at which Units may be applied for or redeemed, or bought or sold on any stock exchange, and may not reflect the true value of a Unit. Investors interested in applying for or redeeming Units, or buying or selling Units on a stock exchange, should not rely on any iNAV which is made available in making investment decisions but should consider other market information and relevant economic factors. Neither the Responsible Entity nor any designate or other service provider to the Responsible Entity shall be liable to any person who relies on the iNAV.

6.3 MATERIAL CONTRACTS

The Responsible Entity has entered into (or will enter into prior to the initial issue of Units) a number of contracts in relation to the Fund, as set out below.

TABLE 6.3: MATERIAL CONTRACTS

CONTRACT AND PARTY	DESCRIPTION
Custody agreement RBC Dexia Investor Services Trust	Custody Agreement which sets out the services provided by the custodian on an ongoing basis together with the service standards.
Investment administration agreement RBC Dexia Investor Services Trust	Investment Administration Agreement which sets out the services provided by the administrator (accountancy services, tax services and fund services including Unit price calculations), together with the service standards.
Registry agreement Link Market Services Limited	Registry Agreement which sets out the services provided by the Registrar on an ongoing basis together with the service standards.
Authorised participant agreement Authorised Participants	<p>An Authorised Participant Agreement deals with execution and settlement procedures in relation to the application for and redemption of Units. The terms of each Authorised Participant Agreement may vary and each may be amended from time to time.</p> <p>Under the Authorised Participant Agreement, the Authorised Participant makes certain representations to the Responsible Entity about its status as an appropriately licensed, Australian resident stockbroker. The Authorised Participant agrees to comply with the Constitution, with the execution and settlement procedures, and with all relevant laws in relation to selling Units. The Authorised Participant indemnifies the Responsible Entity against any losses incurred by the Responsible Entity or the Fund arising from the Authorised Participant's breach of the Authorised Participant Agreement or the execution and settlement procedures.</p>
Nominee deed poll RBC Dexia Investor Services Trust	Under this document, if applicable, the Applicant Nominee agrees to hold Units the subject of an application by an Authorised Participant as nominee for the Authorised Participant pending settlement.
Nominee terms Authorised participant	By signing the Application Form, if applicable, the Authorised Participant covenants for the benefit of the Applicant Nominee to be bound by the Nominee Terms under which the Applicant Nominee will hold Units for the Authorised Participant subject to a security interest in favour of the Responsible Entity pending settlement of the application. Under the Nominee Terms, if the Authorised Participant does not comply with its obligations relating to the issue of Units, the Responsible Entity may direct the Applicant Nominee that the Units not be transferred to the Authorised Participant, in which case the Units are to be held solely for the Responsible Entity.

6.4 ASIC RELIEF

Equal Treatment Relief

ASIC has granted relief under section 601QA(1)(a) of the *Corporations Act* from the equal treatment requirement in section 601FC(1)(d), to the extent necessary to allow the Responsible Entity to restrict eligibility to submit redemption requests in relation to Units to Authorised Participants who are Australian Residents.

PDS and Issue of Securities Requirements

ASIC has granted relief under section 1020F(1)(c) of the *Corporations Act* from certain requirements in sections 1013H, 1016D and 1016E, to reflect the continuous offering of Units in the Fund. For the purposes of this relief, an application for quotation of the Units must be made no later than seven days after the date of each new issue of the Units if such an application is required by the ASX, and the Responsible Entity must notify ASX of the total number

of Units on issue in the Fund by no later than five business days after the last business day of each calendar month. It is expected that there will be no period during which the Responsible Entity or custodian will hold application money before the Units are issued. In relation to the initial issue of Units, Units will be quoted on the first date for quotation of Units.

