



Booklet 1B

Condensed Interim Financial Report

31 December 2023

Responsible Entity

Betashares Capital Ltd
(ABN 78 139 566 868)

Level 11, 50 Margaret,
Sydney, NSW 2000

betashares.com.au



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Betashares Australian Cash Plus Fund (managed fund) - ASX Code: MMKT (ARSN 657 340 791)

Betashares Geared Long Australian Government Bond Fund (hedge fund) - ASX Code: GGAB (ARSN 670 076 123)

Betashares Geared Long U.S. Treasury Bond Fund – Currency Hedged (hedge fund) - ASX Code: GGFD (ARSN 670 076 918)

Betashares Geared Short Australian Government Bond Fund (hedge fund) - ASX Code: BBAB (ARSN 670 076 294)

Betashares Geared Short U.S. Treasury Bond Fund – Currency Hedged (hedge fund) - ASX Code: BBFD (ARSN 670 076 409)

Betashares Inflation-Protected U.S. Treasury Bond Currency Hedged ETF - ASX Code: UTIP (ARSN 664 916 974)

Betashares U.S. Treasury Bond 7-10 Year Currency Hedged ETF - ASX Code: US10 (ARSN 657 340 648)

Condensed Interim Financial Report

for the half-year ended 31 December 2023

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Condensed Interim Financial Report
for the half-year ended 31 December 2023

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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 2023 and the auditor's report thereon.

Fund name	Referred to in this document as	Financial reporting period	ARSN
Betashares Australian Cash Plus Fund (managed fund)	Australian Cash Plus Fund (managed fund)	1 July 2023 to 31 December 2023	657 340 791
Betashares Geared Long Australian Government Bond Fund (hedge fund)	Geared Long Australian Government Bond Fund (hedge fund)	1 July 2023 to 31 December 2023	670 076 123
Betashares Geared Long U.S. Treasury Bond Fund – Currency Hedged (hedge fund)	Geared Long U.S. Treasury Bond Fund – Currency Hedged (hedge fund)	1 July 2023 to 31 December 2023	670 076 918
Betashares Geared Short Australian Government Bond Fund (hedge fund)	Geared Short Australian Government Bond Fund (hedge fund)	1 July 2023 to 31 December 2023	670 076 294
Betashares Geared Short U.S. Treasury Bond Fund – Currency Hedged (hedge fund)	Geared Short U.S. Treasury Bond Fund – Currency Hedged (hedge fund)	1 July 2023 to 31 December 2023	670 076 409
Betashares Inflation-Protected U.S. Treasury Bond Currency Hedged ETF	Inflation-Protected U.S. Treasury Bond Currency Hedged ETF	1 July 2023 to 31 December 2023	664 916 974
Betashares U.S. Treasury Bond 7-10 Year Currency Hedged ETF	U.S. Treasury Bond 7-10 Year Currency Hedged ETF	1 July 2023 to 31 December 2023	657 340 648

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.

Directors' report (continued)

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 Australian Cash Plus Fund (managed fund) commenced operations on 22 November 2023.

Betashares Geared Long Australian Government Bond Fund (hedge fund) commenced operations on 4 December 2023.

Betashares Geared Long U.S. Treasury Bond Fund – Currency Hedged (hedge fund) commenced operations on 4 December 2023.

Betashares Geared Short Australian Government Bond Fund (hedge fund) commenced operations on 4 December 2023.

Betashares Geared Short U.S. Treasury Bond Fund – Currency Hedged (hedge fund) commenced operations on 4 December 2023.

Betashares Inflation-Protected U.S. Treasury Bond Currency Hedged ETF commenced operations on 18 September 2023.

Betashares U.S. Treasury Bond 7-10 Year Currency Hedged ETF commenced operations on 22 September 2023.

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 invested 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

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 2023 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.

Compensation (ASIC Regulatory Guide 94 Unit pricing: Guide to good practice)

The Responsible Entity may apply a \$20 minimum to compensation amounts in respect of any unit pricing errors for exited investors.

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 6.

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



Alex Vynokur
Director

Sydney
8 March 2024



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 Cash Plus Fund (managed fund)	Betashares Geared Short U.S. Treasury Bond Fund – Currency Hedged (hedge fund)
Betashares Geared Long Australian Government Bond Fund (hedge fund)	Betashares Inflation-Protected U.S Treasury Bond Currency Hedged ETF
Betashares Geared Long U.S. Treasury Bond Fund – Currency Hedged (hedge fund)	Betashares U.S Treasury Bond 7-10 Year Currency Hedged ETF
Betashares Geared Short Australian Government Bond Fund (hedge fund)	

I declare that, to the best of my knowledge and belief, in relation to the review of Schemes for the half-year ended 31 December 2023 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

8 March 2024

Booklet 1B
Condensed interim statements of comprehensive income
For the half-year ended 31 December 2023

Condensed interim statements of comprehensive income	Australian Cash Plus Fund (managed fund)¹	Geared Long Australian Government Bond Fund (hedge fund)²	Geared Long US Treasury Bond Fund – Currency Hedged (hedge fund)³
	31 December 2023 \$'000	31 December 2023 \$⁴	31 December 2023 \$⁴
Investment income			
Interest income	118	1,361	1,361
Net gains/(losses) on financial instruments at fair value through profit or loss	153	52,209	45,546
Net foreign exchange gains/(losses)	-	-	1
Other operating income	-	50	50
Total net investment income/(loss)	271	53,620	46,958
Expenses			
Management fees	10	361	361
Transaction costs	-	86	31
Total operating expenses	10	447	392
Profit/(loss) for the half-year	261	53,173	46,566
Other comprehensive income	-	-	-
Total comprehensive income/(loss) for the half-year	261	53,173	46,566

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 Cash Plus Fund (managed fund). The Fund was registered on 23 February 2022 and commenced trading on 22 November 2023.

