

27 September 2022

Market Announcements Office  
ASX Limited

To be released for each of the ASX codes listed below

**ANNUAL FINANCIAL REPORT 2022**

BetaShares Capital Ltd, the issuer of each of the following Funds, is pleased to provide the Annual Financial Report in respect of the Funds for the period ending 30 June 2022.

ASX Code	Fund
HBRD	BetaShares Active Australian Hybrids Fund (managed fund)
A200	BetaShares Australia 200 ETF
HVST	BetaShares Australian Dividend Harvester Fund (managed fund)
AQLT	BetaShares Australian Quality ETF
QFN	BetaShares Australian Financials Sector ETF
QRE	BetaShares Australian Resources Sector ETF
SMLL	BetaShares Australian Small Companies Select Fund (managed fund)
FAIR	BetaShares Australian Sustainability Leaders ETF
EX20	BetaShares Australian Ex-20 Portfolio Diversifier ETF
QOZ	BetaShares FTSE RAFI Australia 200 ETF
AUST	BetaShares Managed Risk Australian Share Fund (managed fund)

Further information about the Funds can be obtained at [www.betashares.com.au](http://www.betashares.com.au) or by contacting BetaShares Client Services on 1300 487 577.

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IMPORTANT INFORMATION: This information has been prepared by BetaShares Capital Ltd (ACN 139 566 868 AFS Licence 341181) ("BetaShares") the issuer of the Funds. It is general information only and does not take into account any person's objectives, financial situation or needs. The information does not constitute an offer of, or an invitation to purchase or subscribe for securities. You should read the relevant PDS, Target Market Determination ("TMD") and ASX announcements and seek professional legal, financial, taxation, and/or other professional advice before making an investment decision regarding any BetaShares Funds. For a copy of the PDS and more information about BetaShares Funds go to [www.betashares.com.au](http://www.betashares.com.au) or call 1300 487 577.

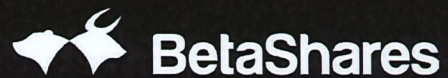
Units in BetaShares Funds trade on the ASX at market prices, not at NAV. An investment in any BetaShares Fund is subject to investment risk including possible delays in repayment and loss of income and principal invested. Neither BetaShares Capital Ltd nor BetaShares Holdings Pty Ltd guarantees the performance of any Fund or the repayment of capital or any particular rate

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Booklet 4

# Annual Financial Report

30 June 2022

**Responsible Entity**

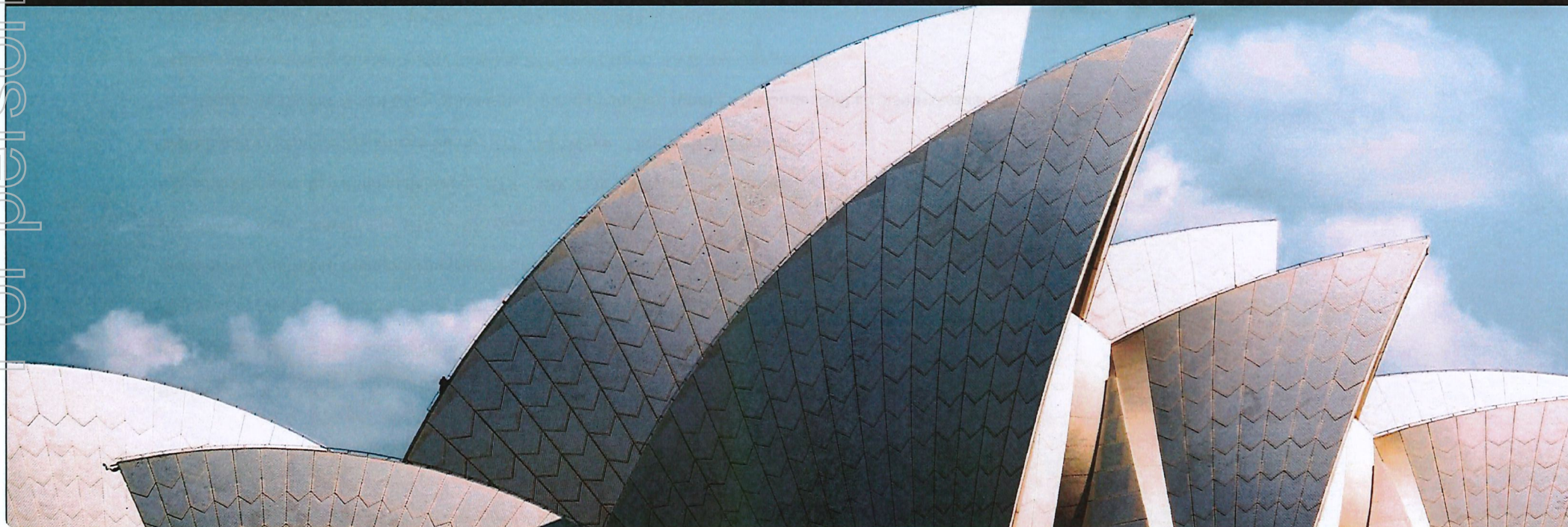
BetaShares Capital Limited Ltd

(ABN 78 139 566 868)

Level 11, 50 Margaret,  
Sydney, NSW 2000

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**BetaShares Active Australian Hybrids Fund (managed fund) - ASX Code: HBRD** (ARSN 613 694 009)

**BetaShares Australia 200 ETF - ASX Code: A200** (ARSN 623 014 326)

**BetaShares Australian Dividend Harvester Fund (managed fund) - ASX Code: HVST** (ARSN 169 907 064)

**BetaShares Australian Quality ETF - ASX: AQLT** (ARSN 643 692 531)

**BetaShares Australian Financials Sector ETF - ASX Code: QFN** (ARSN 143 220 964)

**BetaShares Australian Resources Sector ETF - ASX Code: QRE** (ARSN 143 220 795)

**BetaShares Australian Small Companies Select Fund (managed fund) - ASX Code: SMLL** (ARSN 613 693 431)

**BetaShares Australian Sustainability Leaders ETF - ASX Code: FAIR** (ARSN 608 057 996)

**BetaShares Ex-20 Portfolio Diversifier ETF - ASX Code: EX20** (ARSN 613 691 688)

**BetaShares FTSE RAFI Australia 200 ETF - ASX Code: QOZ** (ARSN 155 637 219)

**BetaShares Managed Risk Australian Share Fund (managed fund) - ASX Code: AUST** (ARSN 602 666 384)

**Annual Financial Report**

**30 June 2022**

**Booklet 4  
Annual Financial Report  
30 June 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 financial statements of the Funds for the year ended 30 June 2022 and the auditor's report thereon.

Fund name	Referred to in this document as	Financial reporting year	ARSN
BetaShares Active Australian Hybrids Fund (managed fund)	Active Australian Hybrids Fund	1 July 2021 to 30 June 2022	613 694 009
BetaShares Australia 200 ETF	Australia 200 ETF	1 July 2021 to 30 June 2022	623 014 326
BetaShares Australian Dividend Harvester Fund (managed fund)	Australian Dividend Harvester Fund	1 July 2021 to 30 June 2022	169 907 064
BetaShares Australian Quality ETF	Australian Quality ETF	1 July 2021 to 30 June 2022	643 692 531
BetaShares Australian Financials Sector ETF	Australian Financials Sector ETF	1 July 2021 to 30 June 2022	143 220 964
BetaShares Australian Resources Sector ETF	Australian Resources Sector ETF	1 July 2021 to 30 June 2022	143 220 795
BetaShares Australian Small Companies Select Fund (managed fund)	Australian Small Companies Select Fund	1 July 2021 to 30 June 2022	613 693 431
BetaShares Australian Sustainability Leaders ETF	Australian Sustainability Leaders ETF	1 July 2021 to 30 June 2022	608 057 996
BetaShares Ex-20 Portfolio Diversifier ETF	Ex-20 Portfolio Diversifier ETF	1 July 2021 to 30 June 2022	613 691 688
BetaShares FTSE RAFI Australia 200 ETF	FTSE RAFI Australia 200 ETF	1 July 2021 to 30 June 2022	155 637 219
BetaShares Managed Risk Australian Share Fund (managed fund)	Managed Risk Australian Share Fund	1 July 2021 to 30 June 2022	602 666 384

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.

Australian Quality ETF commenced operations on 4 April 2022.

The Funds did not have any employees during the year.

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

### Directors

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

Mr Alex Vynokur (appointed 21 September 2009)  
Mr Jason Gellert (appointed 5 March 2021)  
Mr Edward Sippel (appointed 5 March 2021)

## Directors' report (continued)

### Review and results of operations

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

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

During the year, there has been increased volatility in global financial markets due to geopolitical events and economic conditions which may have affected the value of the funds to a greater extent.

### Significant changes in state of affairs

The Responsible Entity for the Funds has replaced RBC Investor Services Trust with Citigroup Pty Ltd ("Citi") as the Custodian and Fund Administrator. The transition to Citi was completed in late September & early October 2021 for the Funds.

Effective 31 May 2022, certain revisions were made to Australian Dividend Harvester's investment objective and strategy with the aim of reducing the Fund's tracking error relative to the broader Australian share market by moving to an expanded, more diversified, sector neutral portfolio, while maintaining the Fund's core income objective of seeking to provide regular income from a portfolio of Australia shares that exceeds the net income yield of the broad Australian share market on an annual basis. Australian Dividend Harvester Fund's overall estimated management cost reduced from 0.90% p.a to 0.72% p.a.

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

### Matters subsequent to the end of the financial year

Since the end of the reporting period the net asset value of the below Funds has changed by more than 10% due to changes in the fair value of the investments held. These movements result from implementation of the investment strategy as set out in the relevant Funds' Product Disclosure Statement.