For applications received after the initial issue of Units, Units will generally be issued on the ASX Business Day after the trade date and quoted with effect from the settlement of the issue of the relevant Units through CHESS

Ongoing Disclosure Relief

ASIC has granted relief under section 1020F(1)(a) of the *Corporations Act* from ongoing disclosure requirements in section 1017B on the condition that the Responsible Entity complies with the provisions of the *Corporations Act* that apply to unlisted disclosing entities as if the Fund was an unlisted disclosing entity.

6.5 DOCUMENTS LODGED WITH ASIC

The Responsible Entity will comply with certain regular reporting and disclosure obligations in relation to the Fund as if the Fund was a “disclosing entity” under the *Corporations Act*. Copies of documents lodged with ASIC in relation to the Fund may be obtained from, or inspected at, an ASIC office.

As an investor in the Fund, a Unitholder may obtain the following documents from the Responsible Entity (as at the date of this PDS, no such documents have been lodged with ASIC):

- the annual report most recently lodged with ASIC in respect of the Fund;
- any half-year financial report lodged with ASIC in respect of the Fund after the lodgement of the abovementioned annual report and before the date of this Product Disclosure Statement; and
- any continuous disclosure notices given in respect of the Fund after the lodgement of the above mentioned annual report and before the date of this PDS.

The Responsible Entity will send a requesting Unitholder a printed or electronic copy of any of the above documents free of charge within five business days of the request.

6.6 COOLING OFF

There is no cooling off period in relation to the subscription for Units in the Fund. This means that once an application form is submitted, an applicant cannot decide to withdraw the application.

6.7 INDIRECT INVESTORS

When an investor invests through a master trust or wrap platform or an IDPS, the operator of the trust, platform or IDPS is investing on the investor’s behalf. Consequently the operator (or the custodian of the platform), and not the investor as an indirect investor, holds the Units and therefore has the rights of a Unitholder in the Fund. For example, if an investor is an indirect investor they will not have rights to attend and vote at Unitholder meetings, to withdraw Units or receive distributions. Instead the platform operator will exercise those rights in accordance with their arrangements with the investor. For information about their investment, an investor should contact their platform operator.

6.8 INFORMATION AVAILABLE FROM BETASHARES

The Responsible Entity is subject to regular reporting and disclosure obligations, in its capacity as responsible entity of the Fund and issuer of the Units. The following information can be obtained from the Responsible Entity by visiting the BetaShares website at www.betashares.com.au or by contacting BetaShares on 1300 487 577 (within Australia) or +61 2 9290 6888 (outside Australia):

- The daily Net Asset Value (NAV) for the Fund;
- The daily NAV per Unit for the Fund;
- The Responsible Entity's Unit pricing policy;
- The latest PDS for the Fund;
- Copies of announcements made to the ASX via the ASX Company Announcements Platform (including continuous disclosure notices and distribution information);
- Information about distributions as soon as possible after they are declared or paid;
- Annual Reports and Financial Statements for the Fund;

- Details of any Distribution Reinvestment Plan; and
- Information in relation to the Fund to enable Authorised Participants and market makers to estimate the Net Asset Value per Unit of the Fund during the course of a trading day.

6.9 CONSENT AND DISCLAIMER

Minter Ellison has given, before the date of this PDS, and has not withdrawn, its consent to be named in this PDS as legal adviser to the Responsible Entity. Minter Ellison has not caused or authorised the issue of this PDS and does not take any responsibility for any part of this PDS, including (without limitation) any information in relation to taxation matters, other than any reference to its name. Minter Ellison does not take any responsibility for the establishment or performance of the Fund.

RBC Dexia Investor Services Trust (“RBC Dexia Investor Services”) has been appointed as the custodian and administrator. RBC Dexia Investor Services’ role as custodian is limited to holding assets of the Fund. As administrator, RBC Dexia Investor Services is responsible for the day to day administration of the Fund. RBC Dexia Investor Services has no supervisory role in relation to the operation of the Fund and has no liability or responsibility to Unitholders for any act done or omission made in accordance with the custody and investment administration agreements.

