



Booklet 1

Condensed Interim Financial Report

31 December 2022

Responsible Entity

Betashares Capital Limited Ltd
(ABN 78 139 566 868)

Level 11, 50 Margaret,
Sydney, NSW 2000

betashares.com.au



Booklet 1

Betashares Australian Bank Senior Floating Rate Bond ETF - ASX Code: QPON (ARSN 613 694 385)

Betashares Australian Composite Bond ETF - ASX Code: OZBD (ARSN 652 043 920)

Betashares Australian Government Bond ETF - ASX Code: AGVT (ARSN 631 805 153)

Betashares Australian High Interest Cash ETF - ASX Code: AAA (ARSN 143 219 961)

Betashares Australian Investment Grade Corporate Bond ETF - ASX Code: CRED (ARSN 623 815 752)

Betashares Australian Major Bank Hybrids Index ETF - ASX Code: BHYB (ARSN 643 693 403)

Betashares U.S. Treasury Bond 20+ Year ETF - Currency Hedged - ASX Code: GGOV (ARSN 636 987 730)

Betashares Interest Rate Hedged Australian Investment Grade Corporate Bond ETF - ASX Code: HCRD (ARSN 656 267 408)

Betashares Sustainability Leaders Diversified Bond ETF - Currency Hedged - ASX Code: GBND (ARSN 631 805 484)

Condensed Interim Financial Report

for the half-year ended 31 December 2022

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Condensed Interim Financial Report
for the half-year ended 31 December 2022

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Directors' report

The directors of Betashares Capital Ltd, the Responsible Entity of the following managed investment funds (the "Funds") present their report together with the condensed interim financial report of the Funds for the half-year ended 31 December 2022 and the auditor's report thereon.

Fund name	Referred to in this document as	Financial reporting period	ARSN
Betashares Australian Bank Senior Floating Rate Bond ETF	Australian Bank Senior Floating Rate Bond ETF	1 July 2022 to 31 December 2022	613 694 385
Betashares Australian Composite Bond ETF	Australian Composite Bond ETF	1 July 2022 to 31 December 2022	652 043 920
Betashares Australian Government Bond ETF	Australian Government Bond ETF	1 July 2022 to 31 December 2022	631 805 153
Betashares Australian High Interest Cash ETF	Australian High Interest Cash ETF	1 July 2022 to 31 December 2022	143 219 961
Betashares Australian Investment Grade Corporate Bond ETF	Australian Investment Grade Corporate Bond ETF	1 July 2022 to 31 December 2022	623 815 752
Betashares Australian Major Bank Hybrids Index ETF	Australian Major Bank Hybrids Index ETF	1 July 2022 to 31 December 2022	643 693 403
Betashares U.S. Treasury Bond 20+ Year ETF - Currency Hedged (formerly known as Betashares Global Government Bond 20+ Year ETF - Currency Hedged) ²	U.S. Treasury Bond 20+ Year ETF - Currency Hedged	1 July 2022 to 31 December 2022	636 987 730
Betashares Interest Rate Hedged Australian Investment Grade Corporate Bond ETF	Interest Rate Hedged Australian Investment Grade Corporate Bond ETF	14 November 2022 to 31 December 2022	656 267 408
Betashares Sustainability Leaders Diversified Bond ETF - Currency Hedged	Sustainability Leaders Diversified Bond ETF - Currency Hedged	1 July 2022 to 31 December 2022	631 805 484

² On 22 August 2022, the Fund changed its name from Betashares Global Government Bond 20+ Year ETF - Currency Hedged to Betashares U.S. Treasury Bond 20+ Year ETF - Currency Hedged.

Responsible Entity

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

Principal activities

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

Betashares Interest Rate Hedged Australian Investment Grade Corporate Bond ETF commenced operations on 14 November 2022.

The Funds did not have any employees during the half-year.

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

Directors' report (continued)

Directors

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

Mr Alex Vynokur (appointed 21 September 2009)

Mr Jason Gellert (appointed 5 March 2021)

Mr Edward Sippel (appointed 5 March 2021)

Review and results of operations

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

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

Significant changes in state of affairs

The Responsible Entity changed the investment objective of U.S. Treasury Bond 20+ Year ETF - Currency Hedged effective following the close of ASX trading on 22 August 2022 (the Effective Date). Following the close of trading on the Effective Date, the Fund aims to track the performance of the S&P U.S. Treasury 20+ Year AUD Hedged Bond Index, before fees and expenses. The Fund's name also changed to Betashares U.S. Treasury Bond 20+ Year ETF – Currency Hedged.

As the global community moves toward 'living with' the COVID-19 pandemic, there have been continuous challenging economic conditions as a result of the pandemic such as supply chain constraints, inflation, increasing interest rates, the Russia - Ukraine war, or other events that may impact the Funds' future performance.

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

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect:

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

Directors' report (continued)

Likely developments and expected results of operations

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

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

Rounding of amounts to the nearest thousand dollars

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

Auditor's independence declaration

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

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



Alex Vynokur
Director

Sydney
9 March 2023



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

To the Directors of Betashares Capital Limited, the Responsible Entity for the Schemes:

Betashares Australian Bank Senior Floating Rate Bond ETF

Betashares Australian Major Bank Hybrids Index ETF

Betashares Australian Composite Bond ETF

Betashares U.S. Treasury Bond 20+ Year ETF - Currency Hedged

Betashares Australian Government Bond ETF

Betashares Interest Rate Hedged Australian Investment Grade Corporate Bond ETF

Betashares Australian High Interest Cash ETF

Betashares Sustainability Leaders Diversified Bond ETF – Currency Hedged

Betashares Australian Investment Grade Corporate Bond ETF

I declare that, to the best of my knowledge and belief, in relation to the review of Schemes for the interim period ended 31 December 2022 there have been:

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


KPMG


Nicholas Buchanan

Partner

Sydney

9 March 2023

Booklet 1
Condensed interim statements of comprehensive income
For the half-year ended 31 December 2022

Condensed interim statements of comprehensive income

	Australian Bank Senior Floating Rate Bond ETF		Australian Composite Bond ETF¹		Australian Government Bond ETF	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Investment income						
Interest income	9,736	2,790	2,461	-	4,268	2,046
Dividend/distribution income	47	24	-	-	-	-
Net gains/(losses) on financial instruments at fair value through profit or loss	2,798	(3,918)	(4,454)	-	(8,096)	(4,818)
Other operating income	292	51	82	-	101	31
Total net investment income/(loss)	12,873	(1,053)	(1,911)	-	(3,727)	(2,741)
Expenses						
Management fees	603	656	153	-	364	180
Expense recoveries	95	104	-	-	58	28
Transaction costs	-	-	1	-	1	-
Other operating expenses	-	1	-	-	-	1
Total operating expenses	698	761	154	-	423	209
Profit/(loss) for the half-year	12,175	(1,814)	(2,065)	-	(4,150)	(2,950)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income/(loss) for the half-year	12,175	(1,814)	(2,065)	-	(4,150)	(2,950)

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

¹ There was no comparative amount for Australian Composite Bond ETF. The Fund was registered on 29 July 2021 and commenced trading on 2 February 2022.