² There was no comparative amount for Geared Long Australian Government Bond Fund (hedge fund). The Fund was registered on 4 August 2023 and commenced trading on 4 December 2023.

³ There was no comparative amount for Geared Long U.S. Treasury Bond Fund – Currency Hedged (hedge fund). The Fund was registered on 4 August 2023 and commenced trading on 4 December 2023.

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.

Booklet 1B
Condensed interim statements of comprehensive income
For the half-year ended 31 December 2023
(continued)

Condensed interim statements of comprehensive income	Geared Short Australian Government Bond Fund (hedge fund)⁵	Geared Short US Treasury Bond Fund – Currency Hedged (hedge fund)⁶	Inflation-Protected U.S. Treasury Bond Currency Hedged ETF⁷
	31 December 2023	31 December 2023	31 December 2023
	\$⁴	\$⁴	\$'000
Investment income			
Interest income	1,272	1,298	149
Net gains/(losses) on financial instruments at fair value through profit or loss	(51,676)	(46,645)	(17)
Net foreign exchange gains/(losses)	-	285	3,252
Other operating income	50	50	41
Total net investment income/(loss)	(50,354)	(45,012)	3,425
Expenses			
Management fees	317	333	31
Transaction costs	89	28	-
Total operating expenses	406	361	31
Profit/(loss) for the half-year	(50,760)	(45,373)	3,394
Other comprehensive income	-	-	-
Total comprehensive income/(loss) for the half-year	(50,760)	(45,373)	3,394

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

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.

⁵ There was no comparative amount for Geared Short Australian Government Bond Fund (hedge fund). The Fund was registered on 4 August 2023 and commenced trading on 4 December 2023.

⁶ There was no comparative amount for Geared Short U.S. Treasury Bond Fund – Currency Hedged (hedge fund). The Fund was registered on 4 August 2023 and commenced trading on 4 December 2023.

⁷ There was no comparative amount for Inflation-Protected U.S. Treasury Bond Currency Hedged ETF. The Fund was registered on 25 January 2023 and commenced trading on 18 September 2023.

Booklet 1B
Condensed interim statements of comprehensive income
For the half-year ended 31 December 2023
(continued)

Condensed interim statements of comprehensive income	U.S. Treasury Bond 7-10 Year Currency Hedged ETF⁸
	31 December 2023 \$'000
Investment income	
Interest income	172
Net gains/(losses) on financial instruments at fair value through profit or loss	2,193
Net foreign exchange gains/(losses)	753
Other operating income	18
Total net investment income/(loss)	3,136
Expenses	
Management fees	14
Transaction costs	-
Total operating expenses	14
Profit/(loss) for the half-year	3,122
Other comprehensive income	-
Total comprehensive income/(loss) for the half-year	3,122

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

⁸ *There was no comparative amount for U.S. Treasury Bond 7-10 Year Currency Hedged ETF. The Fund was registered on 23 February 2023 and commenced trading on 22 September 2023.*

Condensed interim statements of financial position		Australian Cash Plus Fund (managed fund) ¹	Geared Long Australian Government Bond Fund (hedge fund) ²	Geared Long US Treasury Bond Fund – Currency Hedged (hedge fund) ³
	Notes	31 December 2023 \$'000	31 December 2023 \$ ⁴	31 December 2023 \$ ⁴
Assets				
Cash and cash equivalents	5	48,606	460,050	460,050
Cash held on collateral		-	55,702	39,969
Financial assets at fair value through profit or loss	6	11,512	36,421	45,546
Other receivables		179	1,361	1,362
Total assets		60,297	553,534	546,927
Liabilities				
Distributions payable	4	289	-	-
Other payables		9	361	361
Total liabilities (excluding net assets attributable to unitholders)		298	361	361
Net assets attributable to unitholders - equity	3	59,999	553,173	546,566

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

¹ There was no comparative amount for Australian Cash Plus Fund (managed fund). The Fund was registered on 23 February 2022 and commenced trading on 22 November 2023.

² There was no comparative amount for Geared Long Australian Government Bond Fund (hedge fund). The Fund was registered on 4 August 2023 and commenced trading on 4 December 2023.

³ There was no comparative amount for Geared Long U.S. Treasury Bond Fund – Currency Hedged (hedge fund). The Fund was registered on 4 August 2023 and commenced trading on 4 December 2023.

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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Condensed interim statements of financial position
As at 31 December 2023
(continued)

Condensed interim statements of financial position		Geared Short Australian Government Bond Fund (hedge fund) ⁵	Geared Short US Treasury Bond Fund – Currency Hedged (hedge fund) ⁶	Inflation-Protected U.S. Treasury Bond Currency Hedged ETF ⁷
	Notes	31 December 2023 \$ ⁴	31 December 2023 \$ ⁴	31 December 2023 \$'000
Assets				
Cash and cash equivalents	5	400,050	436,888	1,130
Cash held on collateral		82,081	100,142	-
Financial assets at fair value through profit or loss	6	-	-	96,963
Other receivables		1,272	1,298	292
Total assets		483,403	538,328	98,385
Liabilities				
Distributions payable	4	-	-	552
Financial liabilities at fair value through profit and loss	6	33,846	46,530	-
Other payables		317	333	16
Total liabilities (excluding net assets attributable to unitholders)		34,163	46,863	568
Net assets attributable to unitholders - equity	3	449,240	491,465	97,817

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

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.

⁵ There was no comparative amount for Geared Short Australian Government Bond Fund (hedge fund). The Fund was registered on 4 August 2023 and commenced trading on 4 December 2023.