RBC Dexia Investor Services was not involved in preparing, nor takes any responsibility for, this PDS and RBC Dexia Investor Services makes no guarantee of the success of the Fund nor the repayment of capital or any particular rate of capital or income return.

JPMorgan has given, before the date of this PDS, and has not withdrawn, its consent to be named in this PDS as the bank at which the Custodian will hold a depository account for U.S. Dollars held on behalf of the Fund. JPMorgan has not caused or authorised the issue of this PDS and does not take any responsibility for any part of this PDS, other than the reference to its name as the bank at which the Custodian will hold a depository account. JPMorgan does not take any responsibility for the establishment or performance of the Fund.

Optiver Australia Pty Ltd (“Optiver”) does not sponsor or endorse the Fund in any way and does not give any representation, warranty, guarantee, assurance or undertaking express or implied as to any matter in connection with the Fund (including, but not limited to, the performance of the market making function described in this PDS or the expected or projected success, profitability, return, performance, results or benefit of any investment or participation in the Fund). Optiver has had no involvement in the preparation of any part of this PDS (including, but not limited to, the role of the market maker and the market making function described in this PDS) other than giving its consent to being named as a lead market maker for the Fund. Optiver has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this PDS.

IMC Pacific Pty Ltd (“IMC”) does not sponsor or endorse the Fund in any way and does not give any representation, warranty, guarantee, assurance or undertaking express or implied as to any matter in connection with the Fund (including, but not limited to, the performance of the market making function described in this PDS or the expected or projected success, profitability, return, performance, results or benefit of any investment or participation in the Fund). IMC has had no involvement in the preparation of any part of this PDS (including, but not limited to, the role of the market maker and the market making function described in this PDS). IMC has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this PDS.

7 TAXATION OF UNITS

The taxation information in this PDS is provided for general information only. It is a broad overview of some of the Australian tax consequences associated with investing in the Fund for a potential Australian resident investor.

It does not take into account the specific circumstances of each person who may invest in the Fund. It should not be used as the basis upon which potential investors make a decision to invest.

As the circumstances of each investor are different, the Responsible Entity strongly recommends that investors obtain professional independent tax advice relating to the tax implications of investing in and dealing in Units.

The taxation information in this PDS has been prepared based on tax laws and administrative interpretations of such laws available at the date of this PDS. These laws and interpretations may change.

7.1.1 Distributions from the Fund

Generally, the Responsible Entity, as responsible entity of the Fund, should not be subject to tax on the income of the Fund provided that Australian resident Unitholders in the Fund are presently entitled to all of the taxable income of the Fund each year. The Responsible Entity intends to take all reasonable steps to ensure that the Unitholders in the Fund should be presently entitled to all of the taxable income of the Fund each year.

The taxable income of the Fund, to which a Unitholder becomes entitled during a financial year, forms part of the Unitholder's assessable income for that year, even if payment of the entitlement does not occur until after the end of the financial year.

A Unitholder receives an entitlement to the distributable income of the Fund for a financial year if the Unitholder holds Units at the end of a distribution period. (Unitholders who are Authorised Participants may also become entitled to the distributable income of the Fund on the redemption of their Units – see section 7.1.5 for further information).

The tax impact for a Unitholder of receiving an entitlement to the income of the Fund depends upon the components of the distribution.

The components of the distribution (if any) are expected to consist of income amounts. This is because interest earned on cash and money market instruments and any realised foreign exchange gains and losses should generally be on revenue account.

Unitholders will be provided with distribution statements after the end of each financial year detailing the components, for tax purposes, of any income distributions received from the Fund during the financial year, including on the redemption of Units.

7.1.2 Selling or transferring Units

If a Unitholder disposes of Units by selling or transferring the Units to another person (e.g. selling on-market), the Unitholder may be liable for tax on any gains realised on that disposal of Units.

If a Unitholder is assessed otherwise than under the capital gains tax provisions on a disposal of Units (e.g. if the Unitholder is in the business of dealing in securities like Units), any profits made on the disposal of the Units should be assessable as ordinary income. Such

Unitholders may be able to deduct any losses made on the disposal of Units.