Fund	Net asset value changed by:
Australian Quality ETF	10.64%
Ex-20 Portfolio Diversifier ETF	10.07%

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect:

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

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**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.

**Indemnification and insurance of officers and auditors**

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

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

Fees paid to the Responsible Entity and its associates out of the Funds' property during the year are disclosed in Note 14 to the financial statements.

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

The number of interests in the Funds held by the Responsible Entity or its associates as at the end of the financial year are disclosed in Note 14 to the financial statements.

**Interests in the Funds**

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

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

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**Directors' report (continued)**

**Environmental regulation**

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

**Rounding of amounts to the nearest thousand dollars**

The Funds are entities of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that instrument, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, 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 6.

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



Alex Vynokur  
Director

Sydney  
15 September 2022

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

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

BetaShares Active Australian Hybrids Fund (managed fund)

BetaShares Australian 200 ETF

BetaShares Australian Dividend Harvester Fund (managed fund)

BetaShares Australian Quality ETF

BetaShares Australian Financials Sector ETF

BetaShares Australian Resources Sector ETF

BetaShares Australian Small Companies Select Fund (managed fund)

BetaShares Australian Sustainability Leaders ETF

BetaShares Ex-20 Portfolio Diversifier ETF

BetaShares FTSE RAFI Australia 200 ETF

BetaShares Managed Risk Australian Share Fund (managed fund)

I declare that, to the best of my knowledge and belief, in relation to the audit of the Schemes for the financial year ended 30 June 2022 there have been:

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

KPMG

Nicholas Buchanan  
Partner  
Sydney

15 September 2022

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Booklet 4  
Statements of comprehensive income  
For the year ended 30 June 2022

Statements of comprehensive income	Active Australian Hybrids Fund		Australia 200 ETF		Australian Dividend Harvester Fund		Australian Quality ETF <sup>1</sup>
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$
<b>Investment income</b>							
Interest income		28	30	-	-	-	9
Dividend/distribution income		999	81	80,314	31,974	13,272	8,960
Net gains/(losses) on financial instruments at fair value through profit or loss		(60,901)	30,535	(225,094)	234,527	(28,891)	9,637
Income on convertible instruments		38,000	24,974	-	-	-	-
Other operating income		42	53	-	-	-	-
<b>Total net investment income/(loss)</b>		<b>(21,832)</b>	<b>55,673</b>	<b>(144,780)</b>	<b>266,501</b>	<b>(15,619)</b>	<b>18,597</b>
<b>Expenses</b>							
Interest expense		-	-	4	-	14	-
Management fees	14	7,053	4,293	1,381	733	1,035	858
Expense recoveries	14	1,574	960	-	-	403	300
Transaction costs		319	226	54	8	9	4
Other operating expenses		141	112	69	7	6	35
<b>Total operating expenses</b>		<b>9,087</b>	<b>5,591</b>	<b>1,508</b>	<b>748</b>	<b>1,467</b>	<b>1,197</b>
<b>Profit/(loss) for the year</b>		<b>(30,919)</b>	<b>50,082</b>	<b>(146,288)</b>	<b>265,753</b>	<b>(17,086)</b>	<b>17,400</b>
Other comprehensive income		-	-	-	-	-	-
<b>Total comprehensive income/(loss) for the year</b>		<b>(30,919)</b>	<b>50,082</b>	<b>(146,288)</b>	<b>265,753</b>	<b>(17,086)</b>	<b>17,400</b>

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

<sup>1</sup> There was no comparative amount for Australian Quality ETF. The Fund was registered on 1 September 2020 and commenced trading on 4 April 2022.

Booklet 4  
Statements of comprehensive income  
For the year ended 30 June 2022  
(continued)

Statements of comprehensive income	Australian Financials Sector ETF		Australian Resources Sector ETF		Australian Small Companies Select Fund		Australian Sustainability Leaders ETF		
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>Investment income</b>									
Interest income		-	-	-	1	1	-	-	
Dividend/distribution income		2,395	1,383	7,614	3,683	1,982	1,329	32,392	
Net gains/(losses) on financial instruments at fair value through profit or loss		(7,724)	11,800	(8,213)	14,485	(13,708)	13,594	(209,365)	
Income on convertible instruments		-	-	-	-	-	-	-	
Other operating income		-	-	1	-	-	-	-	
<b>Total net investment income/(loss)</b>		<b>(5,329)</b>	<b>13,183</b>	<b>(598)</b>	<b>18,168</b>	<b>(11,725)</b>	<b>14,924</b>	<b>(176,973)</b>	<b>144,985</b>
<b>Expenses</b>									
Interest expense		-	-	1	-	-	-	2	
Management fees	14	199	130	364	286	224	153	4,690	
Expense recoveries	14	-	-	-	-	49	33	1,202	
Performance fees	14	-	-	-	-	373	-	-	
Transaction costs		1	-	6	2	11	8	76	
Other operating expenses		3	4	5	6	22	21	229	
<b>Total operating expenses</b>		<b>203</b>	<b>134</b>	<b>376</b>	<b>294</b>	<b>679</b>	<b>215</b>	<b>6,199</b>	<b>3,914</b>
<b>Profit/(loss) for the year</b>		<b>(5,532)</b>	<b>13,049</b>	<b>(974)</b>	<b>17,874</b>	<b>(12,404)</b>	<b>14,709</b>	<b>(183,172)</b>	<b>141,071</b>
Other comprehensive income		-	-	-	-	-	-	-	
<b>Total comprehensive income/(loss) for the year</b>		<b>(5,532)</b>	<b>13,049</b>	<b>(974)</b>	<b>17,874</b>	<b>(12,404)</b>	<b>14,709</b>	<b>(183,172)</b>	<b>141,071</b>

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

Booklet 4  
Statements of comprehensive income  
For the year ended 30 June 2022  
(continued)

Statements of comprehensive income	Notes	Ex-20 Portfolio Diversifier ETF		FTSE RAFI Australia 200 ETF		Managed Risk Australian Share Fund	
		30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000
<b>Investment income</b>							
Dividend/distribution income		6,669	4,604	17,245	10,971	926	1,008
Net gains/(losses) on financial instruments at fair value through profit or loss		(28,113)	29,544	(25,523)	71,962	(2,560)	4,622
Income on convertible instruments		-	-	-	-	-	-
Other operating income		-	-	1	1	-	-
<b>Total net investment income/(loss)</b>		<b>(21,444)</b>	<b>34,148</b>	<b>(8,277)</b>	<b>82,934</b>	<b>(1,634)</b>	<b>5,630</b>
<b>Expenses</b>							
Interest expense		1	-	1	-	1	-
Management fees	14	475	319	1,163	888	94	140
Expense recoveries	14	119	80	388	296	24	36
Transaction costs		10	11	15	10	2	2
Other operating expenses		36	21	13	11	10	26
<b>Total operating expenses</b>		<b>641</b>	<b>431</b>	<b>1,580</b>	<b>1,205</b>	<b>131</b>	<b>204</b>
<b>Profit/(loss) for the year</b>		<b>(22,085)</b>	<b>33,717</b>	<b>(9,857)</b>	<b>81,729</b>	<b>(1,765)</b>	<b>5,426</b>
Other comprehensive income		-	-	-	-	-	-
<b>Total comprehensive income/(loss) for the year</b>		<b>(22,085)</b>	<b>33,717</b>	<b>(9,857)</b>	<b>81,729</b>	<b>(1,765)</b>	<b>5,426</b>

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

Statements of financial position	Active Australian Hybrids Fund		Australia 200 ETF		Australian Dividend Harvester Fund		Australian Quality ETF <sup>1</sup>
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$
<b>Assets</b>							
Cash and cash equivalents	22,114	43,467	9,097	4,007	-	5,465	5,601
Financial assets at fair value through profit or loss	1,784,354	1,203,975	2,097,225	1,483,158	158,740	152,188	9,364,946
Due from brokers - receivable for securities sold	8,922	243	-	-	-	-	-
Other receivables	1,448	4,594	10,470	5,782	3,487	1,319	66,536
<b>Total assets</b>	<b>1,816,838</b>	<b>1,252,279</b>	<b>2,116,792</b>	<b>1,492,947</b>	<b>162,227</b>	<b>158,972</b>	<b>9,437,083</b>
<b>Liabilities</b>							
Bank overdraft	-	-	-	-	42	-	-
Financial liabilities at fair value through profit or loss	-	-	121	37	-	56	-
Due to brokers - payable for securities purchased	16,950	23,360	1,230	190	1,205	-	-
Distributions payable	4,344	2,537	66,229	6,808	1,420	671	74,138
Other payables	3,617	610	710	368	153	131	2,810
<b>Total liabilities (excluding net assets attributable to unitholders)</b>	<b>24,911</b>	<b>26,507</b>	<b>68,290</b>	<b>7,403</b>	<b>2,820</b>	<b>858</b>	<b>76,948</b>
<b>Net assets attributable to unitholders - equity</b>	<b>1,791,927</b>	<b>1,225,772</b>	<b>2,048,502</b>	<b>1,485,544</b>	<b>159,407</b>	<b>158,114</b>	<b>9,360,135</b>

<sup>1</sup> There was no comparative amount for Australian Quality ETF. The Fund was registered on 1 September 2020 and commenced trading on 4 April 2022.