⁶ There was no comparative amount for Geared Short U.S. Treasury Bond Fund – Currency Hedged (hedge fund). The Fund was registered on 4 August 2023 and commenced trading on 4 December 2023.

⁷ There was no comparative amount for Inflation-Protected U.S. Treasury Bond Currency Hedged ETF. The Fund was registered on 25 January 2023 and commenced trading on 18 September 2023.

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Condensed interim statements of financial position
As at 31 December 2023
(continued)

Condensed interim statements of financial position	Notes	U.S. Treasury Bond 7-10 Year Currency Hedged ETF ⁸
		31 December 2023 \$'000
Assets		
Cash and cash equivalents	5	27
Financial assets at fair value through profit or loss	6	49,384
Other receivables		328
Total assets		49,739
Liabilities		
Distributions payable	4	289
Financial liabilities at fair value through profit and loss	6	525
Other payables		12
Total liabilities (excluding net assets attributable to unitholders)		826
Net assets attributable to unitholders - equity	3	48,913

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

⁸ There was no comparative amount for U.S. Treasury Bond 7-10 Year Currency Hedged ETF. The Fund was registered on 23 February 2023 and commenced trading on 22 September 2023.

Booklet 1B
Condensed interim statements of changes in equity
For the half-year ended 31 December 2023

Condensed interim statements of changes in equity		Australian Cash Plus Fund (managed fund)¹	Geared Long Australian Government Bond Fund (hedge fund)²	Geared Long US Treasury Bond Fund – Currency Hedged (hedge fund)³
	Notes	31 December 2023 \$'000	31 December 2023 \$ ⁴	31 December 2023 \$ ⁴
Total equity at the beginning of the half-year	3	-	-	-
Comprehensive income for the half-year				
Profit/(loss) for the half-year		261	53,173	46,566
Total comprehensive income/(loss) for the half-year		261	53,173	46,566
Transactions with unitholders				
Applications	3	60,027	500,000	500,000
Distributions to unitholders	3,4	(289)	-	-
Total transactions with unitholders		59,738	500,000	500,000
Total equity at the end of the half-year	3	59,999	553,173	546,566

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 Cash Plus Fund (managed fund). The Fund was registered on 23 February 2022 and commenced trading on 22 November 2023.

² There was no comparative amount for Geared Long Australian Government Bond Fund (hedge fund). The Fund was registered on 4 August 2023 and commenced trading on 4 December 2023.

³ There was no comparative amount for Geared Long U.S. Treasury Bond Fund – Currency Hedged (hedge fund). The Fund was registered on 4 August 2023 and commenced trading on 4 December 2023.

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.

Booklet 1B
Condensed interim statements of changes in equity
For the half-year ended 31 December 2023
(continued)

Condensed interim statements of changes in equity		Geared Short Australian Government Bond Fund (hedge fund)⁵	Geared Short US Treasury Bond Fund – Currency Hedged (hedge fund)⁶	Inflation-Protected U.S. Treasury Bond Currency Hedged ETF⁷
		31 December 2023	31 December 2023	31 December 2023
	Notes	\$⁴	\$⁴	\$¹⁰⁰⁰
Total equity at the beginning of the half-year	3	-	-	-
Comprehensive income for the half-year				
Profit/(loss) for the half-year		(50,760)	(45,373)	3,394
Total comprehensive income/(loss) for the half-year		(50,760)	(45,373)	3,394
Transactions with unitholders				
Applications	3	500,000	536,838	94,975
Distributions to unitholders	3,4	-	-	(552)
Total transactions with unitholders		500,000	536,838	94,423
Total equity at the end of the half-year	3	449,240	491,465	97,817

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

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.

⁵ There was no comparative amount for Geared Short Australian Government Bond Fund (hedge fund). The Fund was registered on 4 August 2023 and commenced trading on 4 December 2023.

⁶ There was no comparative amount for Geared Short U.S. Treasury Bond Fund – Currency Hedged (hedge fund). The Fund was registered on 4 August 2023 and commenced trading on 4 December 2023.

⁷ There was no comparative amount for Inflation-Protected U.S. Treasury Bond Currency Hedged ETF. The Fund was registered on 25 January 2023 and commenced trading on 18 September 2023.

Booklet 1B
Condensed interim statements of changes in equity
For the half-year ended 31 December 2023
(continued)

Condensed interim statements of changes in equity	Notes	U.S. Treasury Bond 7-10 Year Currency Hedged ETF ⁸
		31 December 2023 \$'000
Total equity at the beginning of the half-year	3	-
Comprehensive income for the half-year		
Profit/(loss) for the half-year		3,122
Total comprehensive income/(loss) for the half-year		3,122
Transactions with unitholders		
Applications	3	82,595
Redemptions	3	(36,515)
Distributions to unitholders	3,4	(289)
Total transactions with unitholders		45,791
Total equity at the end of the half-year	3	48,913

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

⁸ There was no comparative amount for U.S. Treasury Bond 7-10 Year Currency Hedged ETF. The Fund was registered on 23 February 2023 and commenced trading on 22 September 2023.