If a Unitholder is assessed under the capital gains tax provisions on disposal of Units, the Unitholder may make a capital gain or loss on the disposal of those Units, in the year in which the contract for the disposal is entered into. Some Unitholders may be eligible for the CGT discount upon disposal of Units if the Units have been held for at least 12 months (excluding the acquisition and disposal dates) and the relevant requirements are satisfied. Unitholders should obtain professional independent tax advice about the availability of the CGT discount.

Any capital loss arising on a disposal of Units may be able to be offset against capital gains made in that year or in subsequent years.

7.1.3 Tax reform

The Australian Government has announced that it intends to implement a proposed new tax system for managed investment trusts from 1 July 2011. Draft legislation on this proposal has not yet been released. Unitholders should monitor developments.

7.1.4 Goods and Services Tax (GST)

The issue and redemption of Units should not be subject to GST. However, fees and expenses, such as management costs, incurred by the Fund would likely attract GST (at the rate of 10%).

Given the nature of the activities of the Fund, the Fund may not be entitled to claim input-tax credits for the full amount of the GST incurred. However, for the majority of the expenses, a Reduced Input-Tax Credit (RITC) of 75% of the GST paid may be able to be claimed.

The GST and expected RITC relating to fees and expenses is incorporated in the management cost for the Fund.

7.1.5 Applications for and redemptions of Units by Authorised Participants

A person will only be eligible to apply for and redeem Units if they are an Authorised Participant. In the case of redemptions, the Authorised Participant must be an Australian Resident.

This section seeks to provide a summary of the tax consequences for Authorised Participants who are assessed on the disposal of Units otherwise than under the capital gains tax provisions (e.g. because they are in the business of dealing in securities like Units).

If an Authorised Participant is assessed on the disposal of Units under the capital gains tax provisions, the entitlement to the income of the Fund which the Authorised Participant receives in connection with the redemption of Units (see page 23) may exceed the capital gain made on the redemption of the Units. The Authorised Participant may not make a capital loss or be entitled to any other deduction in respect of the excess.

Authorised Participants should obtain professional independent tax advice regarding the tax consequences of applying for and the redemption of their Units, particularly if they are assessed on the disposal of Units under the capital gains provisions.

Applications

An Authorised Participant applies for Units by way of a cash payment in the relevant foreign currency (being U.S. Dollars) or in Australian Dollars. In the event of a foreign currency application, an Authorised Participant applying for Units may be assessed on any gains (e.g. foreign exchange gains) arising from the transfer of the foreign currency, and may be entitled to deduct any losses arising from the transfer of the foreign currency.

The Units which an Authorised Participant acquires in connection with a foreign currency application should generally be taken to have been acquired at a cost equal to the value of the foreign currency transferred to the Fund on application (appropriately translated into Australian Dollars). The foreign currency rules are complex and Authorised Participants should obtain professional independent tax advice which takes into account their own particular facts and circumstances.

Redemptions

An Authorised Participant who redeems Units will become entitled to receive the Withdrawal Amount on the redemption (less the redemption fee), which is satisfied by way of a cash payment.

The Constitution of the Fund contains provisions which, in broad terms, allocate taxable gains (such as foreign exchange gains) realised by the Fund when redeeming Units to redeeming Unitholders.

The Withdrawal Amount may therefore comprise a distribution of the income of the Fund as well as the payment of the redemption price for the Units which are to be redeemed.

The distribution of the income of the Fund received on the redemption of Units may include an entitlement to income realised by the Fund arising out of the redemption of the Units to the redeeming Authorised Participant. This may include a distribution of income realised by the Fund (such as foreign exchange gains) arising as a result of the redemption of the Units.