Booklet 4  
Statements of financial position  
As at 30 June 2022  
(continued)

Statements of financial position		Australian Financials Sector ETF		Australian Resources Sector ETF		Australian Small Companies Select Fund		Australian Sustainability Leaders ETF	
		30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>									
		343	336	175	110	2,113	2,029	433	483
	5	49,565	56,858	120,724	119,642	61,553	62,642	1,131,276	1,056,325
		-	-	-	-	-	-	-	-
	6	492	451	8	9	203	457	7,031	3,755
		<b>50,400</b>	<b>57,645</b>	<b>120,907</b>	<b>119,761</b>	<b>63,869</b>	<b>65,128</b>	<b>1,138,740</b>	<b>1,060,563</b>
<b>Liabilities</b>									
	5	6	22	12	-	-	-	113	-
		-	-	-	-	-	106	3,379	-
	4	567	406	13,768	2,024	2,563	3,350	29,089	25,676
	7	18	18	38	38	239	22	490	461
		<b>591</b>	<b>446</b>	<b>13,818</b>	<b>2,062</b>	<b>2,802</b>	<b>3,478</b>	<b>33,071</b>	<b>26,137</b>
	3	<b>49,809</b>	<b>57,199</b>	<b>107,089</b>	<b>117,699</b>	<b>61,067</b>	<b>61,650</b>	<b>1,105,669</b>	<b>1,034,426</b>

Booklet 4  
Statements of financial position  
As at 30 June 2022  
(continued)

Statements of financial position		Ex-20 Portfolio Diversifier ETF		FTSE RAFI Australia 200 ETF		Managed Risk Australian Share Fund	
		30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000
	Notes						
<b>Assets</b>							
Cash and cash equivalents		1,601	956	2,630	915	2,770	932
Financial assets at fair value through profit or loss	5	215,399	227,084	388,563	369,158	29,853	20,710
Due from brokers - receivable for securities sold		-	-	-	-	-	-
Other receivables	6	855	4,718	14,932	15,395	130	88
<b>Total assets</b>		<b>217,855</b>	<b>232,758</b>	<b>406,125</b>	<b>385,468</b>	<b>32,753</b>	<b>21,730</b>
<b>Liabilities</b>							
Bank overdraft		-	-	-	-	-	-
Financial liabilities at fair value through profit or loss	5	-	-	23	17	-	8
Due to brokers - payable for securities purchased		341	4,073	8,634	13,606	18	2
Distributions payable	4	3,330	2,473	20,763	10,548	716	244
Other payables	7	54	54	175	130	12	10
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>3,725</b>	<b>6,600</b>	<b>29,595</b>	<b>24,301</b>	<b>746</b>	<b>264</b>
<b>Net assets attributable to unitholders - equity</b>	3	<b>214,130</b>	<b>226,158</b>	<b>376,530</b>	<b>361,167</b>	<b>32,007</b>	<b>21,466</b>

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

Booklet 4  
Statements of changes in equity  
For the year ended 30 June 2022

Statements of changes in equity	Notes	Active Australian Hybrids Fund		Australia 200 ETF		Australian Dividend Harvester Fund		Australian Quality ETF <sup>1</sup>
		30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$
Total equity at the beginning of the year	3	1,225,772	720,525	1,485,544	794,234	158,114	128,525	-
<b>Comprehensive income for the year</b>								
Profit/(loss) for the year		(30,919)	50,082	(146,288)	265,753	(17,086)	17,400	(1,563,296)
Other comprehensive income		-	-	-	-	-	-	-
<b>Total comprehensive income/(loss) for the year</b>		<b>(30,919)</b>	<b>50,082</b>	<b>(146,288)</b>	<b>265,753</b>	<b>(17,086)</b>	<b>17,400</b>	<b>(1,563,296)</b>
<b>Transactions with unitholders</b>								
Applications	3	665,219	489,600	1,411,592	676,228	36,610	22,966	10,997,569
Redemptions	3	(29,707)	(9,879)	(584,298)	(225,493)	(8,079)	(2,654)	-
Units issued upon reinvestment of distributions	3	1,223	730	8,314	2,776	1,057	808	-
Distributions to unitholders	3,4	(39,661)	(25,286)	(126,362)	(27,954)	(11,209)	(8,931)	(74,138)
<b>Total transactions with unitholders</b>		<b>597,074</b>	<b>455,165</b>	<b>709,246</b>	<b>425,557</b>	<b>18,379</b>	<b>12,189</b>	<b>10,923,431</b>
<b>Total equity at the end of the year</b>	3	<b>1,791,927</b>	<b>1,225,772</b>	<b>2,048,502</b>	<b>1,485,544</b>	<b>159,407</b>	<b>158,114</b>	<b>9,360,135</b>

<sup>1</sup> There was no comparative amount for Australian Quality ETF. The Fund was registered on 1 September 2020 and commenced trading on 4 April 2022.

Booklet 4  
Statements of changes in equity  
For the year ended 30 June 2022  
(continued)

Statements of changes in equity	Notes	Australian Financials Sector ETF		Australian Resources Sector ETF		Australian Small Companies Select Fund		Australian Sustainability Leaders ETF	
		30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total equity at the beginning of the year</b>	3	57,199	35,509	117,699	63,031	61,650	34,535	1,034,426	524,908
<b>Comprehensive income for the year</b>									
Profit/(loss) for the year		(5,532)	13,049	(974)	17,874	(12,404)	14,709	(183,172)	141,071
Other comprehensive income		-	-	-	-	-	-	-	-
<b>Total comprehensive income/(loss) for the year</b>		<b>(5,532)</b>	<b>13,049</b>	<b>(974)</b>	<b>17,874</b>	<b>(12,404)</b>	<b>14,709</b>	<b>(183,172)</b>	<b>141,071</b>
<b>Transactions with unitholders</b>									
Applications	3	46,686	29,380	50,761	88,445	19,730	17,720	383,544	410,879
Redemptions	3	(46,543)	(19,899)	(43,326)	(48,616)	(4,744)	(1,545)	(106,458)	(17,812)
Units issued upon reinvestment of distributions	3	153	34	342	377	242	33	18,117	6,102
Distributions to unitholders	3,4	(2,154)	(874)	(17,413)	(3,412)	(3,407)	(3,802)	(40,788)	(30,722)
<b>Total transactions with unitholders</b>		<b>(1,858)</b>	<b>8,641</b>	<b>(9,636)</b>	<b>36,794</b>	<b>11,821</b>	<b>12,406</b>	<b>254,415</b>	<b>368,447</b>
<b>Total equity at the end of the year</b>	3	<b>49,809</b>	<b>57,199</b>	<b>107,089</b>	<b>117,699</b>	<b>61,067</b>	<b>61,650</b>	<b>1,105,669</b>	<b>1,034,426</b>

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

Booklet 4  
Statements of changes in equity  
For the year ended 30 June 2022  
(continued)

Statements of changes in equity	Notes	Ex-20 Portfolio Diversifier ETF		FTSE RAFI Australia 200 ETF		Managed Risk Australian Share Fund	
		30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000
<b>Total equity at the beginning of the year</b>	3	226,158	116,520	361,167	247,018	21,466	44,766
<b>Comprehensive income for the year</b>							
Profit/(loss) for the year		(22,085)	33,717	(9,857)	81,729	(1,765)	5,426
Other comprehensive income		-	-	-	-	-	-
<b>Total comprehensive income/(loss) for the year</b>		<b>(22,085)</b>	<b>33,717</b>	<b>(9,857)</b>	<b>81,729</b>	<b>(1,765)</b>	<b>5,426</b>
<b>Transactions with unitholders</b>							
Applications	3	47,076	79,691	67,604	78,231	13,406	3,084
Redemptions	3	(31,477)	-	(13,671)	(31,650)	-	(31,038)
Units issued upon reinvestment of distributions	3	655	196	1,020	388	34	21
Distributions to unitholders	3,4	(6,197)	(3,966)	(29,733)	(14,549)	(1,134)	(793)
<b>Total transactions with unitholders</b>		<b>10,057</b>	<b>75,921</b>	<b>25,220</b>	<b>32,420</b>	<b>12,306</b>	<b>(28,726)</b>
<b>Total equity at the end of the year</b>	3	<b>214,130</b>	<b>226,158</b>	<b>376,530</b>	<b>361,167</b>	<b>32,007</b>	<b>21,466</b>

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

Booklet 4  
Statements of cash flows  
For the year ended 30 June 2022

Statements of cash flows	Active Australian Hybrids Fund		Australia 200 ETF		Australian Dividend Harvester Fund		Australian Quality ETF <sup>1</sup>
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$
<b>Cash flows from operating activities</b>							
Proceeds from sale of financial instruments at fair value through profit or loss	232,755	372,384	870,458	277,125	608,097	475,096	2,006,149
Payments for purchase of financial instruments at fair value through profit or loss	(889,124)	(829,346)	(1,708,496)	(747,647)	(642,391)	(499,790)	(13,005,101)
Dividends/distributions received	38,326	81	69,873	28,296	12,363	8,794	12,508
Interest received	18	33	1	-	2	-	8
Income on convertible instruments	767	24,686	-	-	-	-	-
Other operating income received	42	50	5,985	-	35	-	-
Management fees paid	(6,856)	(4,164)	(1,345)	(516)	(1,037)	(850)	(4,342)
Expense recoveries paid	(1,530)	(931)	-	-	(429)	(293)	-
Transaction costs paid	(319)	(226)	(54)	(8)	(9)	(4)	(483)
Other operating expenses paid	(155)	(64)	-	(7)	(54)	(42)	(706)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(626,076)</b>	<b>(437,497)</b>	<b>(763,578)</b>	<b>(442,757)</b>	<b>(23,423)</b>	<b>(17,089)</b>	<b>(10,991,967)</b>
<b>Cash flows from financing activities</b>							
Proceeds from applications by unitholders	668,300	488,913	1,411,592	694,083	35,399	22,966	10,997,568
Payments for redemptions by unitholders	(26,946)	(9,879)	(584,298)	(225,493)	(8,079)	(2,654)	-
Distributions paid	(36,631)	(23,801)	(58,626)	(22,993)	(9,404)	(7,874)	-
<b>Net cash inflow/(outflow) from financing activities</b>	<b>604,723</b>	<b>455,233</b>	<b>768,668</b>	<b>445,597</b>	<b>17,916</b>	<b>12,438</b>	<b>10,997,568</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(21,353)</b>	<b>17,736</b>	<b>5,090</b>	<b>2,840</b>	<b>(5,507)</b>	<b>(4,651)</b>	<b>5,601</b>
Cash and cash equivalents at the beginning of the financial year	43,467	25,731	4,007	1,167	5,465	10,116	-
<b>Cash and cash equivalents at the end of the financial year</b>	<b>22,114</b>	<b>43,467</b>	<b>9,097</b>	<b>4,007</b>	<b>(42)</b>	<b>5,465</b>	<b>5,601</b>
<b>Non-cash financing activities</b>							
Units issued upon reinvestment of distributions	1,223	730	8,314	2,776	1,057	808	-

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

<sup>1</sup> There was no comparative amount for Australian Quality ETF. The Fund was registered on 1 September 2020 and commenced trading on 4 April 2022.