Booklet 1B
Condensed interim statements of cash flows
For the half-year ended 31 December 2023

Condensed interim statements of cash flows	Australian Cash Plus Fund (managed fund) ¹	Geared Long Australian Government Bond Fund (hedge fund) ²	Geared Long US Treasury Bond Fund – Currency Hedged (hedge fund) ³
	31 December 2023 \$'000	31 December 2023 \$ ⁴	31 December 2023 \$ ⁴
Cash flows from operating activities			
Proceeds from sale of financial instruments at fair value through profit or loss	35,677	15,788	-
Payments for purchase of financial instruments at fair value through profit or loss	(47,036)	-	-
Movements in cash held on collateral	-	(55,702)	(39,969)
Interest income received/(paid)	(61)	-	(1)
Other operating income received	-	50	50
Management fees paid	(1)	-	-
Transaction costs paid	-	(86)	(31)
Net cash inflow/(outflow) from operating activities	(11,421)	(39,950)	(39,951)
Cash flows from financing activities			
Proceeds from applications by unitholders	60,027	500,000	500,000
Net cash inflow/(outflow) from financing activities	60,027	500,000	500,000
Net increase/(decrease) in cash and cash equivalents	48,606	460,050	460,049
Cash and cash equivalents at the beginning of the half-year	-	-	-
Effects of foreign currency exchange rate changes on cash and cash equivalents	-	-	1
Cash and cash equivalents at the end of the half-year	48,606	460,050	460,050
Non-cash financing activities			
Units issued upon reinvestment of distributions	-	-	-

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 Cash Plus Fund (managed fund). The Fund was registered on 23 February 2022 and commenced trading on 22 November 2023.

² There was no comparative amount for Geared Long Australian Government Bond Fund (hedge fund). The Fund was registered on 4 August 2023 and commenced trading on 4 December 2023.

³ There was no comparative amount for Geared Long U.S. Treasury Bond Fund – Currency Hedged (hedge fund). The Fund was registered on 4 August 2023 and commenced trading on 4 December 2023.

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.

Booklet 1B
Condensed interim statements of cash flows
For the half-year ended 31 December 2023
(continued)

Condensed interim statements of cash flows	Geared Short Australian Government Bond Fund (hedge fund)⁵	Geared Short US Treasury Bond Fund – Currency Hedged (hedge fund)⁶	Inflation-Protected U.S. Treasury Bond Currency Hedged ETF⁷
	31 December 2023 \$⁴	31 December 2023 \$⁴	31 December 2023 \$'000
Cash flows from operating activities			
Proceeds from sale of financial instruments at fair value through profit or loss	-	-	4,775
Payments for purchase of financial instruments at fair value through profit or loss	(17,830)	(114)	(98,473)
Movements in cash held on collateral	(82,081)	(100,142)	-
Interest income received/(paid)	-	-	(141)
Other operating income received	50	50	41
Management fees paid	-	-	(15)
Transaction costs paid	(89)	(28)	-
Other operating expenses paid	-	-	(2)
Net cash inflow/(outflow) from operating activities	(99,950)	(100,234)	(93,815)
Cash flows from financing activities			
Proceeds from applications by unitholders	500,000	536,838	94,975
Net cash inflow/(outflow) from financing activities	500,000	536,838	94,975
Net increase/(decrease) in cash and cash equivalents	400,050	436,604	1,160
Cash and cash equivalents at the beginning of the half-year	-	-	-
Effects of foreign currency exchange rate changes on cash and cash equivalents	-	284	(30)
Cash and cash equivalents at the end of the half-year	400,050	436,888	1,130
Non-cash financing activities			
Units issued upon reinvestment of distributions	-	-	-

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

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.

⁵ There was no comparative amount for Geared Short Australian Government Bond Fund (hedge fund). The Fund was registered on 4 August 2023 and commenced trading on 4 December 2023.

⁶ There was no comparative amount for Geared Short U.S. Treasury Bond Fund – Currency Hedged (hedge fund). The Fund was registered on 4 August 2023 and commenced trading on 4 December 2023.

⁷ There was no comparative amount for Inflation-Protected U.S. Treasury Bond Currency Hedged ETF. The Fund was registered on 25 January 2023 and commenced trading on 18 September 2023.

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Condensed interim statements of cash flows
For the half-year ended 31 December 2023
(continued)

Condensed interim statements of cash flows	U.S. Treasury Bond 7-10 Year Currency Hedged ETF⁸
	31 December 2023 \$'000
Cash flows from operating activities	
Proceeds from sale of financial instruments at fair value through profit or loss	38,471
Payments for purchase of financial instruments at fair value through profit or loss	(84,385)
Interest income received/(paid)	(155)
Other operating income received	18
Management fees paid	(2)
Net cash inflow/(outflow) from operating activities	(46,053)
Cash flows from financing activities	
Proceeds from applications by unitholders	82,595
Payments for redemptions by unitholders	(36,515)
Net cash inflow/(outflow) from financing activities	46,080
Net increase/(decrease) in cash and cash equivalents	27
Cash and cash equivalents at the beginning of the half-year	-
Effects of foreign currency exchange rate changes on cash and cash equivalents	-
Cash and cash equivalents at the end of the half-year	27
Non-cash financing activities	
Units issued upon reinvestment of distributions	-

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

⁸ There was no comparative amount for U.S. Treasury Bond 7-10 Year Currency Hedged ETF. The Fund was registered on 23 February 2023 and commenced trading on 22 September 2023.

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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 Cash Plus Fund (managed fund)	23 February 2022	22 November 2023	1 July 2023 to 31 December 2023
Geared Long Australian Government Bond Fund (hedge fund)	4 August 2023	4 December 2023	1 July 2023 to 31 December 2023
Geared Long U.S. Treasury Bond Fund – Currency Hedged (hedge fund)	4 August 2023	4 December 2023	1 July 2023 to 31 December 2023
Geared Short Australian Government Bond Fund (hedge fund)	4 August 2023	4 December 2023	1 July 2023 to 31 December 2023
Geared Short U.S. Treasury Bond Fund – Currency Hedged (hedge fund)	4 August 2023	4 December 2023	1 July 2023 to 31 December 2023
Inflation-Protected U.S. Treasury Bond Currency Hedged ETF	25 January 2023	18 September 2023	1 July 2023 to 31 December 2023
U.S. Treasury Bond 7-10 Year Currency Hedged ETF	23 February 2023	22 September 2023	1 July 2023 to 31 December 2023

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 8 March 2024. The directors of the Responsible Entity have the power to amend and reissue the condensed interim financial statements.