Booklet 1
Condensed interim statements of comprehensive income
For the half-year ended 31 December 2022
(continued)

Condensed interim statements of comprehensive income

	Australian High Interest Cash ETF		Australian Investment Grade Corporate Bond ETF		Australian Major Bank Hybrids Index ETF	
	31 December 2022 \$'000	31 December 2021 \$'000	31 December 2022 \$'000	31 December 2021 \$'000	31 December 2022 \$'000	31 December 2021 \$'000
Investment income						
Interest income	28,873	5,606	8,160	7,573	13	-
Dividend/distribution income	-	-	-	9	3,931	691
Net gains/(losses) on financial instruments at fair value through profit or loss	-	-	(8,276)	(18,798)	7,585	637
Other operating income	16	-	289	88	29	38
Total net investment income/(loss)	28,889	5,606	173	(11,128)	11,558	1,366
Expenses						
Management fees	1,941	2,199	492	576	345	88
Expense recoveries	-	-	67	79	-	-
Transaction costs	-	-	2	2	21	9
Other operating expenses	-	-	1	1	1	-
Total operating expenses	1,941	2,199	562	658	367	97
Profit/(loss) for the half-year	26,948	3,407	(389)	(11,786)	11,191	1,269
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income/(loss) for the half-year	26,948	3,407	(389)	(11,786)	11,191	1,269

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

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Condensed interim statements of comprehensive income
For the half-year ended 31 December 2022
(continued)

Condensed interim statements of comprehensive income

	U.S. Treasury Bond 20+ Year ETF - Currency Hedged²		Interest Rate Hedged Australian Investment Grade Corporate Bond ETF³		Sustainability Leaders Diversified Bond ETF - Currency Hedged	
	31 December 2022 \$'000	31 December 2021 \$'000	31 December 2022 \$⁴	31 December 2021 \$⁴	31 December 2022 \$'000	31 December 2021 \$'000
Investment income						
Interest income	319	32	1,073	-	1,976	1,557
Dividend/distribution income	-	-	26,128	-	-	-
Net gains/(losses) on financial instruments at fair value through profit or loss	(5,672)	76	44,279	-	(6,561)	(2,659)
Net foreign exchange gains/(losses)	878	(17)	-	-	(1,746)	(360)
Other operating income	27	-	1,088	-	40	61
Total net investment income/(loss)	(4,448)	91	72,568	-	(6,291)	(1,401)
Expenses						
Management fees	20	3	1,327	-	361	325
Expense recoveries	3	1	-	-	93	83
Interest expenses	-	-	-	-	-	-
Transaction costs	-	-	197	-	1	-
Other operating expenses	11	-	-	-	(13)	5
Total operating expenses	34	4	1,524	-	442	413
Profit/(loss) for the half-year	(4,482)	87	71,044	-	(6,733)	(1,814)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income/(loss) for the half-year	(4,482)	87	71,044	-	(6,733)	(1,814)

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

² On 22 August 2022, the Fund changed its name from Betashares Global Government Bond 20+ Year ETF - Currency Hedged to Betashares U.S. Treasury Bond 20+ Year ETF - Currency Hedged.

³ There was no comparative amount for Interest Rate Hedged Australian Investment Grade Corporate Bond ETF. The Fund was registered on 6 January 2022 and commenced trading on 14 November 2022.

⁴ Rounded to the nearest whole dollar as the Fund does not meet the criteria set out in ASIC Instrument 2016/191 to round to the nearest thousand dollars.

Condensed interim statements of financial position

Condensed interim statements of financial position		Australian Bank Senior		Australian Composite		Australian Government	
		Floating Rate Bond ETF		Bond ETF		Bond ETF	
		31 December	30 June	31 December	30 June	31 December	30 June
		2022	2022	2022	2022	2022	2022
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets							
Cash and cash equivalents		8,380	566	779	223	369	5,639
Financial assets at fair value through profit or loss	5	730,082	558,943	184,569	19,190	413,647	420,607
Other receivables		3,655	1,217	1,313	1,891	1,778	1,673
Total assets		742,117	560,726	186,661	21,304	415,794	427,919
Liabilities							
Financial liabilities at fair value through profit and loss	5	-	-	-	-	-	36
Distributions payable	4	2,100	999	572	42	1,110	708
Other payables		143	106	30	1,918	85	78
Total liabilities (excluding net assets attributable to unitholders)		2,243	1,105	602	1,960	1,195	822
Net assets attributable to unitholders - equity	3	739,874	559,621	186,059	19,344	414,599	427,097

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

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Condensed interim statements of financial position
As at 31 December 2022
(continued)

Condensed interim statements of financial position

Condensed interim statements of financial position		Australian Investment					
		Australian High Interest Cash ETF		Grade Corporate Bond ETF		Australian Major Bank Hybrids Index ETF	
		31 December 2022	30 June 2022	31 December 2022	30 June 2022	31 December 2022	30 June 2022
Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Assets							
	2,692,935	1,774,497	4,739	7,544	1,462	512	
Cash and cash equivalents							
Financial assets at fair value through profit or loss	5	-	-	458,135	453,669	229,428	
Other receivables		7,036	1,612	3,667	3,722	2,025	
Due from brokers - receivable for securities sold		-	-	-	696	-	
Total assets		2,699,971	1,776,109	466,541	465,631	232,915	
Liabilities							
Financial liabilities at fair value through profit and loss	5	-	-	242	-	-	
Distributions payable	4	6,949	1,309	1,800	1,150	795	
Due to brokers - payables for securities purchased		-	-	-	-	635	
Other payables		395	286	103	111	72	
Total liabilities (excluding net assets attributable to unitholders)		7,344	1,595	2,145	1,261	1,502	
Net assets attributable to unitholders - equity	3	2,692,627	1,774,514	464,396	464,370	231,413	

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

Condensed interim statements of financial position

		U.S. Treasury Bond 20+ Year ETF - Currency Hedged ²		Interest Rate Hedged Australian Investment Grade Corporate Bond ETF ³		Sustainability Leaders Diversified Bond ETF - Currency Hedged	
		31 December 2022 \$'000	30 June 2022 \$'000	31 December 2022 \$ ⁴	30 June 2022 \$ ⁴	31 December 2022 \$'000	30 June 2022 \$'000
	Notes						
Assets							
Cash and cash equivalents		22	29	142,519	-	2,725	2,425
Financial assets at fair value through profit or loss	5	78,047	7,136	3,516,166	-	189,218	171,498
Other receivables		663	46	13,835	-	1,291	947
Total assets		78,732	7,211	3,672,520	-	193,234	174,870
Liabilities							
Financial liabilities at fair value through profit and loss	5	-	180	-	-	1,579	1,975
Distributions payable	4	498	18	17,750	-	1,291	2,242
Other payables		12	2	868	-	80	71
Total liabilities (excluding net assets attributable to unitholders)		510	200	18,618	-	2,950	4,288
Net assets attributable to unitholders - equity	3	78,222	7,011	3,653,902	-	190,284	170,582

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

² On 22 August 2022, the Fund changed its name from Betashares Global Government Bond 20+ Year ETF - Currency Hedged to Betashares U.S. Treasury Bond 20+ Year ETF - Currency Hedged.