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Booklet 4  
Statements of cash flows  
For the year ended 30 June 2022  
(continued)

Statements of cash flows	Australian Financials Sector ETF		Australian Resources Sector ETF		Australian Small Companies Select Fund		Australian Sustainability Leaders ETF	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Notes								
<b>Cash flows from operating activities</b>								
Proceeds from sale of financial instruments at fair value through profit or loss	49,940	21,500	69,198	55,012	39,651	33,136	299,883	129,385
Payments for purchase of financial instruments at fair value through profit or loss	(50,388)	(31,050)	(78,481)	(96,316)	(52,376)	(48,767)	(580,705)	(532,481)
Dividends/distributions received	2,353	989	7,614	3,691	2,077	1,234	32,487	17,130
Interest received	-	-	-	-	-	1	-	-
Income on convertible instruments	-	-	-	-	-	-	-	-
Other operating income received	-	-	2	-	161	-	6	-
Management fees paid	(200)	(126)	(365)	(270)	(224)	(148)	(4,681)	(2,948)
Expense recoveries paid	-	-	-	-	(49)	(32)	(1,200)	(756)
Transaction costs paid	1	-	(6)	(2)	(11)	(8)	(76)	(42)
Other operating expenses paid	(2)	(3)	(5)	(6)	(373)	(20)	(213)	(5)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>1,704</b>	<b>(8,690)</b>	<b>(2,043)</b>	<b>(37,891)</b>	<b>(11,144)</b>	<b>(14,604)</b>	<b>(254,499)</b>	<b>(389,717)</b>
<b>Cash flows from financing activities</b>								
Proceeds from applications by unitholders	46,686	29,380	50,761	88,445	19,889	17,605	380,166	414,343
Payments for redemptions by unitholders	(46,543)	(19,899)	(43,326)	(48,616)	(4,709)	(1,545)	(106,458)	(17,812)
Distributions paid	(1,840)	(455)	(5,327)	(1,858)	(3,952)	(838)	(19,259)	(7,742)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>(1,697)</b>	<b>9,026</b>	<b>2,108</b>	<b>37,971</b>	<b>11,228</b>	<b>15,222</b>	<b>254,449</b>	<b>388,789</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>7</b>	<b>336</b>	<b>65</b>	<b>80</b>	<b>84</b>	<b>618</b>	<b>(50)</b>	<b>(928)</b>
Cash and cash equivalents at the beginning of the financial year	336	-	110	30	2,029	1,411	483	1,411
<b>Cash and cash equivalents at the end of the financial year</b>	<b>343</b>	<b>336</b>	<b>175</b>	<b>110</b>	<b>2,113</b>	<b>2,029</b>	<b>433</b>	<b>483</b>
<b>Non-cash financing activities</b>								
Units issued upon reinvestment of distributions	153	34	342	377	242	33	18,117	6,102

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

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Booklet 4  
Statements of cash flows  
For the year ended 30 June 2022  
(continued)

Statements of cash flows	Notes	Ex-20 Portfolio Diversifier ETF		FTSE RAFI Australia 200 ETF		Managed Risk Australian Share Fund	
		30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>							
Proceeds from sale of financial instruments at fair value through profit or loss		78,866	52,458	79,927	69,315	2,494	29,627
Payments for purchase of financial instruments at fair value through profit or loss		(99,027)	(128,419)	(129,821)	(111,099)	(14,189)	(4,100)
Dividends/distributions received		6,506	4,299	17,000	9,794	885	1,039
Interest received		-	-	-	-	-	-
Income on convertible instruments		-	-	-	-	-	-
Other operating income received		1	-	28	1	-	-
Management fees paid		(477)	(306)	(1,160)	(870)	(92)	(146)
Expense recoveries paid		(119)	(76)	(387)	(288)	(24)	(38)
Transaction costs paid		(10)	(11)	(15)	(10)	(2)	(2)
Other operating expenses paid		(34)	(18)	(37)	(11)	(12)	(26)
<b>Net cash inflow/(outflow) from operating activities</b>	8	<b>(14,294)</b>	<b>(72,073)</b>	<b>(34,465)</b>	<b>(33,168)</b>	<b>(10,940)</b>	<b>26,354</b>
<b>Cash flows from financing activities</b>							
Proceeds from applications by unitholders		51,100	75,666	68,349	71,585	13,406	3,084
Payments for redemptions by unitholders		(31,477)	-	(13,671)	(31,650)	-	(31,038)
Distributions paid		(4,684)	(2,954)	(18,498)	(6,168)	(628)	(1,036)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>14,939</b>	<b>72,712</b>	<b>36,180</b>	<b>33,767</b>	<b>12,778</b>	<b>(28,990)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>645</b>	<b>639</b>	<b>1,715</b>	<b>599</b>	<b>1,838</b>	<b>(2,636)</b>
Cash and cash equivalents at the beginning of the financial year		956	317	915	316	932	3,568
<b>Cash and cash equivalents at the end of the financial year</b>		<b>1,601</b>	<b>956</b>	<b>2,630</b>	<b>915</b>	<b>2,770</b>	<b>932</b>
<b>Non-cash financing activities</b>							
Units issued upon reinvestment of distributions		655	196	1,020	388	34	21

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

Contents of the notes to the financial statements

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## 1 General information

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

Abbreviated Fund name	Registered date	Commenced date	Financial reporting year
Active Australian Hybrids Fund	26 July 2016	13 November 2017	1 July 2021 to 30 June 2022
Australia 200 ETF	28 November 2017	7 May 2018	1 July 2021 to 30 June 2022
Australian Dividend Harvester Fund	16 June 2014	29 October 2014	1 July 2021 to 30 June 2022
Australian Quality ETF	1 September 2020	4 April 2022	1 July 2021 to 30 June 2022
Australian Financials Sector ETF	3 May 2010	10 December 2010	1 July 2021 to 30 June 2022
Australian Resources Sector ETF	3 May 2010	10 December 2010	1 July 2021 to 30 June 2022
Australian Small Companies Select Fund	26 July 2016	7 April 2017	1 July 2021 to 30 June 2022
Australian Sustainability Leaders ETF	11 September 2015	27 November 2017	1 July 2021 to 30 June 2022
Ex-20 Portfolio Diversifier ETF	26 July 2016	5 October 2016	1 July 2021 to 30 June 2022
FTSE RAFI Australia 200 ETF	22 February 2012	10 July 2013	1 July 2021 to 30 June 2022
Managed Risk Australian Share Fund	16 June 2014	10 November 2015	1 July 2021 to 30 June 2022

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

The financial statements were authorised for issue by the directors of the Responsible Entity on 15 September 2022. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

## 2 Summary of significant accounting policies

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

### (a) Basis of preparation

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

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

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

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

## 2 Summary of significant accounting policies (continued)

### (a) Basis of preparation (continued)

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

#### *Compliance with International Financial Reporting Standards*

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

#### *Use of estimates and judgement*

Management make estimates and assumptions that affect the reported amounts in the 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.

#### *Investment entity exception*

The Funds meet the definition of an investment entity and therefore apply the investment entity amendments to AASB 10 *Consolidated Financial Statements* ("AASB 10"), AASB 12 *Disclosure of Interests in Other Entities* and AASB 127 *Separate Financial Statements*. AASB 10 is applicable to all investees; among other things, it requires the consolidation of an investee if the Funds control the investee on the basis of de facto circumstances. An exception however exists where an entity meets the definition of an investment entity.

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

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

## 2 Summary of significant accounting policies (continued)

### (a) Basis of preparation (continued)

#### *Investment entity exception (continued)*

In making the above assessments, the Funds have multiple investments and multiple investors. Their investors are generally unrelated parties of the Funds. Unitholders invest for returns from capital appreciation, investment income, or both. Directors of the Responsible Entity have concluded that the Funds meet the definition of investment entity.

#### *Assessment of the Funds' investments as structured entities*

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

The 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 that are not yet effective and that are expected to have a material impact on the Funds in the prior years or will affect the current or future reporting years, or will have an impact on foreseeable future transactions.

A number of new standards, amendments to standards and interpretations are effective for annual years beginning after 1 January 2022, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of 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 and derivatives are measured at fair value through profit or loss.

## 2 Summary of significant accounting policies (continued)

### (c) Financial instruments (continued)

#### (i) Classification (continued)

Active Australian Hybrids Fund holds debt securities. 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 Fund's business model objective. Consequently, the debt securities are measured at fair value through profit or loss.

#### (ii) Recognition/derecognition

The Funds recognise financial assets and financial liabilities on the date they become party to the contractual agreement (trade date) and recognise 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 or liability 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 year.