An Authorised Participant whose Units are redeemed, and who is assessed on the disposal of Units otherwise than under the capital gains tax provisions, should be assessed on any profit arising on the redemption of the Units. An Authorised Participant who redeems Units may be entitled to a deduction for any loss arising on the redemption of Units.

For the purposes of determining the profit or loss arising on the redemption, the redemption price (being the Withdrawal Amount less the distribution of income provided as part of the Withdrawal Amount) should be regarded as the proceeds received in respect of the redemption.

That part of the Withdrawal Amount that is a distribution of income should also be assessable, based on the components of the distribution of income.

The split between the components of the Withdrawal Amount (that is, how much of it represents a distribution of the distributable income of the Fund and how much represents the price paid on redemption of the Units), and the composition of any income entitlement included in the Withdrawal Amount, will not be known until after the financial year end.

The Responsible Entity will notify persons who have redeemed Units during a financial year of the composition of the Withdrawal Amount and the composition of any income entitlement they received in connection with the redemption of Units during that year following the end of the financial year, once that information becomes available.

Although the recent High Court decision in *Commissioner of Taxation v Bamford* [2010] HCA 10 (“**Bamford**”) and the ATO’s Decision Impact Statement dated 2 June 2010 issued in respect of *Bamford* has cast some doubt on the ability of a trust (such as a Fund) to allocate a particular component of income (e.g. capital or other taxable gains) to particular unitholders (and the Commissioner of Taxation is currently involved in a dispute before the Federal Court of Australia dealing with a number of issues that are relevant to the allocation of capital gains upon the redemption of Units), these events are not likely to adversely affect the tax treatment outlined above for redeeming Unitholders on the basis that the Fund is not expected to distribute any capital gains.

However, the Responsible Entity will continue to monitor developments in this area, including the outcome of the case currently before the Federal Court.

Other comments

In all cases where Units are to be redeemed, the Authorised Participant must also be an Australian Resident as defined in the Constitution for the Fund. This means that the Fund should generally not be required to withhold any amounts from the Withdrawal Amount paid on redemption of Units on account of any distribution of income provided on redemption as part of the Withdrawal Amount.

A Unitholder will be an Australian Resident as defined in the Constitution of the Fund if they provide the Responsible Entity with an undertaking that they have been an Australian resident for tax purposes from the beginning of the financial year to the time of redemption, and will continue to be until the end of the financial year. A Unitholder will not be an Australian Resident even if they provide such an undertaking if they have at any time provided the Responsible Entity with an address outside Australia, or if they authorise the Responsible Entity to pay any amounts to them outside Australia.

8 GLOSSARY

These definitions are provided to assist investors in understanding some of the expressions used in this PDS:

Applicant Nominee	An entity which holds Units pending settlement on behalf of Authorised Participants applying for Units. As at the date of this PDS the Applicant Nominee is RBC Dexia Investor Services Trust. The Responsible Entity may determine that the Applicant Nominee is no longer to be appointed to hold Units pending settlement on behalf of Authorised Participants applying for Units.
AQUA Product	A product admitted under the ASX Operating Rules to the AQUA market of the ASX.
AQUA Rules	Schedule 10A of the ASX Operating Rules and related rules and procedures as amended, varied or waived from time to time.
ASX	ASX Limited or the Australian Securities Exchange, as the case requires.
ASX Business Day	A "Business Day" as defined in the ASX Operating Rules, unless determined otherwise by the Responsible Entity.
ASX Listing Rules or Listing Rules	The listing rules of the ASX as amended, varied or waived from time to time.
ASX Operating Rules	The operating rules of the ASX as amended, varied or waived from time to time.
Australian Dollar (AUD or \$)	The official currency of the Commonwealth of Australia.
Australian Resident	An Australian resident for tax purposes, as defined in the Constitution and as described in section 7.1.5.
Authorised Participant	Trading participants under the ASX Operating Rules who have entered into an Authorised Participant Agreement with the Responsible Entity.
Authorised Participant Agreement	An agreement between the Responsible Entity and an Authorised Participant in relation to Unit applications and redemptions.
CHESS	The Clearing House Electronic Sub register System.
Constitution	The constitution governing the Fund, as amended or replaced from time to time.
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Creation Unit	75,000 Units of the Fund, or as otherwise determined by the Responsible Entity from time to time.
Dealing Deadline	4 pm Sydney time on each ASX Business Day (or such other time advised by the Responsible Entity), being the time by which an Application/Redemption Form must be received by the Responsible Entity to be processed for that trading day.
Fund or ETF	The BetaShares U.S. Dollar ETF.
Issue Price	The Net Asset Value divided by the number of Units on issue.
Net Asset Value	The Net Asset Value for the Fund calculated in accordance with section 5.5.
Nominee Terms	In relation to an application for Units, the nominee terms made available by the Responsible Entity to applicants, as described in section 6.3.
PDS	This Product Disclosure Statement.
Registrar	Link Market Services Limited (ABN 54 083 214 537), or any other registry that the Responsible Entity appoints to maintain the register.