³ There was no comparative amount for Interest Rate Hedged Australian Investment Grade Corporate Bond ETF. The Fund was registered on 6 January 2022 and commenced trading on 14 November 2022.

⁴ Rounded to the nearest whole dollar as the Fund does not meet the criteria set out in ASIC Instrument 2016/191 to round to the nearest thousand dollars.

Condensed interim statements of changes in equity

		Australian Bank Senior Floating Rate Bond ETF		Australian Composite Bond ETF¹		Australian Government Bond ETF	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the half-year	3	559,621	672,458	19,344	-	427,097	180,540
Comprehensive income for the half-year							
Profit/(loss) for the half-year		12,175	(1,814)	(2,065)	-	(4,150)	(2,950)
Total comprehensive income/(loss) for the half-year		12,175	(1,814)	(2,065)	-	(4,150)	(2,950)
Transactions with unitholders							
Applications	3	184,163	31,190	173,583	-	110,684	37,127
Redemptions	3	(6,129)	(14,488)	(1,784)	-	(113,220)	(14,096)
Units issued upon reinvestment of distributions	3	191	56	-	-	96	15
Distributions to unitholders	3,4	(10,147)	(2,284)	(3,019)	-	(5,908)	(1,244)
Total transactions with unitholders		168,078	14,474	168,780	-	(8,348)	21,802
Total equity at the end of the half-year	3	739,874	685,118	186,059	-	414,599	199,392

The above condensed interim statements of changes in equity should be read in conjunction with the accompanying notes.

¹ There was no comparative amount for Australian Composite Bond ETF. The Fund was registered on 29 July 2021 and commenced trading on 2 February 2022.

Booklet 1
Condensed interim statements of changes in equity
For the half-year ended 31 December 2022
(continued)

Condensed interim statements of changes in equity		Australian High Interest Cash ETF		Australian Investment Grade Corporate Bond ETF		Australian Major Bank Hybrids Index ETF	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the half-year	3	1,774,514	2,118,281	464,370	485,670	158,239	13,070
Comprehensive income for the half-year							
Profit/(loss) for the half-year		26,947	3,407	(389)	(11,786)	11,191	1,269
Total comprehensive income/(loss) for the half-year		26,947	3,407	(389)	(11,786)	11,191	1,269
Transactions with unitholders							
Applications	3	1,092,831	1,096,156	46,951	66,635	65,859	76,504
Redemptions	3	(175,658)	(585,899)	(36,968)	(12,447)	-	-
Units issued upon reinvestment of distributions	3	1,853	792	607	410	127	20
Distributions to unitholders	3,4	(27,860)	(3,464)	(10,175)	(8,015)	(4,003)	(661)
Total transactions with unitholders		891,166	507,585	415	46,583	61,983	75,863
Total equity at the end of the half-year	3	2,692,627	2,629,273	464,396	520,467	231,413	90,202

The above condensed interim statements of changes in equity should be read in conjunction with the accompanying notes.

Booklet 1
Condensed interim statements of changes in equity
For the half-year ended 31 December 2022
(continued)

Condensed interim statements of changes in equity		U.S. Treasury Bond 20+ Year ETF - Currency Hedged ²		Interest Rate Hedged Australian Investment Grade Corporate Bond ETF ³		Sustainability Leaders Diversified Bond ETF - Currency Hedged		
		31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021	
		Notes \$'000	\$'000	\$ ⁴	\$ ⁴	\$'000	\$'000	
Total equity at the beginning of the half-year		3	7,011	3,554	-	-	170,582	144,926
Comprehensive income for the half-year								
Profit/(loss) for the half-year			(4,482)	87	71,044	-	(6,733)	(1,814)
Total comprehensive income/(loss) for the half-year			(4,482)	87	71,044	-	(6,733)	(1,814)
Transactions with unitholders								
Applications		3	82,703	-	3,600,608	-	26,825	36,828
Redemptions		3	(6,444)	-	-	-	-	-
Units issued upon reinvestment of distributions		3	4	9	-	-	2,121	2,014
Distributions to unitholders		3,4	(570)	(16)	(17,750)	-	(2,511)	(389)
Total transactions with unitholders			75,693	(7)	3,582,858	-	26,435	38,453
Total equity at the end of the half-year		3	78,222	3,634	3,653,902	-	190,284	181,565

The above condensed interim statements of changes in equity should be read in conjunction with the accompanying notes.

² On 22 August 2022, the Fund changed its name from Betashares Global Government Bond 20+ Year ETF - Currency Hedged to Betashares U.S. Treasury Bond 20+ Year ETF - Currency Hedged.

³ There was no comparative amount for Interest Rate Hedged Australian Investment Grade Corporate Bond ETF. The Fund was registered on 6 January 2022 and commenced trading on 14 November 2022.

⁴ Rounded to the nearest whole dollar as the Fund does not meet the criteria set out in ASIC Instrument 2016/191 to round to the nearest thousand dollars.