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.

For further details on how the fair value of the financial instruments is determined are disclosed in note 11.

#### (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.

## 2 Summary of significant accounting policies (continued)

### (c) Financial instruments (continued)

#### (v) *Derivative financial instrument and hedge accounting*

Managed Risk Australian Share Fund uses derivative instruments in the form of index futures to hedge price risk exposure in fair value movements of listed securities held. Derivatives are initially recognised at fair value with any directly attributable transaction costs recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value and changes are recognised in the statement of comprehensive income in the year in which they occur. The Fund determines that economic relationship exists between the hedged item (being listed securities) and the hedging instrument (being index futures), as the listed securities are either components of or inherently closely track the index used. The hedging ratio is determined in accordance with the Product Disclosure Statement and sources of ineffectiveness may arise when the portfolio of listed security returns differ from the total index return during the hedge year.

### (d) Net assets attributable to unitholders

All Funds excluding Australian Small Companies Select Fund and Active Australian Hybrids Fund

The Schemes 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 year if unitholders exercised their right to redeem units in the Funds.

Australian Small Companies Select Fund and Active Australian Hybrids Fund

The Schemes 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"). 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. The Responsible Entity on behalf of each Fund intends to provide liquidity to unitholders by acting as a buyer and seller of units on the exchange. At the end of each trading day, the Responsible Entity will issue or cancel units according to its net position in units bought or sold on the exchange on that day. The price at which the Responsible Entity may buy or sell units will reflect the Responsible Entity's view of the Fund's net asset value per unit. The fair value of units is measured at the net asset value per units, which approximates fair value at the end of the reporting year if unitholders elected to withdraw units from the Funds.

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

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## 2 Summary of significant 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) 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 income is recognised on the ex-dividend date with any related foreign withholding tax recorded as an expense. The Funds currently incur withholding tax imposed by certain countries on investment income. Such income is recorded net of withholding tax in the statements of comprehensive income.

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.

### (g) Expenses

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

## 2 Summary of significant accounting policies (continued)

### (h) 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 year under the AMIT tax regime. Such amounts form part of unitholders' assessable incomes for the relevant financial year. The benefits of imputation credits and foreign tax paid are passed onto unitholders.

### (i) 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.

### (j) 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 year. Trades are recorded on trade date, and for equities normally settled within 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.

### (k) Other Receivables

Receivables may include amounts for dividends, interest and trust distributions. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting year from the time of last payment in accordance with the policy set out in Note 2(f) above. The Funds' receivables are measured at amortised cost under AASB 9 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 receivables approximates fair value.

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## 2 Summary of significant accounting policies (continued)

### (l) Other Payables

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

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

### (m) 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.

### (n) 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. This change does not have a material impact on prior years and no restatement was made to the comparative year.

### (o) 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 redeemable 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 year were as follows:

	Active Australian Hybrids Fund				Australia 200 ETF			
	30 June 2022 Units '000	30 June 2021 Units '000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 Units '000	30 June 2021 Units '000	30 June 2022 \$'000	30 June 2021 \$'000
<b>Net assets attributable to unitholders</b>								
Opening balance	119,155	71,999	1,225,772	720,525	12,039	8,053	1,485,544	794,234
Applications	64,844	48,052	665,219	489,600	11,370	6,060	1,411,592	676,228
Redemptions	(2,992)	(968)	(29,707)	(9,879)	(4,710)	(2,100)	(584,298)	(225,493)
Units issued upon reinvestment of distributions	119	72	1,223	730	66	26	8,314	2,776
Distribution to unitholders	-	-	(39,661)	(25,286)	-	-	(126,362)	(27,954)
Profit/(loss) for the year	-	-	(30,919)	50,082	-	-	(146,288)	265,753
<b>Closing balance</b>	<b>181,126</b>	<b>119,155</b>	<b>1,791,927</b>	<b>1,225,772</b>	<b>18,765</b>	<b>12,039</b>	<b>2,048,502</b>	<b>1,485,544</b>

	Australian Dividend Harvester Fund				Australian Quality ETF <sup>1</sup>	
	30 June 2022 Units '000	30 June 2021 Units '000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 Units	30 June 2022 \$
<b>Net assets attributable to unitholders</b>						
Opening balance	11,339	9,778	158,114	128,525	-	-
Applications	2,700	1,700	36,610	22,966	450,000	10,997,569
Redemptions	(600)	(200)	(8,079)	(2,654)	-	-
Units issued upon reinvestment of distributions	78	61	1,057	808	-	-
Distribution to unitholders	-	-	(11,209)	(8,931)	-	(74,138)
Profit/(loss) for the year	-	-	(17,086)	17,400	-	(1,563,296)
<b>Closing balance</b>	<b>13,517</b>	<b>11,339</b>	<b>159,407</b>	<b>158,114</b>	<b>450,000</b>	<b>9,360,135</b>

<sup>1</sup> There was no comparative amount for Australian Quality ETF. The Fund was registered on 1 September 2020 and commenced trading on 4 April 2022.

3 Net assets attributable to unitholders (continued)

	Australian Financials Sector ETF				Australian Resources Sector ETF			
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	Units '000	Units '000	\$'000	\$'000	Units '000	Units '000	\$'000	\$'000
<b>Net assets attributable to unitholders</b>								
Opening balance	4,799	4,095	57,199	35,509	15,545	10,583	117,699	63,031
Applications	3,800	2,900	46,686	29,380	6,200	12,500	50,761	88,445
Redemptions	(3,900)	(2,200)	(46,543)	(19,899)	(5,700)	(7,600)	(43,326)	(48,616)
Units issued upon reinvestment of distributions	13	4	153	34	47	62	342	377
Distribution to unitholders	-	-	(2,154)	(874)	-	-	(17,413)	(3,412)
Profit/(loss) for the year	-	-	(5,532)	13,049	-	-	(974)	17,874
<b>Closing balance</b>	<b>4,712</b>	<b>4,799</b>	<b>49,809</b>	<b>57,199</b>	<b>16,092</b>	<b>15,545</b>	<b>107,089</b>	<b>117,699</b>
	Australian Small Companies Select Fund				Australian Sustainability Leaders ETF			
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	Units '000	Units '000	\$'000	\$'000	Units '000	Units '000	\$'000	\$'000
<b>Net assets attributable to unitholders</b>								
Opening balance	15,249	11,137	61,650	34,535	53,163	30,812	1,034,426	524,908
Applications	4,872	4,529	19,730	17,720	19,900	23,000	383,544	410,879
Redemptions	(1,174)	(427)	(4,744)	(1,545)	(5,700)	(1,000)	(106,458)	(17,812)
Units issued upon reinvestment of distributions	59	10	242	33	745	351	18,117	6,102
Distribution to unitholders	-	-	(3,407)	(3,802)	-	-	(40,788)	(30,722)
Profit/(loss) for the year	-	-	(12,404)	14,709	-	-	(183,172)	141,071
<b>Closing balance</b>	<b>19,006</b>	<b>15,249</b>	<b>61,067</b>	<b>61,650</b>	<b>68,108</b>	<b>53,163</b>	<b>1,105,669</b>	<b>1,034,426</b>

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**3 Net assets attributable to unitholders (continued)**

	Ex-20 Portfolio Diversifier ETF				FTSE RAFI Australia 200 ETF			
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	Units '000	Units '000	\$'000	\$'000	Units '000	Units '000	\$'000	\$'000
<b>Net assets attributable to unitholders</b>								
Opening balance	11,333	7,122	226,158	116,520	24,575	21,244	361,167	247,018
Applications	2,300	4,200	47,076	79,691	4,500	5,700	67,604	78,231
Redemptions	(1,500)	-	(31,477)	-	(900)	(2,400)	(13,671)	(31,650)
Units issued upon reinvestment of distributions	32	11	655	196	69	31	1,020	388
Distribution to unitholders	-	-	(6,197)	(3,966)	-	-	(29,733)	(14,549)
Profit/(loss) for the year	-	-	(22,085)	33,717	-	-	(9,857)	81,729
<b>Closing balance</b>	<b>12,165</b>	<b>11,333</b>	<b>214,130</b>	<b>226,158</b>	<b>28,244</b>	<b>24,575</b>	<b>376,530</b>	<b>361,167</b>

	Managed Risk Australian Share Fund			
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	Units '000	Units '000	\$'000	\$'000
<b>Net assets attributable to unitholders</b>				
Opening balance	1,235	2,934	21,466	44,766
Applications	800	200	13,406	3,084
Redemptions	-	(1,900)	-	(31,038)
Units issued upon reinvestment of distributions	2	1	34	21
Distribution to unitholders	-	-	(1,134)	(793)
Profit/(loss) for the year	-	-	(1,765)	5,426
<b>Closing balance</b>	<b>2,037</b>	<b>1,235</b>	<b>32,007</b>	<b>21,466</b>

**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

The distributions for the year were as follows:

	Active Australian Hybrids Fund				Australia 200 ETF <sup>1</sup>			
	30 June 2022 \$'000	30 June 2022 CPU	30 June 2021 \$'000	30 June 2021 CPU	30 June 2022 \$'000	30 June 2022 CPU	30 June 2021 \$'000	30 June 2021 CPU
Distributions paid - July	2,631	2.11	1,726	2.28	-	-	-	-
Distributions paid - August	2,922	2.24	1,848	2.28	-	-	-	-
Distributions paid - September	2,831	2.06	1,844	2.20	23,578	169.92	5,591	68.01
Distributions paid - October	2,814	1.96	1,865	2.15	-	-	-	-
Distributions paid - November	3,198	2.14	2,015	2.23	-	-	-	-
Distributions paid - December	3,263	2.09	2,110	2.23	12,382	78.56	6,258	62.40
Distributions paid - January	3,362	2.10	1,964	2.04	-	-	-	-
Distributions paid - February	3,115	1.89	2,010	2.01	-	-	-	-
Distributions paid - March	3,609	2.11	2,498	2.36	24,173	129.79	9,297	89.17
Distributions paid - April	3,478	1.96	2,366	2.16	-	-	-	-
Distributions paid - May	4,094	2.24	2,503	2.18	-	-	-	-
Distributions payable - June	4,344	2.40	2,537	2.13	66,229	352.37	6,808	56.55
<b>Total distributions</b>	<b>39,661</b>	<b>25.30</b>	<b>25,286</b>	<b>26.25</b>	<b>126,362</b>	<b>730.64</b>	<b>27,954</b>	<b>276.13</b>

<sup>1</sup> BetaShares Australia 200 ETF is a quarterly distributing fund.