Tax Act	The Income Tax Assessment Act 1936, the Income Tax Assessment Act 1997 or both, as appropriate.
U.S. Dollar (USD)	The official currency of the United States of America.
Withdrawal Amount	The Net Asset Value divided by the number of Units on issue.

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FORMS

APPLICATION FORM

BetaShares Exchange Traded Funds Product Disclosure Statement dated 21 January 2011 issued by BetaShares Capital Ltd, ABN 78 139 566 868, AFSL 341181 as Responsible Entity.

Please note: *This form is for use by Authorised Participants. Other investors can buy Units on the ASX through a stockbroker or via a financial adviser.*

It is important to read the BetaShares Exchange Traded Funds Product Disclosure Statement (PDS) carefully. If this PDS was obtained electronically, a paper copy of this PDS and the Application Form will be provided free of charge upon request. Capitalised terms have the same meaning as in the PDS.

Please fax the completed Application Form to (02) 9262 4950.

APPLICANT DETAILS

Name _____

ACN/ABN _____

Postal address _____

Suburb _____

State _____ Postcode _____

Telephone (____) _____

Fax (____) _____

NUMBER OF UNITS APPLIED FOR

This Applicant hereby applies to the Responsible Entity for Units as specified below.

Please note: *The minimum application is the number of Units that constitute one Creation Unit. Applications must be made in whole multiples of Creation Units unless the Responsible Entity agrees otherwise.*

ETF: BetaShares U.S. Dollar ETF

ASX code: USD

Number of Units: _____

ACKNOWLEDGEMENTS

By signing this Application Form:

- I/We confirm that the representations and warranties made and given in the Authorised Participant Agreement continue to be true and correct.
- I/We confirm that all of the information in this Application Form is true and correct.
- I/We represent and warrant that I/we have received the PDS (electronic or hard copy) in Australia.
- I/We declare I/we have read the PDS and agree to be bound by the terms and conditions of the PDS and the Constitution of the Fund in which I/we are investing (as amended or replaced from time to time).
- I/We agree to the Applicant Nominee holding Units on the applicant's behalf pending settlement of this application in accordance with the Nominee Terms, if required, as determined by the Responsible Entity.
- I/We covenant, for the benefit of the Applicant Nominee, to be bound by the Nominee Terms, if applicable.
- I/We understand that none of BetaShares Holdings Pty Ltd, BetaShares Capital Ltd or their related entities, directors or officers guarantees the performance of, the repayment of capital invested in, or the payment of income from the Fund.
- I/We acknowledge that an investment in Units is subject to risk which may include possible delays in repayment and loss of income and capital invested.
- I/We declare that the applicant has the capacity and power to make an investment in accordance with the application.
- I/We declare that in making a decision to invest the only information and representations provided by the Responsible Entity are those contained in this PDS to which this application relates.
- I/We understand the risks of the investment and have obtained all professional financial and taxation advice independently of the Responsible Entity as we consider necessary prior to deciding to invest in the Fund.
- I/We acknowledge that I/we have read and understood the privacy disclosure statement in the PDS and agree to information about the applicant being collected, used and disclosed in accordance with that statement.
- If signed under power of attorney, the/each attorney verifies that no notice or revocation of that power has been received.
- I/We intend this Application Form to take effect as a deed poll.