Condensed interim statements of cash flows

	Australian Bank Senior Floating Rate Bond ETF		Australian Composite Bond ETF¹		Australian Government Bond ETF	
	31 December 2022 \$'000	31 December 2021 \$'000	31 December 2022 \$'000	31 December 2021 \$'000	31 December 2022 \$'000	31 December 2021 \$'000
Cash flows from operating activities						
Proceeds from sale of financial instruments at fair value through profit or loss	310,460	201,334	31,041	-	162,348	58,768
Payments for purchase of financial instruments at fair value through profit or loss	(478,803)	(215,396)	(202,791)	-	(163,521)	(82,694)
Dividends/distributions received	-	24	-	-	-	-
Interest income received	7,349	2,764	1,285	-	4,165	2,164
Other operating income received	290	57	82	-	105	32
Management fees paid	(578)	(657)	(126)	-	(362)	(178)
Expense recoveries paid	(77)	(104)	-	-	(57)	(27)
Transaction costs paid	-	-	(1)	-	(1)	-
Other operating expenses paid	(8)	(1)	(5)	-	(2)	-
Net cash inflow/(outflow) from operating activities	(161,367)	(11,979)	(170,515)	-	2,675	(21,935)
Cash flows from financing activities						
Proceeds from applications by unitholders	184,163	31,190	175,343	-	110,684	37,127
Payments for redemptions by unitholders	(6,129)	(14,488)	(1,784)	-	(113,220)	(14,096)
Distributions paid	(8,853)	(2,985)	(2,490)	-	(5,409)	(1,119)
Net cash inflow/(outflow) from financing activities	169,181	13,717	171,069	-	(7,945)	21,912
Net increase/(decrease) in cash and cash equivalents	7,814	1,738	554	-	(5,270)	(23)
Cash and cash equivalents at the beginning of the half-year	566	1,009	223	-	5,639	476
Effects of foreign currency exchange rate changes on cash and cash equivalents	-	-	(3)	-	-	-
Cash and cash equivalents at the end of the half-year	8,380	2,747	774	-	369	453
Non-cash financing activities						
Units issued upon reinvestment of distributions	191	56	-	-	96	15

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

¹ There was no comparative amount for Australian Composite Bond ETF. The Fund was registered on 29 July 2021 and commenced trading on 2 February 2022.

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Condensed interim statements of cash flows
For the half-year ended 31 December 2022
(continued)

Condensed interim statements of cash flows

	Australian High Interest Cash ETF		Australian Investment Grade Corporate Bond ETF		Australian Major Bank Hybrids Index ETF	
	31 December 2022 \$'000	31 December 2021 \$'000	31 December 2022 \$'000	31 December 2021 \$'000	31 December 2022 \$'000	31 December 2021 \$'000
Cash flows from operating activities						
Proceeds from sale of financial instruments at fair value through profit or loss	-	-	111,589	170,149	23,420	6,594
Payments for purchase of financial instruments at fair value through profit or loss	-	-	(123,393)	(218,760)	(86,479)	(83,197)
Dividends/distributions received	-	-	3,701	9	3,931	698
Interest income received	23,447	5,589	4,511	7,252	10	-
Other operating income received	16	15	289	88	29	41
Management fees paid	(1,830)	(2,150)	(491)	(573)	(327)	(66)
Expense recoveries paid	-	-	(67)	(79)	-	-
Transaction costs paid	-	-	(2)	(2)	(21)	(9)
Other operating expenses paid	-	-	(8)	(27)	-	(5)
Net cash inflow/(outflow) from operating activities	21,633	3,454	(3,871)	(41,943)	(59,437)	(75,944)
Cash flows from financing activities						
Proceeds from applications by unitholders	1,092,830	1,112,184	46,951	66,635	63,850	76,504
Payments for redemptions by unitholders	(175,658)	(585,899)	(36,968)	(12,447)	-	-
Distributions paid	(20,367)	(2,702)	(8,917)	(11,732)	(3,463)	(492)
Net cash inflow/(outflow) from financing activities	896,805	523,583	1,066	42,456	60,387	76,012
Net increase/(decrease) in cash and cash equivalents	918,438	527,037	(2,805)	513	950	68
Cash and cash equivalents at the beginning of the half-year	1,774,497	2,088,165	7,544	593	512	50
Effects of foreign currency exchange rate changes on cash and cash equivalents	-	-	-	-	-	-
Cash and cash equivalents at the end of the half-year	2,692,935	2,615,202	4,739	1,106	1,462	118
Non-cash financing activities						
Units issued upon reinvestment of distributions	1,853	792	607	410	127	20

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

Condensed interim statements of cash flows

	U.S. Treasury Bond 20+ Year ETF - Currency Hedged ²		Interest Rate Hedged Australian Investment Grade Corporate Bond ETF ³		Sustainability Leaders Diversified Bond ETF - Currency Hedged	
	31 December 2022 \$'000	31 December 2021 \$'000	31 December 2022 \$ ⁴	31 December 2021 \$ ⁴	31 December 2022 \$'000	31 December 2021 \$'000
Cash flows from operating activities						
Proceeds from sale of financial instruments at fair value through profit or loss	17,640	31,560	46,236	-	13,866	25,379
Payments for purchase of financial instruments at fair value through profit or loss	(93,525)	(31,512)	(3,518,122)	-	(40,288)	(64,833)
Dividends/distributions received	46	-	13,144	-	-	-
Interest income received	(342)	32	961	-	1,635	1,352
Other operating income received	27	1	380	-	51	61
Management fees paid	(12)	(4)	(459)	-	(354)	(313)
Interest expenses paid	-	(1)	-	-	-	-
Expense recoveries paid	(1)	-	-	-	(91)	(80)
Transaction costs paid	-	-	(197)	-	-	-
Other operating expenses paid	(13)	(1)	(32)	-	(2)	(4)
Net cash inflow/(outflow) from operating activities	(76,180)	75	(3,458,089)	-	(25,183)	(38,438)
Cash flows from financing activities						
Proceeds from applications by unitholders	82,703	-	3,600,608	-	26,825	36,828
Payments for redemptions by unitholders	(6,444)	-	-	-	-	-
Distributions paid	(86)	(71)	-	-	(1,341)	(1,008)
Net cash inflow/(outflow) from financing activities	76,173	(71)	3,600,608	-	25,484	35,820
Net increase/(decrease) in cash and cash equivalents	(7)	4	142,519	-	301	(2,618)
Cash and cash equivalents at the beginning of the half-year	29	16	-	-	2,425	6,019
Effects of foreign currency exchange rate changes on cash and cash equivalents	-	-	-	-	(1)	(21)
Cash and cash equivalents at the end of the half-year	22	20	142,519	-	2,725	3,380
Non-cash financing activities						
Units issued upon reinvestment of distributions	4	9	-	-	2,121	2,014

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

² On 22 August 2022, the Fund changed its name from Betashares Global Government Bond 20+ Year ETF - Currency Hedged to Betashares U.S. Treasury Bond 20+ Year ETF - Currency Hedged.

³ There was no comparative amount for Interest Rate Hedged Australian Investment Grade Corporate Bond ETF. The Fund was registered on 6 January 2022 and commenced trading on 14 November 2022.

⁴ Rounded to the nearest whole dollar as the Fund does not meet the criteria set out in ASIC Instrument 2016/191 to round to the nearest thousand dollars.