#### 4 Distributions to unitholders (continued)

The distributions for the year were as follows:

	Australian Dividend Harvester Fund				Australian Quality ETF <sup>2</sup>	
	30 June 2022	30 June 2022	30 June 2021	30 June 2021	30 June 2022	30 June 2022
	\$'000	CPU	\$'000	CPU	\$	CPU
Distributions paid - July	823	6.72	688	7.19	-	-
Distributions paid - August	837	6.72	689	7.19	-	-
Distributions paid - September	844	6.72	696	7.19	-	-
Distributions paid - October	836	6.72	697	7.19	-	-
Distributions paid - November	851	6.72	704	7.19	-	-
Distributions paid - December	920	7.20	780	7.96	-	-
Distributions paid - January	935	7.20	805	7.96	-	-
Distributions paid - February	942	7.20	829	7.96	-	-
Distributions paid - March	914	7.20	845	7.96	-	-
Distributions paid - April	929	7.20	862	7.96	-	-
Distributions paid - May	958	7.20	665	5.92	-	-
Distributions payable - June	1,420	10.50	671	5.92	74,138	16.48
<b>Total distributions</b>	<b>11,209</b>	<b>87.30</b>	<b>8,931</b>	<b>87.59</b>	<b>74,138</b>	<b>16.48</b>

<sup>2</sup> There was no comparative amount for Australian Quality ETF. The Fund was registered on 1 September 2020 and commenced trading on 4 April 2022.

4 Distributions to unitholders (continued)

	Australian Financials Sector ETF				Australian Resources Sector ETF			
	30 June 2022	30 June 2022	30 June 2021	30 June 2021	30 June 2022	30 June 2022	30 June 2021	30 June 2021
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid - December	1,587	31.11	468	11.72	3,645	28.57	1,388	12.47
Distributions payable - June	567	12.04	406	8.45	13,768	85.56	2,024	13.02
<b>Total distributions</b>	<b>2,154</b>	<b>43.15</b>	<b>874</b>	<b>20.17</b>	<b>17,413</b>	<b>114.13</b>	<b>3,412</b>	<b>25.49</b>
	Australian Small Companies Select Fund				Australian Sustainability Leaders ETF			
	30 June 2022	30 June 2022	30 June 2021	30 June 2021	30 June 2022	30 June 2022	30 June 2021	30 June 2021
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid - December	844	4.82	452	3.49	11,699	18.14	5,046	11.33
Distributions payable - June	2,563	13.49	3,350	21.97	29,089	42.71	25,676	48.30
<b>Total distributions</b>	<b>3,407</b>	<b>18.31</b>	<b>3,802</b>	<b>25.46</b>	<b>40,788</b>	<b>60.85</b>	<b>30,722</b>	<b>59.63</b>
	Ex-20 Portfolio Diversifier ETF				FTSE RAFI Australia 200 ETF			
	30 June 2022	30 June 2022	30 June 2021	30 June 2021	30 June 2022	30 June 2022	30 June 2021	30 June 2021
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid - December	2,867	25.70	1,493	16.92	8,970	33.58	4,001	16.91
Distributions payable - June	3,330	27.38	2,473	21.82	20,763	73.51	10,548	42.92
<b>Total distributions</b>	<b>6,197</b>	<b>53.08</b>	<b>3,966</b>	<b>38.74</b>	<b>29,733</b>	<b>107.09</b>	<b>14,549</b>	<b>59.83</b>

**4 Distributions to unitholders (continued)**

	Managed Risk Australian Share Fund			
	30 June 2022 \$'000	30 June 2022 CPU	30 June 2021 \$'000	30 June 2021 CPU
	Distributions paid - December	418	33.80	549
Distributions payable - June	716	35.17	244	19.79
<b>Total distributions</b>	<b>1,134</b>	<b>68.97</b>	<b>793</b>	<b>42.35</b>

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 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 Fund measures and recognises the following assets and liabilities at fair value on a recurring basis:

	Active Australian Hybrids Fund		Australia 200 ETF		Australian Dividend Harvester Fund		Australian Quality ETF <sup>1</sup>
	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$
	<b>Financial assets at fair value through profit or loss</b>						
Listed securities	-	9,002	2,097,225	1,483,158	158,740	152,188	9,364,946
Listed & unlisted hybrid and debt	1,784,354	1,194,973	-	-	-	-	-
<b>Total financial assets at fair value through profit or loss</b>	<b>1,784,354</b>	<b>1,203,975</b>	<b>2,097,225</b>	<b>1,483,158</b>	<b>158,740</b>	<b>152,188</b>	<b>9,364,946</b>
<b>Financial liabilities at fair value through profit or loss</b>							
Futures contracts	-	-	121	37	-	56	-
<b>Total financial liabilities at fair value through profit or loss</b>	<b>-</b>	<b>-</b>	<b>121</b>	<b>37</b>	<b>-</b>	<b>56</b>	<b>-</b>

<sup>1</sup> There was no comparative amount for Australian Quality ETF. The Fund was registered on 1 September 2020 and commenced trading on 4 April 2022.

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

The Fund measures and recognises the following assets and liabilities at fair value on a recurring basis:

	Australian Financials Sector ETF		Australian Resources Sector ETF		Australian Small Companies Select Fund		Australian Sustainability Leaders ETF	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets at fair value through profit or loss</b>								
Futures contracts	-	-	-	-	-	-	-	6
Listed securities	49,565	56,858	120,724	119,642	61,553	62,642	1,131,276	1,056,319
<b>Total financial assets at fair value through profit or loss</b>	<b>49,565</b>	<b>56,858</b>	<b>120,724</b>	<b>119,642</b>	<b>61,553</b>	<b>62,642</b>	<b>1,131,276</b>	<b>1,056,325</b>
<b>Financial liabilities at fair value through profit or loss</b>								
Futures contracts	6	22	12	-	-	-	113	-
<b>Total financial liabilities at fair value through profit or loss</b>	<b>6</b>	<b>22</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>113</b>	<b>-</b>

	Ex-20 Portfolio Diversifier ETF		FTSE RAFI Australia 200 ETF		Managed Risk Australian Share Fund	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets at fair value through profit or loss</b>						
Futures contracts	11	4	-	-	561	-
Listed securities	215,388	227,080	388,563	369,158	29,292	20,710
<b>Total financial assets at fair value through profit or loss</b>	<b>215,399</b>	<b>227,084</b>	<b>388,563</b>	<b>369,158</b>	<b>29,853</b>	<b>20,710</b>
<b>Financial liabilities at fair value through profit or loss</b>						
Futures contracts	-	-	23	17	-	8
<b>Total financial liabilities at fair value through profit or loss</b>	<b>-</b>	<b>-</b>	<b>23</b>	<b>17</b>	<b>-</b>	<b>8</b>

An overview of the fair value measurements relating to financial instruments at fair value through profit or loss is included in Note 11 to the financial statements.

**6 Other receivables**

	Active Australian Hybrids Fund		Australia 200 ETF		Australian Dividend Harvester Fund		Australian Quality ETF <sup>1</sup>	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$	
Applications receivable	733	3,814	-	-	1,212	-	-	
Dividends/Distributions receivable	-	-	10,441	5,761	2,188	1,279	66,235	
Income on convertible instruments	528	622	-	-	-	-	-	
Interest receivable	12	2	1	-	-	-	1	
GST receivable	173	152	28	21	85	31	300	
Other receivables	2	4	-	-	2	9	-	
<b>Total other receivables</b>	<b>1,448</b>	<b>4,594</b>	<b>10,470</b>	<b>5,782</b>	<b>3,487</b>	<b>1,319</b>	<b>66,536</b>	

	Australian Financials Sector ETF		Australian Resources Sector ETF		Australian Small Companies Select Fund		Australian Sustainability Leaders ETF	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Applications receivable	-	-	-	-	61	219	3,377	-
Dividends/Distributions receivable	489	447	-	-	136	232	3,551	3,646
Interest receivable	-	-	-	-	1	-	-	-
GST receivable	3	4	8	9	5	6	103	109
<b>Total other receivables</b>	<b>492</b>	<b>451</b>	<b>8</b>	<b>9</b>	<b>203</b>	<b>457</b>	<b>7,031</b>	<b>3,755</b>

	Ex-20 Portfolio Diversifier ETF		FTSE RAFI Australia 200 ETF		Managed Risk Australian Share Fund	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Applications receivable	-	4,025	12,846	13,591	-	-
Dividends/Distributions receivable	844	681	2,018	1,773	126	85
Interest receivable	-	-	-	-	1	-
GST receivable	11	12	68	31	3	3
<b>Total other receivables</b>	<b>855</b>	<b>4,718</b>	<b>14,932</b>	<b>15,395</b>	<b>130</b>	<b>88</b>

<sup>1</sup> There was no comparative amount for Australian Quality ETF. The Fund was registered on 1 September 2020 and commenced trading on 4 April 2022.