2 Summary of material 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.

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

2 Summary of material 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

The Funds have applied *AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting policies and Definition of Accounting Estimates*, effective from January 2023, for the first time in the current financial period. There are no other new accounting standards, interpretations or amendments to existing standards that are effective for the half-year beginning 1 July 2023 that had material impact on the Funds.

(c) Financial instruments

(i) Classification

The Funds classify their investments based on their business model for managing those financial assets and their contractual cash flow characteristics. The Funds' portfolios of financial assets are managed and their performance is evaluated on a fair value basis in accordance with the Funds' documented investment strategy. The Funds evaluate the information about their investments on a fair value basis together with other related financial information.

Equity securities, preference shares and derivatives are measured at fair value through profit or loss.

For debt securities, the contractual cash flows are solely payments of principal and interest, however, they are neither held for collecting contractual cash flows nor held for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Funds' business model objective. Consequently, the debt securities are measured at fair value through profit or loss.

2 Summary of material accounting policies (continued)

(c) Financial instruments (continued)

(ii) Recognition/derecognition

The Funds recognise financial assets and financial liabilities on the date they become party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments have expired or the Funds have transferred substantially all risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Funds measure a financial asset at its fair value. Transaction costs are expensed in the statements of comprehensive income as incurred.

Subsequent to initial recognition, all financial assets and financial liabilities are measured at fair value. Gains and losses arising from changes in the fair value measurement are presented in the statements of comprehensive income within net gains/(losses) on financial instruments at fair value through profit or loss during the financial period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(d) Net assets attributable to unitholders

The Funds consider their net assets attributable to unitholders as equity as each Scheme had made an irrevocable choice to be an Attribution Managed Investment Trust ("AMIT"). Units are normally redeemable only by unitholders being Authorised Participants at the unitholders' option (other unitholders only have a right to redeem units in special circumstances). The units can be put back to the Funds at any time (subject to the *Corporations Act 2001* and the Funds' Constitutions) for cash based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the end of the reporting period if unitholders exercised their right to redeem units in the Funds. The net assets attributable to unitholders of the Funds met the criteria set out under AASB 132 *Financial Instruments: Presentation* and are classified as equity since inception.

Income not distributed is included in net assets attributable to unitholders. Where the Fund's units are classified as liabilities, movement in net assets attributable to unitholders are recognised in the statement of comprehensive income as finance costs.

2 Summary of material accounting policies (continued)

(e) Cash and cash equivalents

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

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Fund's main income generating activity.

(f) Cash held on collateral

Margin accounts comprise cash held for derivative transactions. The cash is held by the broker and is only available to meet margin calls. Unrestricted margin account balances and restricted margin accounts balances, where the derivative transactions' original maturities are within three months, are classified as cash and cash equivalents. Restricted margin accounts where the derivative transactions' original maturities are not within three months are classified as cash held on collateral.

(g) Investment income

Interest income earned on cash balances is recognised on an accrual basis in the statements of comprehensive income using the nominated interest rates available on the bank accounts held. Interest income earned from financial assets at amortised cost is recognised using the effective interest method and includes interest from cash and cash equivalents. Interest from financial assets at fair value through profit or loss is determined based on the contractual coupon interest rate and includes interest from debt securities. Other changes in fair value for such instruments are recorded in accordance with the accounting policies described in Note 2(c).

Dividend and distribution income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income within dividend income and distribution income when the Funds' right to receive payments is established.

Trust distributions are recognised on an entitlements basis and stated net of foreign withholding tax.

(h) Expenses

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

(i) Income tax

The Funds are not subject to income tax as all taxable income and other relevant amounts are attributed to unitholders in each financial period under the AMIT tax regime. Such amounts form part of unitholders' assessable incomes for the relevant financial period. The benefits of imputation credits and foreign tax paid are passed onto unitholders.

(j) Distributions

Distributions are payable, either by cash or reinvestment, as set out in the Funds' product disclosure statements and/or Funds' Constitutions.

The distributions are recognised in the statements of changes in equity as transactions with unitholders.

2 Summary of material accounting policies (continued)

(k) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

(l) Due from/to brokers

Amounts due from/to brokers (if applicable) represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the period. Trades are recorded on trade date, and for equities normally settled between one to three business days. These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance.

(m) Other receivables

Other receivables may include amounts for dividends, interest and trust distributions. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment in accordance with the policy set out in Note 2(f) above. The Funds' other receivables are measured at amortised cost under AASB 9 *Financial Instruments* and the impact of any expected credit losses (ECL) is not material as amounts are generally received within 30 days of being recorded as receivables. The carrying amount of other receivables approximates fair value.

(n) Other payables

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

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

2 Summary of material accounting policies (continued)

(o) Applications and redemptions

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

(p) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Funds by third parties such as custodial services and investment management fees have been passed onto the Funds. The Funds qualify for Reduced Input Tax Credits (RITC) at a rate of 55% to 85%; hence investment management fees, custodial fees and other expenses have been recognised in the statements of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO as a reduced input tax credit (RITC) is included in payables in the statements of financial position. Accounts payable are inclusive of GST. The net of the amount of goods and services tax (GST) recoverable from the Australian Taxation Office (ATO) as a reduced input tax credit (RITC) is included in the payables in the statement of financial position. This change does not have a material impact on prior periods and no restatement was made to the comparative period.