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1 General information

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

Abbreviated Fund name	Registered date	Commenced date	Financial reporting period
Australian Bank Senior Floating Rate Bond ETF	26 July 2016	1 June 2017	1 July 2022 to 31 December 2022
Australian Composite Bond ETF	29 July 2021	2 February 2022	1 July 2022 to 31 December 2022
Australian Government Bond ETF	4 March 2019	9 July 2019	1 July 2022 to 31 December 2022
Australian High Interest Cash ETF	3 May 2010	6 March 2012	1 July 2022 to 31 December 2022
Australian Investment Grade Corporate Bond ETF	22 January 2018	31 May 2018	1 July 2022 to 31 December 2022
Australian Major Bank Hybrids Index ETF	1 September 2020	21 April 2021	1 July 2022 to 31 December 2022
U.S. Treasury Bond 20+ Year ETF - Currency Hedged (formerly known as Betashares Global Government Bond 20+ Year ETF - Currency Hedged) ²	1 November 2019	7 May 2020	1 July 2022 to 31 December 2022
Interest Rate Hedged Australian Investment Grade Corporate Bond ETF	6 January 2022	14 November 2022	14 November 2022 to 31 December 2022
Sustainability Leaders Diversified Bond ETF - Currency Hedged	4 March 2019	26 November 2019	1 July 2022 to 31 December 2022

²On 22 August 2022, the Fund changed its name from Betashares Global Government Bond 20+ Year ETF - Currency Hedged to Betashares U.S Treasury Bond 20+ Year ETF - Currency Hedged.

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

The condensed interim financial statements were authorised for issue by the directors of the Responsible Entity on 9 March 2023. The directors of the Responsible Entity have the power to amend and reissue the condensed interim financial statements.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these condensed interim financial statements are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

(a) Basis of preparation

These general purpose condensed interim financial statements have been prepared in accordance with Australian Accounting Standards, AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The Funds are for-profit unit trusts for the purpose of preparing the condensed interim financial statements.

These condensed interim financial statements do not include all the notes of the type normally included in annual financial statements. The financial report of the Funds complies with International Financial Reporting Standards adopted by the International Accounting Standards Board. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2022 and any continuous disclosure requirements of the *Corporations Act 2001*.

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

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

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

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

Use of estimates and judgement

Management makes estimates and assumptions that affect the reported amounts in the condensed interim financial statements. These estimates and assumptions are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

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

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

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

Functional currency and presentation

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

(b) Australian accounting standards and interpretations

There are no new accounting standards, interpretations or amendments to existing standards that are effective for the half-year beginning 1 July 2022 that would be expected to have a material impact on the Funds.

(c) Rounding of amounts

The Funds are entities of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded off to the nearest thousand dollars, unless otherwise stated.

3 Net assets attributable to unitholders

Subject to market conditions, unitholders may withdraw their units from the Funds at their election by trading on the Australian Securities Exchange at the prevailing market price for sale of the units at the time of the transaction.

Under AASB 132 *Financial Instruments: Presentation*, puttable financial instruments meet the definition of a financial liability to be classified as equity where certain strict criteria are met. The Funds shall classify a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions.

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

	Australian Bank Senior Floating Rate Bond ETF				Australian Composite Bond ETF ¹			
	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	Units '000	Units '000	\$'000	\$'000	Units '000	\$'000	\$'000	\$'000
Net assets attributable to unitholders								
Opening balance	21,954	25,870	559,621	672,458	440	-	19,344	-
Applications	7,200	1,200	184,163	31,190	3,920	-	173,583	-
Redemptions	(240)	(560)	(6,129)	(14,488)	(40)	-	(1,784)	-
Units issued upon reinvestment of distributions	7	2	191	56	-	-	-	-
Distributions to unitholders	-	-	(10,147)	(2,284)	-	-	(3,019)	-
Profit/(loss) for the half-year	-	-	12,175	(1,814)	-	-	(2,065)	-
Closing balance	28,921	26,512	739,874	685,118	4,320	-	186,059	-

	Australian Government Bond ETF				Australian High Interest Cash ETF			
	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	Units '000	Units '000	\$'000	\$'000	Units '000	Units '000	\$'000	\$'000
Net assets attributable to unitholders								
Opening balance	10,146	3,565	427,097	180,540	35,443	42,308	1,774,514	2,118,281
Applications	2,640	740	110,684	37,127	21,805	21,890	1,092,831	1,096,156
Redemptions	(2,660)	(280)	(113,220)	(14,096)	(3,505)	(11,700)	(175,658)	(585,899)
Units issued upon reinvestment of distributions	2	1	96	15	37	16	1,853	792
Distributions to unitholders	-	-	(5,908)	(1,244)	-	-	(27,860)	(3,464)
Profit/(loss) for the half-year	-	-	(4,150)	(2,950)	-	-	26,947	3,407
Closing balance	10,128	4,026	414,599	199,392	53,780	52,514	2,692,627	2,629,273

¹ There was no comparative amount for Australian Composite Bond ETF. The Fund was registered on 29 July 2021 and commenced trading on 2 February 2022.

3 Net assets attributable to unitholders (continued)

	Australian Investment Grade Corporate Bond ETF				Australian Major Bank Hybrids Index ETF			
	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	Units '000	Units '000	\$'000	\$'000	Units '000	Units '000	\$'000	\$'000
Net assets attributable to unitholders								
Opening balance	21,342	18,107	464,370	485,670	16,408	1,300	158,239	13,070
Applications	2,160	2,480	46,951	66,635	6,700	7,600	65,859	76,504
Redemptions	(1,680)	(480)	(36,968)	(12,447)	-	-	-	-
Units issued upon reinvestment of distributions	28	15	607	410	13	2	127	20
Distributions to unitholders	-	-	(10,175)	(8,015)	-	-	(4,003)	(661)
Profit/(loss) for the half-year	-	-	(389)	(11,786)	-	-	11,191	1,269
Closing balance	21,850	20,122	464,396	520,467	23,121	8,902	231,413	90,202

	U.S. Treasury Bond 20+ Year ETF - Currency Hedged ²				Interest Rate Hedged Australian Investment Grade Corporate Bond ETF ³			
	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	Units '000	Units '000	\$'000	\$'000	Units ⁴	Units ⁴	\$ ⁴	\$ ⁴
Net assets attributable to unitholders								
Opening balance	401	160	7,011	3,554	-	-	-	-
Applications	5,120	-	82,703	-	160,000	-	3,600,608	-
Redemptions	(400)	-	(6,444)	-	-	-	-	-
Units issued upon reinvestment of distributions	-	-	4	9	-	-	-	-
Distributions to unitholders	-	-	(570)	(16)	-	-	(17,750)	-
Profit/(loss) for the half-year	-	-	(4,482)	87	-	-	71,044	-
Closing balance	5,121	160	78,222	3,634	160,000	-	3,653,902	-

² On 22 August 2022, the Fund changed its name from Betashares Global Government Bond 20+ Year ETF - Currency Hedged to Betashares U.S. Treasury Bond 20+ Year ETF - Currency Hedged.