**7 Other payables**

	Active Australian Hybrids Fund		Australia 200 ETF		Australian Dividend Harvester Fund		Australian Quality ETF <sup>1</sup>	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$	
Redemptions payable	2,761	-	-	-	-	-	-	-
Management fees payable	669	474	125	89	88	90	2,810	
Expense recoveries payable	149	105	-	-	9	35	-	
Withholding tax payable	34	28	-	-	-	-	-	
Other payables	4	3	585	279	56	6	-	
<b>Total other payables</b>	<b>3,617</b>	<b>610</b>	<b>710</b>	<b>368</b>	<b>153</b>	<b>131</b>	<b>2,810</b>	

	Australian Financials Sector ETF		Australian Resources Sector ETF		Australian Small Companies Select Fund		Australian Sustainability Leaders ETF	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Redemptions payable	-	-	-	-	35	-	-	-
Management fees payable	16	17	36	37	17	17	364	355
Expense recoveries payable	-	-	-	-	4	4	93	91
Performance fees payable	-	-	-	-	182	-	-	-
Other payables	2	1	2	1	1	1	33	15
<b>Total other payables</b>	<b>18</b>	<b>18</b>	<b>38</b>	<b>38</b>	<b>239</b>	<b>22</b>	<b>490</b>	<b>461</b>

	Ex-20 Portfolio Diversifier ETF		FTSE RAFI Australia 200 ETF		Managed Risk Australian Share Fund	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Management fees payable			37	39	10	8
Expense recoveries payable			9	10	2	2
Other payables			8	5	-	-
<b>Total other payables</b>			<b>54</b>	<b>54</b>	<b>12</b>	<b>10</b>

<sup>1</sup> There was no comparative amount for Australian Quality ETF. The Fund was registered on 1 September 2020 and commenced trading on 4 April 2022.

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

	Active Australian Hybrids Fund		Australia 200 ETF		Australian Dividend Harvester Fund		Australian Quality ETF <sup>1</sup>
	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$
<b>Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities</b>							
Profit/(loss)	(30,919)	50,082	(146,288)	265,753	(17,086)	17,400	(1,563,296)
Proceeds from sale of financial instruments at fair value through profit or loss	232,755	372,384	870,458	277,125	608,097	475,096	2,006,149
Payments for the purchase of financial instruments at fair value through profit or loss	(889,124)	(829,346)	(1,708,496)	(747,647)	(642,391)	(499,790)	(13,005,101)
Net (gains)/losses on financial instruments at fair value through profit or loss	60,901	(30,535)	225,094	(234,527)	28,891	(9,637)	1,634,007
Net change in dividends/distributions receivable	-	-	(10,441)	(3,678)	(909)	(166)	(66,536)
Net change in interest receivable	(10)	3	(1)	-	-	-	-
Net change in income receivable on convertible instruments	94	(288)	-	-	-	-	-
Net change in receivables and other assets	(19)	(24)	5,754	(10)	(47)	(13)	-
Net change in payables and other liabilities	246	227	342	227	22	21	2,810
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(626,076)</b>	<b>(437,497)</b>	<b>(763,578)</b>	<b>(442,757)</b>	<b>(23,423)</b>	<b>(17,089)</b>	<b>(10,991,967)</b>

<sup>1</sup> There was no comparative amount for Australian Quality ETF. The Fund was registered on 1 September 2020 and commenced trading on 4 April 2022.

**8 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities (continued)**

	Australian Financials Sector ETF		Australian Resources Sector ETF		Australian Small Companies Select Fund		Australian Sustainability Leaders ETF	
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
<b>Reconciliation of profit/(loss) to net cash inflow/(outflow)</b>								
Profit/(loss)	(5,532)	13,049	(974)	17,874	(12,404)	14,709	(183,172)	141,071
Proceeds from sale of financial instruments at fair value	49,941	21,500	69,198	55,012	39,651	33,136	299,883	129,385
Payments for the purchase of financial instruments at fair value	(50,388)	(31,050)	(78,481)	(96,316)	(52,376)	(48,767)	(580,705)	(532,481)
Net (gains)/losses on financial instruments at fair value	7,724	(11,800)	8,213	(14,485)	13,708	(13,594)	209,365	(125,725)
Net change in dividends/distributions receivable	(42)	(394)	-	8	95	(95)	95	(2,130)
Net change in interest receivable	-	-	-	-	(1)	-	-	-
Net change in receivables and other assets	1	(2)	1	(5)	1	(2)	6	(54)
Net change in payables and other liabilities	-	7	-	21	182	9	29	217
<b>Net cash inflow/(outflow) from operating activities</b>	<b>1,704</b>	<b>(8,690)</b>	<b>(2,043)</b>	<b>(37,891)</b>	<b>(11,144)</b>	<b>(14,604)</b>	<b>(254,499)</b>	<b>(389,717)</b>

	Ex-20 Portfolio Diversifier ETF		FTSE RAFI Australia 200 ETF		Managed Risk Australian Share Fund		
	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	
<b>Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities</b>							
Profit/(loss)		(22,085)	33,717	(9,857)	81,729	(1,765)	5,426
Proceeds from sale of financial instruments at fair value through profit or loss		78,866	52,458	79,927	69,315	2,494	29,627
Payments for the purchase of financial instruments at fair value through profit or loss		(99,027)	(128,419)	(129,821)	(111,099)	(14,189)	(4,100)
Net (gains)/losses on financial instruments at fair value through profit or loss		28,113	(29,544)	25,523	(71,962)	2,560	(4,622)
Net change in dividends/distributions receivable		(163)	(305)	(245)	(1,177)	(41)	31
Net change in interest receivable		-	-	-	-	(1)	-
Net change in receivables and other assets		1	(4)	(37)	(10)	-	3
Net change in payables and other liabilities		1	24	45	36	2	(11)
<b>Net cash inflow/(outflow) from operating activities</b>		<b>(14,294)</b>	<b>(72,073)</b>	<b>(34,465)</b>	<b>(33,168)</b>	<b>(10,940)</b>	<b>26,354</b>

## 9 Financial risk management

The Funds are exchange traded managed funds that primarily invest in a portfolio of securities listed on the ASX as well as derivative instruments and cash and cash equivalents.

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

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

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

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

### (a) Market risk

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

Included in the following analysis are tables that summarise the sensitivity of the operating profit and net assets attributable to unitholders to changes in market prices (e.g. equity prices, foreign exchange rates and interest rates). The analysis is based on reasonably possible movements in the specified risk variable with other variables held constant. Actual movements in the risk variables in any period may be greater or less than indicated. The market price risk information is intended to be a relative estimate of risk rather than a precise and accurate number. It represents a hypothetical outcome and is not intended to be predictive. The analysis is based on historical data and cannot take account of the fact that future market price movements (e.g. in times on market stress) may bear no relation to historical patterns.

## 9 Financial risk management (continued)

### (a) Market risk (continued)

#### (i) Price risk

The Funds except Active Australian Hybrids Fund are exposed to equity securities and derivatives price risk. This arises from investments held by the Funds for which prices in the future are uncertain. Equity securities and derivatives are classified in the statements of financial position as at fair value through profit or loss. All securities investments present a risk of loss of capital.

The Active Australian Hybrids Fund holds cash (including cash denominated in currencies other than the Australian dollar), interest bearing and equity securities (including preference shares). These investments have exposure to interest rate risk and credit risk.

The Funds' overall market positions are reported to the Board on a regular basis.

#### Sensitivity analysis

A 10% movement at the report date of the market prices attributable to financial assets or financial liabilities by the relevant Funds would have the following impact on the Funds' profit/(loss) and net assets attributable to unitholders. The calculations include the impact of any derivatives that may be held by a Fund. It is assumed that the relevant change occurs at the balance date.

	Active Australian Hybrids Fund		Australia 200 ETF		Australian Dividend Harvester Fund		Australian Quality ETF <sup>1</sup>
	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$
+10% Price movement - impact on the Funds' profit/(loss) and net assets attributable to unitholders	178,050	120,398	209,723	148,312	15,998	13,617	936,495
-10% Price movement - impact on the Funds' profit/(loss) and net assets attributable to unitholders	(178,050)	(120,398)	(209,723)	(148,312)	(15,998)	(13,617)	(936,495)

<sup>1</sup> There was no comparative amount for Australian Quality ETF. The Fund was registered on 1 September 2020 and commenced trading on 4 April 2022.

## 9 Financial risk management (continued)

### (a) Market risk (continued)

#### (i) Price risk (continued)

	Australian Financials Sector ETF		Australian Resources Sector ETF		Australian Small Companies Select Fund		Australian Sustainability Leaders ETF		
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
+10% Price movement - impact on the Funds' profit/(loss) and net assets attributable to unitholders	4,957	5,684	12,072	11,964	6,155	6,264	113,128	105,633	
-10% Price movement - impact on the Funds' profit/(loss) and net assets attributable to unitholders	(4,957)	(5,684)	(12,072)	(11,964)	(6,155)	(6,264)	(113,128)	(105,633)	
			Ex-20 Portfolio Diversifier ETF		FTSE RAFI Australia 200 ETF		Managed Risk Australian Share Fund		
			30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
+10% Price movement - impact on the Funds' profit/(loss) and net assets attributable to unitholders				21,540	22,708	38,856	36,914	1,459	1,849
-10% Price movement - impact on the Funds' profit/(loss) and net assets attributable to unitholders				(21,540)	(22,708)	(38,856)	(36,914)	(1,459)	(1,849)

#### (ii) Interest rate risk

##### Active Australian Hybrids Fund

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market rates.