(q) 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

Units are normally redeemable by unitholders being Authorised Participants at the unitholders' option, however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unitholders. The units can be put back to the Funds at any time for cash based on the redemption price, which is equal to a proportionate share of the Funds' net asset value attributable to the unitholders.

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 Cash Plus Fund (managed fund)¹		Gear Long Australian Government Bond Fund (hedge fund)²	
	31 December 2023 Units '000	31 December 2023 \$'000	31 December 2023 Units⁵	31 December 2023 \$⁵
Net assets attributable to unitholders				
Opening balance	-	-	-	-
Applications	1,200	60,027	25,000	500,000
Distributions to unitholders	-	(289)	-	-
Profit/(loss) for the half-year	-	261	-	53,173
Closing balance	1,200	59,999	25,000	553,173
	Gear Long US Treasury Bond Fund - Currency Hedged (hedge fund)³		Gear Short Australian Government Bond Fund (hedge fund)⁴	
	31 December 2023 Units⁵	31 December 2023 \$⁵	31 December 2023 Units⁵	31 December 2023 \$⁵
Net assets attributable to unitholders				
Opening balance	-	-	-	-
Applications	25,000	500,000	25,000	500,000
Profit/(loss) for the half-year	-	46,566	-	(50,760)
Closing balance	25,000	546,566	25,000	449,240

¹ There was no comparative amount for Australian Cash Plus Fund (managed fund). The Fund was registered on 23 February 2022 and commenced trading on 22 November 2023.

² There was no comparative amount for Gear Long Australian Government Bond Fund (hedge fund). The Fund was registered on 4 August 2023 and commenced trading on 4 December 2023.

³ There was no comparative amount for Gear Long U.S. Treasury Bond Fund – Currency Hedged (hedge fund). The Fund was registered on 4 August 2023 and commenced trading on 4 December 2023.

⁴ There was no comparative amount for Gear Short Australian Government Bond Fund (hedge fund). The Fund was registered on 4 August 2023 and commenced trading on 4 December 2023.

⁵ 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)

	Geared Short US Treasury Bond Fund - Currency Hedged (hedge fund) ⁶		Inflation-Protected U.S. Treasury Bond Currency Hedged ETF ⁷	
	31 December 2023 Units ⁵	31 December 2023 \$ ⁵	31 December 2023 Units '000	31 December 2023 \$'000
Net assets attributable to unitholders				
Opening balance	-	-	-	-
Applications	27,000	536,838	3,840	94,975
Distributions to unitholders	-	-	-	(552)
Profit/(loss) for the half-year	-	(45,373)	-	3,394
Closing balance	27,000	491,465	3,840	97,817

	U.S. Treasury Bond 7-10 Year Currency Hedged ETF ⁸	
	31 December 2023 Units '000	31 December 2023 \$'000
Net assets attributable to unitholders		
Opening balance	-	-
Applications	1,640	82,595
Redemptions	(700)	(36,515)
Distributions to unitholders	-	(289)
Profit/(loss) for the half-year	-	3,122
Closing balance	940	48,913

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.

⁵ 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 There was no comparative amount for Geared Short U.S. Treasury Bond Fund – Currency Hedged (hedge fund). The Fund was registered on 4 August 2023 and commenced trading on 4 December 2023.

⁷ There was no comparative amount for Inflation-Protected U.S. Treasury Bond Currency Hedged ETF. The Fund was registered on 25 January 2023 and commenced trading on 18 September 2023.

⁸ There was no comparative amount for U.S. Treasury Bond 7-10 Year Currency Hedged ETF. The Fund was registered on 23 February 2023 and commenced trading on 22 September 2023.

4 Distributions to unitholders

	Australian Cash Plus Fund (managed fund) ¹		Inflation-Protected U.S. Treasury Bond Currency Hedged ETF ²	
	31 December 2023 \$'000	31 December 2023 CPU	31 December 2023 \$'000	31 December 2023 CPU
	Distributions payable - December	289	24.11	552
Total distributions	289	24.11	552	14.38

	U.S. Treasury Bond 7-10 Year Currency Hedged ETF ³	
	31 December 2023 \$'000	31 December 2023 CPU
	Distributions payable - December	289
Total distributions	289	30.74

The distribution information shown above refers to 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.

¹ There was no comparative amount for Australian Cash Plus Fund (managed fund). The Fund was registered on 23 February 2022 and commenced trading on 22 November 2023.

² There was no comparative amount for Inflation-Protected U.S. Treasury Bond Currency Hedged ETF. The Fund was registered on 25 January 2023 and commenced trading on 18 September 2023.

³ There was no comparative amount for Inflation-Protected U.S. Treasury Bond Currency Hedged ETF. The Fund was registered on 25 January 2023 and commenced trading on 18 September 2023.

5 Cash and cash equivalents

Cash and cash equivalents as at the end of the financial period as shown in the condensed interim statements of cash flows and the condensed interim statements of financial position were as

	Australian Cash Plus Fund (managed fund) ¹	Geared Long Australian Government Bond Fund (hedge fund) ²	Geared Long US Treasury Bond Fund - Currency Hedged (hedge fund) ³	Geared Short Australian Government Bond Fund (hedge fund) ⁵
	31 December 2023 \$'000	31 December 2023 \$ ⁴	31 December 2023 \$ ⁴	31 December 2023 \$ ⁴
Cash	48,606	460,050	460,050	400,050
	<u>48,606</u>	<u>460,050</u>	<u>460,050</u>	<u>400,050</u>
		Geared Short US Treasury Bond Fund - Currency Hedged (hedge fund) ⁶	Inflation-Protected U.S. Treasury Bond Currency Hedged ETF ⁷	U.S. Treasury Bond 7-10 Year Currency Hedged ETF ⁸
		31 December 2023 \$ ⁴	31 December 2023 \$'000	31 December 2023 \$'000
Cash		436,888	1,130	27
		<u>436,888</u>	<u>1,130</u>	<u>27</u>

¹ There was no comparative amount for Australian Cash Plus Fund (managed fund). The Fund was registered on 23 February 2022 and commenced trading on 22 November 2023.