³ There was no comparative amount for Interest Rate Hedged Australian Investment Grade Corporate Bond ETF. The Fund was registered on 6 January 2022 and commenced trading on 14 November 2022.

⁴ Rounded to the nearest whole dollar as the Fund does not meet the criteria set out in ASIC Instrument 2016/191 to round to the nearest thousand dollars.

3 Net assets attributable to unitholders (continued)

	Sustainability Leaders Diversified Bond ETF - Currency Hedged			
	31 December 2022 Units '000	31 December 2021 Units '000	31 December 2022 \$'000	31 December 2021 \$'000
Net assets attributable to unitholders				
Opening balance	8,062	5,850	170,582	144,926
Applications	1,280	1,481	26,825	36,828
Redemptions	-	-	-	-
Units issued upon reinvestment of distributions	102	82	2,121	2,014
Distributions to unitholders	-	-	(2,511)	(389)
Profit/(loss) for the half-year	-	-	(6,733)	(1,814)
Closing balance	9,444	7,413	190,284	181,565

Capital risk management

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

Under the terms of the Funds' Constitutions, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of unitholders.

4 Distributions to unitholders

Distributions are payable as set out in the Funds' Product Disclosure Statement and/or Funds' Constitution. Such distributions are recognised as payable when they are determined by the Responsible Entity.

The distributions for Australian Bank Senior Floating Rate Bond ETF, Australian Composite Bond ETF, Australian Government Bond ETF, Australian High Interest Cash ETF, Australian Investment Grade Corporate Bond ETF, Australian Major Bank Hybrids Index ETF, U.S. Treasury Bond 20+ Year ETF - Currency Hedged, Interest Rate Hedged Australian Investment Grade Corporate Bond and Sustainability Leaders Diversified Bond ETF for the half-year were as follows:

	Australian Bank Senior Floating Rate Bond ETF				Australian Composite Bond ETF ¹			
	31 December 2022 \$'000	31 December 2022 CPU	31 December 2021 \$'000	31 December 2021 CPU	31 December 2022 \$'000	31 December 2022 CPU	31 December 2021 \$'000	31 December 2021 CPU
Distributions paid - July	1,100	5.03	300	1.14	389	12.19	-	-
Distributions paid - August	1,276	5.73	404	1.50	491	13.79	-	-
Distributions paid - September	1,637	6.23	400	1.49	463	13.42	-	-
Distributions paid - October	1,999	7.49	400	1.49	540	13.50	-	-
Distributions paid - November	2,035	7.26	400	1.52	564	13.42	-	-
Distributions payable - December	2,100	7.26	380	1.43	572	13.23	-	-
Total distributions	10,147	39.00	2,284	8.57	3,019	79.55	-	-

¹ There was no comparative amount for Australian Composite Bond ETF. The Fund was registered on 29 July 2021 and commenced trading on 2 February 2022.

4 Distributions to unitholders (continued)

	Australian Government Bond ETF				Australian High Interest Cash ETF			
	31 December 2022 \$'000	31 December 2022 CPU	31 December 2021 \$'000	31 December 2021 CPU	31 December 2022 \$'000	31 December 2022 CPU	31 December 2021 \$'000	31 December 2021 CPU
Distributions paid - July	884	10.18	176	5.14	2,029	5.55	541	1.27
Distributions paid - August	992	11.37	180	5.25	3,297	8.75	550	1.28
Distributions paid - September	830	9.97	190	5.55	4,190	9.92	597	1.19
Distributions paid - October	983	11.20	230	5.60	5,544	11.36	611	1.07
Distributions paid - November	1,109	11.22	218	5.36	5,851	12.21	579	1.15
Distributions payable - December	1,110	10.96	250	6.21	6,949	12.92	586	1.12
Total distributions	5,908	64.90	1,244	33.11	27,860	60.71	3,464	7.08

	Australian Investment Grade Corporate Bond ETF				Australian Major Bank Hybrids Index ETF			
	31 December 2022 \$'000	31 December 2022 CPU	31 December 2021 \$'000	31 December 2021 CPU	31 December 2022 \$'000	31 December 2022 CPU	31 December 2021 \$'000	31 December 2021 CPU
Distributions paid - July	1,530	7.78	1,300	7.02	508	2.75	36	2.01
Distributions paid - August	1,760	8.77	1,412	7.43	603	3.08	66	2.06
Distributions paid - September	1,594	7.75	1,305	6.73	616	3.09	103	1.94
Distributions paid - October	1,732	8.39	1,305	6.34	746	3.51	119	1.86
Distributions paid - November	1,759	8.33	1,373	6.80	735	3.35	162	2.00
Distributions payable - December	1,800	8.24	1,320	6.56	795	3.44	175	1.96
Total distributions	10,175	49.26	8,015	40.88	4,003	19.22	661	11.83

4 Distributions to unitholders (continued)

	U.S. Treasury Bond 20+ Year ETF - Currency Hedged ²				Interest Rate Hedged Australian Investment Grade Corporate Bond ETF ³			
	31 December 2022 \$'000	31 December 2022 CPU	31 December 2021 \$'000	31 December 2021 CPU	31 December 2022 \$ ⁴	31 December 2022 CPU	31 December 2021 \$ ⁴	31 December 2021 CPU
Distributions paid - September	72	9.99	7	4.36	-	-	-	-
Distributions payable - December	498	9.72	9	5.61	17,750	11.09	-	-
Total distributions	570	19.71	16	9.97	17,750	11.09	-	-

	Sustainability Leaders Diversified Bond ETF - Currency Hedged			
	31 December 2022 \$'000	31 December 2022 CPU	31 December 2021 \$'000	31 December 2021 CPU
Distributions paid - September	1,220	13.79	167	3.00
Distributions payable - December	1,291	13.67	222	2.48
Total distributions	2,511	27.46	389	5.48

² On 22 August 2022, the Fund changed its name from Betashares Global Government Bond 20+ Year ETF - Currency Hedged to Betashares U.S. Treasury Bond 20+ Year ETF - Currency Hedged.

³ There was no comparative amount for Interest Rate Hedged Australian Investment Grade Corporate Bond ETF. The Fund was registered on 6 January 2022 and commenced trading on 14 November 2022.

⁴ Rounded to the nearest whole dollar as the Fund does not meet the criteria set out in ASIC Instrument 2016/191 to round to the nearest thousand dollars.

The distribution information shown above refers to cash distributions paid by the relevant Fund for the period. Under the AMIT tax rules, a Fund may distribute cash that is different to the taxable income attributed by the Fund to unitholders.

During the half-year, some distributions were satisfied by the issue of units (reinvestment). See Note 3.