Applicant signatures

Signature of Authorised Person

Name of Authorised Person (block letters)

Position (block letters)

Signature of Authorised Person

Name of Authorised Person (block letters)

Position (block letters)

Date:

FORMS

REDEMPTION FORM

BetaShares Exchange Traded Funds Product Disclosure Statement dated 21 January 2011 issued by BetaShares Capital Ltd, ABN 78 139 566 868, AFSL 341181 as Responsible Entity.

Please note: *This form is for use by Authorised Participants. Other investors can sell Units on the ASX through a stockbroker or via a financial adviser.*

It is important to read the BetaShares Exchange Traded Funds Product Disclosure Statement (PDS) carefully. If this PDS was obtained electronically, a paper copy of this PDS and the Redemption Form will be provided free of charge upon request. Capitalised terms have the same meaning as in the PDS.

Please fax the completed Redemption Form to (02) 9262 4950.

UNITHOLDER DETAILS

Name _____

ACN/ABN _____

Postal address _____

Suburb _____

State _____ Postcode _____

Telephone (____) _____

Fax (____) _____

NUMBER OF UNITS TO BE REDEEMED

We hereby request the Responsible Entity to redeem Units as specified below.

Please note: *The minimum redemption is the number of Units that constitute one Creation Unit. Redemptions must be made in whole multiples of Creation Units unless the Responsible Entity agrees otherwise. Redemptions shall be paid in USD, unless the Responsible Entity agrees otherwise.*

ETF: BetaShares U.S. Dollar ETF

ASX code: USD

Number of Units: _____

SIGNATURE BY REDEEMING UNITHOLDER

By signing this Redemption Form:

- I/We confirm and undertake that I/we:
 - have been an Australian resident for the purposes of the Tax Act continuously from the beginning of the current financial year; and
 - will continue to be an Australian resident for the purposes of the Tax Act at all times until the end of the current financial year;
- I/We repeat the representations and warranties made and given in the Authorised Participant Agreement in relation to redemption requests.
- I/We agree to reimburse and indemnify the Responsible Entity for all taxes, duties and charges imposed against the Responsible Entity or its agents that may be assessed against the Responsible Entity as a result of my/our entitlement to the capital or distributable income of the Fund (Taxation Amount).
- I/We authorise the Responsible Entity to deduct from my/our income distributions payable from the Fund, on account of the Taxation Amount which the Responsible Entity is or may become liable to pay in respect of my/our entitlement to the capital or distributable income of the Fund.
- I/We confirm that I/we have read and understood the PDS as it relates to redemptions.
- If signed under power of attorney, the/each attorney verifies that no notice or revocation of that power has been received.

Applicant signatures

Signature of Authorised Person

Name of Authorised Person (block letters)

Position (block letters)

Signature of Authorised Person

Name of Authorised Person (block letters)

Position (block letters)

Date: _____

DIRECTORY

Responsible Entity

BetaShares Capital Ltd

Level 12

50 Margaret Street

Sydney NSW 2000

Telephone: 1300 487 577 (within Australia) or +61 2 9290 6888 (outside Australia)

Custodian

RBC Dexia Investor Services

Level 17

2 Park Street

Sydney NSW 2000

Registrar

Link Market Services

Level 12

680 George Street

Sydney NSW 2000

Solicitors to BetaShares

Minter Ellison

Aurora Place

88 Phillip Street

Sydney NSW 2000

Auditor

PricewaterhouseCoopers

Darling Park Tower 2

201 Sussex Street

Sydney NSW 1171