² There was no comparative amount for Geared Long Australian Government Bond Fund (hedge fund). The Fund was registered on 4 August 2023 and commenced trading on 4 December 2023.

³ There was no comparative amount for Geared Long U.S. Treasury Bond Fund – Currency Hedged (hedge fund). The Fund was registered on 4 August 2023 and commenced trading on 4 December 2023.

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.

⁵ There was no comparative amount for Geared Short Australian Government Bond Fund (hedge fund). The Fund was registered on 4 August 2023 and commenced trading on 4 December 2023.

⁶ There was no comparative amount for Geared Short U.S. Treasury Bond Fund – Currency Hedged (hedge fund). The Fund was registered on 4 August 2023 and commenced trading on 4 December 2023.

⁷ There was no comparative amount for Inflation-Protected U.S. Treasury Bond Currency Hedged ETF. The Fund was registered on 25 January 2023 and commenced trading on 18 September 2023.

⁸ There was no comparative amount for U.S. Treasury Bond 7-10 Year Currency Hedged ETF. The Fund was registered on 23 February 2023 and commenced trading on 22 September 2023.

6 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 Cash Plus Fund (managed fund) ¹	Geared Long Australian Government Bond Fund (hedge fund) ²	Geared Long US Treasury Bond Fund - Currency Hedged (hedge fund) ³
	31 December 2023 \$'000	31 December 2023 \$ ⁴	31 December 2023 \$ ⁴
Financial assets at fair value through profit or loss			
Listed futures	-	36,421	45,546
Floating rate notes	11,512	-	-
Total financial assets at fair value through profit or loss	11,512	36,421	45,546
	Geared Short Australian Government Bond Fund (hedge fund) ⁵	Geared Short US Treasury Bond Fund - Currency Hedged (hedge fund) ⁶	Inflation-Protected U.S. Treasury Bond Currency Hedged ETF ⁷
	31 December 2023 \$ ⁴	31 December 2023 \$ ⁴	31 December 2023 \$'000
Financial assets at fair value through profit or loss			
Fixed interest securities	-	-	94,318
Forward foreign exchange contracts	-	-	2,645
Total financial assets at fair value through profit or loss	-	-	96,963
Financial liabilities at fair value through profit or loss			
Listed futures	33,846	46,530	-
Total financial assets at fair value through profit or loss	33,846	46,530	-

¹ There was no comparative amount for Australian Cash Plus Fund (managed fund). The Fund was registered on 23 February 2022 and commenced trading on 22 November 2023.

² There was no comparative amount for Geared Long Australian Government Bond Fund (hedge fund). The Fund was registered on 4 August 2023 and commenced trading on 4 December 2023.

³ There was no comparative amount for Geared Long U.S. Treasury Bond Fund – Currency Hedged (hedge fund). The Fund was registered on 4 August 2023 and commenced trading on 4 December 2023.

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.

⁵ There was no comparative amount for Geared Short Australian Government Bond Fund (hedge fund). The Fund was registered on 4 August 2023 and commenced trading on 4 December 2023.

⁶ There was no comparative amount for Geared Short U.S. Treasury Bond Fund – Currency Hedged (hedge fund). The Fund was registered on 4 August 2023 and commenced trading on 4 December 2023.

⁷ There was no comparative amount for Inflation-Protected U.S. Treasury Bond Currency Hedged ETF. The Fund was registered on 25 January 2023 and commenced trading on 18 September 2023.

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

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

	U.S. Treasury Bond 7-10 Year Currency Hedged ETF⁸
	31 December 2023 \$'000
Financial assets at fair value through profit or loss	
Fixed interest securities	47,058
Forward foreign exchange contracts	2,326
Total financial assets at fair value through profit or loss	49,384
Financial liabilities at fair value through profit or loss	
Forward foreign exchange contracts	525
Total financial liabilities at fair value through profit or loss	525

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.

⁸ There was no comparative amount for U.S. Treasury Bond 7-10 Year Currency Hedged ETF. The Fund was registered on 23 February 2023 and commenced trading on 22 September 2023.

7 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 assets or liabilities either directly or indirectly (Level 2); and
- Inputs for the assets or liabilities 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 assets or financial liabilities. 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.

7 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 Cash Plus Fund (managed fund) ¹			
	Level 1	Level 2	Level 3	Total
	31 December	31 December	31 December	31 December
	2023	2023	2023	2023
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Financial assets at fair value through profit or loss:				
Floating rate notes	-	11,512	-	11,512
Total	-	11,512	-	11,512
	Geared Long Australian Government Bond Fund (hedge fund) ²			
	Level 1	Level 2	Level 3	Total
	31 December	31 December	31 December	31 December
	2023	2023	2023	2023
	\$ ³	\$ ³	\$ ³	\$ ³
Financial assets				
Financial assets at fair value through profit or loss:				
Listed futures	36,421	-	-	36,421
Total	36,421	-	-	36,421

¹ There was no comparative amount for Australian Cash Plus Fund (managed fund). The Fund was registered on 23 February 2022 and commenced trading on 22 November 2023.

² There was no comparative amount for Geared Long Australian Government Bond Fund (hedge fund). The Fund was registered on 4 August 2023 and commenced trading on 4 December 2023.

³ 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.