5 Financial assets and liabilities at fair value through profit or loss

The Funds measure and recognise the following assets and liabilities at fair value on a recurring basis:

	Australian Bank Senior Floating Rate Bond ETF		Australian Composite Bond ETF		Australian Government Bond ETF	
	31 December 2022 \$'000	30 June 2022 \$'000	31 December 2022 \$'000	30 June 2022 \$'000	31 December 2022 \$'000	30 June 2022 \$'000
Financial assets at fair value through profit or loss						
Listed unit trusts	18,025	-	-	-	-	-
Floating rate notes	712,057	558,943	-	-	-	-
Fixed interest securities	-	-	184,569	19,190	413,647	420,607
Total financial assets at fair value through profit or loss	730,082	558,943	184,569	19,190	413,647	420,607
Financial liabilities at fair value through profit or loss						
Futures	-	-	-	-	-	36
Total financial liabilities at fair value through profit or loss	-	-	-	-	-	36
	Australian Investment Grade Corporate Bond ETF		Australian Major Bank Hybrids Index ETF		U.S. Treasury Bond 20+ Year ETF - Currency Hedged²	
	31 December 2022 \$'000	30 June 2022 \$'000	31 December 2022 \$'000	30 June 2022 \$'000	31 December 2022 \$'000	30 June 2022 \$'000
Financial assets at fair value through profit or loss						
Preference shares	-	-	229,428	158,149	-	-
Foreign currency contracts	-	-	-	-	605	26
Fixed interest securities	458,135	453,669	-	-	77,442	7,110
Total financial assets at fair value through profit or loss	458,135	453,669	229,428	158,149	78,047	7,136
Financial liabilities at fair value through profit or loss						
Futures	242	-	-	-	-	-
Foreign currency contracts	-	-	-	-	-	180
Total financial liabilities at fair value through profit or loss	242	-	-	-	-	180

² On 22 August 2022, the Fund changed its name from Betashares Global Government Bond 20+ Year ETF - Currency Hedged to Betashares U.S. Treasury Bond 20+ Year ETF - Currency Hedged.

5 Financial assets and liabilities at fair value through profit or loss (continued)

	Interest Rate Hedged Australian Investment Grade Corporate Bond ETF ³		Sustainability Leaders Diversified Bond ETF - Currency Hedged	
	31 December 2022 \$ ⁴	30 June 2022 \$ ⁴	31 December 2022 \$'000	30 June 2022 \$'000
Financial assets at fair value through profit or loss				
Bond futures	147,723	-	-	-
Listed unit trusts	3,368,443	-	-	-
Fixed interest securities	-	-	189,218	171,498
Total financial assets at fair value through profit or loss	3,516,166	-	189,218	171,498
Financial liabilities at fair value through profit or loss				
Futures	-	-	1	-
Foreign currency contracts	-	-	1,578	1,975
Total financial liabilities at fair value through profit or loss	-	-	1,579	1,975

An overview of the fair value measurements relating to financial instruments at fair value through profit or loss is included in Note 6 to the financial statements.

³ There was no comparative amount for Interest Rate Hedged Australian Investment Grade Corporate Bond ETF. The Fund was registered on 6 January 2022 and commenced trading on 14 November 2022.

⁴ Rounded to the nearest whole dollar as the Fund does not meet the criteria set out in ASIC Instrument 2016/191 to round to the nearest thousand dollars.

6 Fair value measurements

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Fair value estimation

The carrying amounts of the Funds' assets and liabilities at the end of each reporting period approximate their fair values.

Financial assets and liabilities at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments at fair value through profit or loss are measured at fair value with changes in their fair value recognised in condensed interim statements of comprehensive income.

(i) Fair value in an active market (Level 1)

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

The Funds value their investments in accordance with the accounting policies set out in Note 2. For the majority of their investments, the Funds rely on information provided by independent pricing services for the valuation of their investments.

The quoted market price used for financial assets and liabilities is the last traded price. Where the last traded price does not fall within the bid-ask spread, an assessment is performed by management to determine the appropriate valuation price to use that is most representative of fair value.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

(ii) Fair value in an inactive or unquoted market (Level 2 and Level 3)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

6 Fair value measurements (continued)

Fair value estimation (continued)

(ii) Fair value in an inactive or unquoted market (Level 2 and Level 3) (continued)

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Funds for similar financial instruments.

(iii) Recognised fair value measurements

The tables below set out the Funds' financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy:

Australian Bank Senior Floating Rate Bond ETF							
Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
31 December	31 December	31 December	31 December	30 June	30 June	30 June	30 June
2022	2022	2022	2022	2022	2022	2022	2022
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets							
Financial assets at fair value through profit or loss:							
Listed unit trusts	18,025	-	18,025	-	-	-	-
Floating rate notes	-	712,057	712,057	-	558,943	-	558,943
Total	18,025	712,057	730,082	-	558,943	-	558,943

Australian Composite Bond ETF							
Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
31 December	31 December	31 December	31 December	30 June	30 June	30 June	30 June
2022	2022	2022	2022	2022	2022	2022	2022
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets							
Financial assets at fair value through profit or loss:							
Fixed interest securities	-	184,569	184,569	-	19,190	-	19,190
Total	-	184,569	184,569	-	19,190	-	19,190

6 Fair value measurements (continued)

Fair value estimation (continued)

(iii) Recognised fair value measurements (continued)

	Australian Government Bond ETF							
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	31 December	31 December	31 December	31 December	30 June	30 June	30 June	30 June
	2022	2022	2022	2022	2022	2022	2022	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Financial assets at fair value through profit or loss:								
Fixed interest securities	-	413,647	-	413,647	-	420,607	-	420,607
Total	-	413,647	-	413,647	-	420,607	-	420,607

Financial liabilities

Financial liabilities at fair value through profit or loss:

Futures	-	-	-	-	36	-	-	36
Total	-	-	-	-	36	-	-	36

	Australian Investment Grade Corporate Bond ETF							
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	31 December	31 December	31 December	31 December	30 June	30 June	30 June	30 June
	2022	2022	2022	2022	2022	2022	2022	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Financial assets at fair value through profit or loss:								
Fixed interest securities	-	458,135	-	458,135	-	453,669	-	453,669
Total	-	458,135	-	458,135	-	453,669	-	453,669

Financial liabilities

Financial liabilities at fair value through profit or loss:

Futures	242	-	-	242	-	-	-	-
Total	242	-	-	242	-	-	-	-

6 Fair value measurements (continued)

Fair value estimation (continued)

(iii) Recognised fair value measurements (continued)

Australian Major Bank Hybrids Index ETF							
Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
31 December	31 December	31 December	31 December	30 June	30 June	30 June	30 June
2022	2022	2022	2022	2022	2022	2022	2022
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets							
Financial assets at fair value through profit or loss:							
Preference shares							
229,428	-	-	229,428	158,149	-	-	158,149
Total	229,428	-	229,428	158,149	-	-	158,149

U.S. Treasury Bond 20+ Year ETF - Currency Hedged ²							
Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
31 December	31 December	31 December	31 December	30 June	30 June	30 June	30 June
2022	2022	2022	2022	2022	2022	2022	2022
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets							
Financial assets at fair value through profit or loss:							
Foreign currency contracts	-	605	605	-	26	-	26
Fixed interest securities	-	77,442	77,442	-	7,110	-	7,110
Total	-	78,047	78,047	-	7,136	-	7,136
Financial liabilities							
Financial liabilities at fair value through profit or loss:							
Foreign currency contracts	-	-	-	-	180,323	-	180,323
Total	-	-	-	-	180,323	-	180,323

² On 22 August 2022, the Fund changed its name from Betashares Global Government Bond 20+ Year ETF - Currency Hedged to Betashares U.S. Treasury Bond 20+ Year ETF - Currency Hedged.

6 Fair value measurements (continued)

Fair value estimation (continued)

Interest Rate Hedged Australian Investment Grade Corporate Bond ETF ³							
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Total
	31 December	31 December	31 December	31 December	30 June	30 June	30 June
	2022	2022	2022	2022	2022	2022	2022
	\$ ⁴	\$ ⁴	\$ ⁴	\$ ⁴	\$ ⁴	\$ ⁴	\$ ⁴
Financial assets							
Financial assets at fair value through profit or loss:							
Listed unit trusts	3,368,443	-	-	3,368,443	-	-	-
Futures	147,723	-	-	147,723	-	-	-
Total	3,516,166	-	-	3,516,166	-	-	-
Sustainability Leaders Diversified Bond ETF - Currency Hedged							
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Total
	31 December	31 December	31 December	31 December	30 June	30 June	30 June
	2022	2022	2022	2022	2022	2022	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets							
Financial assets at fair value through profit or loss:							
Floating rate notes	-	-	-	-	-	3,790	3,790
Fixed interest securities	-	189,218	-	189,218	-	167,708	167,708
Total	-	189,218	-	189,218	-	171,498	171,498
Financial liabilities							
Financial liabilities at fair value through profit or loss:							
Futures	1	-	-	1	-	-	-
Foreign currency contracts	-	1,578	-	1,578	-	1,975	1,975
Total	1	1,578	-	1,579	-	1,975	1,975

³ There was no comparative amount for Interest Rate Hedged Australian Investment Grade Corporate Bond ETF. The Fund was registered on 6 January 2022 and commenced trading on 14 November 2022.

⁴ Rounded to the nearest whole dollar as the Fund does not meet the criteria set out in ASIC Instrument 2016/191 to round to the nearest thousand dollars.

6 Fair value measurements (continued)

Fair value estimation (continued)

(iv) Transfers between levels

There were no transfers between levels during the half-year ended 31 December 2022 and 30 June 2022.

(v) Movement in level 3 instruments

There were no investments classified as Level 3 within the Fund as at 31 December 2022 and 30 June 2022.

(vi) Fair values of financial instruments not carried at fair value

The carrying value of receivables and payables are assumed to approximate their fair values.

The carrying value of the net assets attributable to unitholders differs from its fair value (the deemed to be redemption price for individual units) due to differences in valuation inputs. This difference is not material in the current half-year.

7 Events occurring after the reporting period

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Funds disclosed in the condensed interim statements of financial position as at 31 December 2022 or on the results and cash flows of the Funds for the period ended on that date.

Directors' declaration

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

Betashares Australian Bank Senior Floating Rate Bond ETF
Betashares Australian Composite Bond ETF
Betashares Australian Government Bond ETF
Betashares Australian High Interest Cash ETF
Betashares Australian Investment Grade Corporate Bond ETF
Betashares Australian Major Bank Hybrids Index ETF
BetaShares U.S. Treasury Bond 20+ Year ETF - Currency Hedged
BetaShares Interest Rate Hedged Australian Investment Grade Corporate Bond ETF
Betashares Sustainability Leaders Diversified Bond ETF- Currency Hedged

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

- (a) the condensed interim financial statements and notes set out on pages 6 to 34 are in accordance with the *Corporations Act 2001*, including:
- (i) complying with Australian Accounting Standards, and interpretations issued by the Australian Accounting Standards Board and the *Corporations Regulations 2001*; and
 - (ii) giving a true and fair view of the Funds' financial positions as at 31 December 2022 and of their performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that the Funds will be able to pay their debts as and when they become due and payable.

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



Alex Vynokur
Director

Sydney
9 March 2023



Independent Auditor's Review Report

To the unitholders of following Schemes (the "Schemes")

Betashares Australian Bank Senior Floating Rate Bond ETF

Betashares Australian Composite Bond ETF

Betashares Australian Government Bond ETF

Betashares Australian High Interest Cash ETF

Betashares Australian Investment Grade Corporate Bond ETF

Betashares Australian Major Bank Hybrids Index ETF

Betashares U.S. Treasury Bond 20+ Year ETF - Currency Hedged

Betashares Interest Rate Hedged Australian Investment Grade Corporate Bond ETF

Betashares Sustainability Leaders Diversified Bond ETF - Currency Hedged

Conclusion

We have reviewed the accompanying **Condensed Interim Financial Reports** of the Schemes.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Condensed Interim Financial Reports of the Schemes do not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the Schemes' financial position as at 31 December 2022 and of its performance for the interim period ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Condensed Interim Financial Reports** comprise:

- Condensed interim statements of financial position as at 31 December 2022;
- Condensed interim statements of comprehensive income for the interim period ended on that date;
- Condensed interim statements of changes in equity and Condensed interim statements of cash flows for the interim period ended on that date;
- Notes 1 to 7 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The **Interim Period** is the 6 months ended or period starting from the registration date as at 31 December 2022.



Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our reports.

We are independent of the Scheme in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of the Directors for the Condensed Interim Financial Reports

The Directors of Betashares Capital Limited (the Responsible Entity) are responsible for:

- the preparation of the Condensed Interim Financial Reports that give a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- for such internal control as the Directors determine is necessary to enable the preparation of the Condensed Interim Financial Reports that give a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the Condensed Interim Financial Reports

Our responsibility is to express a conclusion on the Condensed Interim Financial Reports based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Condensed Interim Financial Reports do not comply with the *Corporations Act 2001* including giving a true and fair view of the Scheme's financial position as at 31 December 2022 and its performance for the Interim ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a Condensed Interim Financial Reports consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

Nicholas Buchanan
Partner
Sydney
9 March 2023



Betashares Capital Ltd (ABN 78 139 566 868 AFSL 341181) is the issuer.
Investors should read the relevant fund PDS and TMD (available at www.betashares.com.au) and consider whether the fund is appropriate for them.
Past performance is not indicative of future returns. Investing involves risk.