7 Fair value measurements (continued)

Fair value estimation (continued)

(iii) *Recognised fair value measurements (continued)*

	Geared Long US Treasury Bond Fund - Currency Hedged (hedge fund)⁴			
	Level 1	Level 2	Level 3	Total
	31 December	31 December	31 December	31 December
	2023	2023	2023	2023
	\$ ³	\$ ³	\$ ³	\$ ³
Financial assets				
Financial assets at fair value through profit or loss:				
Listed futures	45,546	-	-	45,546
Total	45,546	-	-	45,546

	Geared Short Australian Government Bond Fund (hedge fund)⁵			
	Level 1	Level 2	Level 3	Total
	31 December	31 December	31 December	31 December
	2023	2023	2023	2023
	\$ ³	\$ ³	\$ ³	\$ ³
Financial liabilities				
Financial liabilities at fair value through profit or loss:				
Listed futures	33,846	-	-	33,846
Total	33,846	-	-	33,846

³Rounded 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.

⁴There was no comparative amount for Geared Long U.S. Treasury Bond Fund – Currency Hedged (hedge fund). The Fund was registered on 4 August 2023 and commenced trading on 4 December 2023.

⁵There was no comparative amount for Geared Short Australian Government Bond Fund (hedge fund). The Fund was registered on 4 August 2023 and commenced trading on 4 December 2023.

7 Fair value measurements (continued)

Fair value estimation (continued)

(iii) Recognised fair value measurements (continued)

	Geared Short US Treasury Bond Fund - Currency Hedged (hedge fund) ⁶			
	Level 1	Level 2	Level 3	Total
	31 December 2023 \$ ³	31 December 2023 \$ ³	31 December 2023 \$ ³	31 December 2023 \$ ³
Financial liabilities				
Financial liabilities at fair value through profit or loss:				
Listed futures	46,530	-	-	46,530
Total	46,530	-	-	46,530
	Inflation-Protected U.S. Treasury Bond Currency Hedged ETF ⁷			
	Level 1	Level 2	Level 3	Total
	31 December 2023 \$'000	31 December 2023 \$'000	31 December 2023 \$'000	31 December 2023 \$'000
Financial assets				
Financial assets at fair value through profit or loss:				
Fixed interest securities	-	94,318	-	94,318
Forward foreign exchange contracts	-	2,645	-	2,645
Total	-	96,963	-	96,963

³Rounded 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.

⁶There was no comparative amount for Geared Short U.S. Treasury Bond Fund – Currency Hedged (hedge fund). The Fund was registered on 4 August 2023 and commenced trading on 4 December 2023.

⁷There was no comparative amount for Inflation-Protected U.S. Treasury Bond Currency Hedged ETF. The Fund was registered on 25 January 2023 and commenced trading on 18 September 2023.

7 Fair value measurements (continued)

Fair value estimation (continued)

(iii) *Recognised fair value measurements (continued)*

	U.S. Treasury Bond 7-10 Year Currency Hedged ETF ⁸			
	Level 1	Level 2	Level 3	Total
	31 December	31 December	31 December	31 December
	2023	2023	2023	2023
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Financial assets at fair value through profit or loss:				
Fixed interest securities	-	47,058	-	47,058
Forward foreign exchange contracts	-	2,326	-	2,326
Total	-	49,384	-	49,384
Financial liabilities				
Financial liabilities at fair value through profit or loss:				
Forward foreign exchange contracts	-	525	-	525
Total	-	525	-	525

(iv) *Transfers between levels*

There were no transfers between levels during the half-year ended 31 December 2023.

(v) *Movement in level 3 instruments*

There were no investments classified as Level 3 within the Fund as at 31 December 2023.

(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.

⁸ There was no comparative amount for U.S. Treasury Bond 7-10 Year Currency Hedged ETF. The Fund was registered on 23 February 2023 and commenced trading on 22 September 2023.

8 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 2023 or on the results and cash flows of the Funds for the period ended on that date.

Directors' declaration

Betashares Capital Ltd presents the Directors' Declaration in respect of the following funds:

Betashares Australian Cash Plus Fund (managed fund)
Betashares Geared Long Australian Government Bond Fund (hedge fund)
Betashares Geared Long U.S. Treasury Bond Fund – Currency Hedged (hedge fund)
Betashares Geared Short Australian Government Bond Fund (hedge fund)
Betashares Geared Short U.S. Treasury Bond Fund – Currency Hedged (hedge fund)
Betashares Inflation-Protected U.S. Treasury Bond Currency Hedged ETF
Betashares U.S. Treasury Bond 7-10 Year Currency Hedged ETF

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 37 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 2023 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
8 March 2024



Independent Auditor's Review Report

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

Betashares Australian Cash Plus Fund (managed fund)

Betashares Geared Long Australian Government Bond Fund (hedge fund)

Betashares Geared Long U.S. Treasury Bond Fund - Currency Hedged (hedge fund)

Betashares Geared Short Australian Government Bond Fund (hedge fund)

Betashares Geared Short U.S. Treasury Bond Fund – Currency Hedged (hedge fund)

Betashares Inflation-Protected U.S Treasury Bond Currency Hedged ETF

Betashares U.S Treasury Bond 7-10 Year Currency Hedged ETF

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 2023 and of their performance for the half-year 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 statement of financial position as at 31 December 2023
- Condensed interim statement of comprehensive income, Condensed interim statement of changes in equity and Condensed interim statement of cash flows for the half-year ended on that date
- Notes 1 to 8 including selected explanatory notes; and
- The Directors' Declaration.

The **Interim Period** is the 6 months ended on 31 December 2023.

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 report.

We are independent of the Schemes 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
- 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 are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities 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 Schemes' financial position as at 31 December 2023 and its performance for the half-year 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 Period Financial Reports consist 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



Nic Buchanan
Partner
Sydney
8 March 2024



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.