Interest bearing financial assets are exposed to fluctuations in the prevailing levels of market interest rates on their financial position and cash flows. Financial instruments with variable interest rate expose Funds to cash flow interest rate risk. Financial instruments with fixed interest rates expose the Fund to fair value interest rate risk. This risk is measured using sensitivity analysis.

Interest rate risk is not considered to be significant to the Funds, except for Active Australian Hybrids Fund (see below), other than cash holdings.

## 9 Financial risk management (continued)

### (a) Market risk (continued)

#### (ii) Interest rate risk (continued)

The table below summarises the Fund's exposure to interest rate risks.

Active Australian Hybrids Fund	Floating interest rate	Fixed interest rate	Non-interest bearing	Total	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	30 June 2022 \$'000	30 June 2022 \$'000	30 June 2022 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2021 \$'000	30 June 2021 \$'000	30 June 2021 \$'000
<b>Assets</b>								
Cash and cash equivalents	22,114	-	-	22,114	43,467	-	-	43,467
Financial assets at fair value through profit or loss	6,758	-	1,777,596	1,784,354	14,986	-	1,188,989	1,203,975
Due from brokers - receivable for securities sold	-	-	8,922	8,922	-	-	243	243
Other receivables	-	-	1,448	1,448	-	-	4,594	4,594
<b>Liabilities</b>								
Due to brokers - payable for securities purchased	-	-	(16,950)	(16,950)	-	-	(23,360)	(23,360)
Distributions payable	-	-	(4,344)	(4,344)	-	-	(2,537)	(2,537)
Other payables	-	-	(3,617)	(3,617)	-	-	(610)	(610)
<b>Net exposure</b>	<b>28,872</b>	<b>-</b>	<b>1,763,055</b>	<b>1,791,927</b>	<b>58,453</b>	<b>-</b>	<b>1,167,319</b>	<b>1,225,772</b>

#### Sensitivity analysis - Interest rate risk

The table below summarises the sensitivities of the interest rate risk. The analysis is based on the assumption that interest rates increase or decrease by a "predetermined basis points" from the year end rates with all other variables held constant. The impact mainly arises from changes in the fair value of debt securities. The "predetermined basis points" for 30 June 2022 and 30 June 2021 are noted in the table below. Management have considered the movements for each investment asset type to be reasonable given the Fund's economic environment.

Active Australian Hybrids Fund (\$'000)	Currency	Impact on net assets attributable to unitholders				
		Sensitivity rate (basis points)	Increase	Decrease	Increase	Decrease
			30 June 2022	30 June 2022	30 June 2021	30 June 2021
	Australian Dollars	100*	282	(282)	138	(138)

\*25 basis points used for 30 June 2021

The other Funds are exposed to interest rate risk on their cash holdings. Interest income from cash holdings is earned at variable interest rates. Investments in cash holdings are at call.

Foreign exchange risk arises as the value of monetary assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates. The Funds have no direct foreign exchange risk exposure as the Funds operate solely in Australia and all of the Funds' assets and liabilities are denominated in Australian currency.

## 9 Financial risk management (continued)

### (b) Credit risk

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

The main concentration of credit risk to which the Funds are exposed arise from the Funds' investment in cash and cash equivalents, and investment in debt securities.

#### (i) Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is considered low as the Funds only invest their assets into bank deposit accounts held with banks that are regulated in Australia by Australian Prudential Regulatory Authority as authorised deposit taking institutions, and all counterparties have a credit rating of at least A.

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

#### (ii) Settlement of securities transactions

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered low, as delivery of securities sold is only made once the broker has received payment. Payment is made once purchase on the securities have been received by the broker. The trade will fail if either party fails to meet its obligations.

#### (iii) Debt securities

Certain Funds invest in debt securities being bank issued senior floating rate notes. An analysis of debt securities by rating of the issuer is set out in the table below for Funds which have such securities.

Rating	Active Australian Hybrids Fund	
	30 June 2022 \$'000	30 June 2021 \$'000
BBB+ to BBB-	3,856	14,986
<b>Total</b>	<b>3,856</b>	<b>14,986</b>

#### (iv) Other

The custody of the Funds' assets are mainly concentrated with one counterparty, namely Citigroup Pty Ltd. Citigroup Pty Ltd is a subsidiary of a company listed on of a major securities exchange, and at 30 June 2022 had a credit rating of A by Standard & Poor's (S&P) (30 June 2021 AA- by Standard & Poor's (S&P)). At 30 June 2022, substantially all cash and cash equivalents, balances due from brokers and investments are held in custody by Citigroup Pty Ltd.

## 9 Financial risk management (continued)

### (c) Liquidity risk

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

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

Certain Funds may invest in derivative contracts traded over the counter, which are not traded in an organised market and may be illiquid. As a result, the Funds may not be able to quickly liquidate their investments in these instruments at an amount close to their fair value to meet their liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer or counterparty.

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

	Active Australian Hybrids Fund							
	On demand	Less than 6 months	Greater than 6 months	Total	On demand	Less than 6 months	Greater than 6 months	Total
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2022	2022	2022	2022	2021	2021	2021	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Due to brokers - payable for securities purchased	-	16,950	-	16,950	-	23,360	-	23,360
Distributions payable	-	4,344	-	4,344	-	2,537	-	2,537
Other payables	-	3,617	-	3,617	-	610	-	610
<b>Contractual cash flows (excluding net settled derivatives)</b>	<b>-</b>	<b>24,911</b>	<b>-</b>	<b>24,911</b>	<b>-</b>	<b>26,507</b>	<b>-</b>	<b>26,507</b>

9 Financial risk management (continued)

(c) Liquidity risk (continued)

	Australia 200 ETF							
	On demand	Less than	Greater than	Total	On demand	Less than	Greater than	Total
	30 June	6 months	6 months		30 June	6 months	6 months	
	2022	30 June	30 June	30 June	2021	30 June	30 June	30 June
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Due to brokers - payable for securities purchased	-	1,230	-	1,230	-	190	-	190
Distributions payable	-	66,229	-	66,229	-	6,808	-	6,808
Other payables	-	710	-	710	-	368	-	368
<b>Contractual cash flows (excluding net settled derivatives)</b>	<b>-</b>	<b>68,169</b>	<b>-</b>	<b>68,169</b>	<b>-</b>	<b>7,366</b>	<b>-</b>	<b>7,366</b>
<b>Net settled derivatives</b>								
Futures contracts	-	121	-	121	-	37	-	37
	-	121	-	121	-	37	-	37
	Australian Dividend Harvester Fund							
	On demand	Less than	Greater than	Total	On demand	Less than	Greater than	Total
	30 June	6 months	6 months		30 June	6 months	6 months	
	2022	30 June	30 June	30 June	2021	30 June	30 June	30 June
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Bank overdraft	42	-	-	42	-	-	-	-
Due to brokers - payable for securities purchased	-	1,205	-	1,205	-	-	-	-
Distributions payable	-	1,420	-	1,420	-	671	-	671
Other payables	-	153	-	153	-	131	-	131
<b>Contractual cash flows (excluding net settled derivatives)</b>	<b>42</b>	<b>2,778</b>	<b>-</b>	<b>2,820</b>	<b>-</b>	<b>802</b>	<b>-</b>	<b>802</b>
<b>Net settled derivatives</b>								
Futures contracts	-	-	-	-	-	56	-	56
	-	-	-	-	-	56	-	56

9 Financial risk management (continued)

(c) Liquidity risk (continued)

	Australian Quality ETF <sup>1</sup>							
	On demand	Less than	Greater than	Total				
	30 June	6 months	6 months	30 June				
	2022	30 June	30 June	2022				
\$	2022	2022	2022	2022				
\$	\$	\$	\$	\$				
Distributions payable	-	74,138	-	74,138				
Other payables	-	2,810	-	2,810				
<b>Contractual cash flows (excluding net settled derivatives)</b>	<b>-</b>	<b>76,948</b>	<b>-</b>	<b>76,948</b>				

	Australian Financials Sector ETF							
	On demand	Less than	Greater than	Total	On demand	Less than	Greater than	Total
	30 June	6 months	6 months	30 June	30 June	6 months	6 months	30 June
	2022	30 June	30 June	2022	2021	30 June	30 June	2021
\$'000	2022	2022	2022	2022	2021	2021	2021	2021
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Distributions payable	-	567	-	567	-	406	-	406
Other payables	-	18	-	18	-	18	-	18
<b>Contractual cash flows (excluding net settled derivatives)</b>	<b>-</b>	<b>585</b>	<b>-</b>	<b>585</b>	<b>-</b>	<b>424</b>	<b>-</b>	<b>424</b>
<b>Net settled derivatives</b>								
Futures contracts	-	6	-	6	-	22	-	22
	-	6	-	6	-	22	-	22

<sup>1</sup> There was no comparative amount for Australian Quality ETF. The Fund was registered on 1 September 2020 and commenced trading on 4 April 2022.

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9 Financial risk management (continued)

(c) Liquidity risk (continued)

	Australian Resources Sector ETF							
	On demand	Less than	Greater than	Total	On demand	Less than	Greater than	Total
	30 June	6 months	6 months		30 June	6 months	6 months	
	2022	30 June	30 June	2022	2021	30 June	30 June	2021
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Distributions payable	-	13,768	-	13,768	-	2,024	-	2,024
Other payables	-	38	-	38	-	38	-	38
<b>Contractual cash flows (excluding net settled derivatives)</b>	<b>-</b>	<b>13,806</b>	<b>-</b>	<b>13,806</b>	<b>-</b>	<b>2,062</b>	<b>-</b>	<b>2,062</b>
<b>Net settled derivatives</b>								
Futures contracts	-	12	-	12	-	-	-	-
	-	12	-	12	-	-	-	-
	Australian Small Companies Select Fund							
	On demand	Less than	Greater than	Total	On demand	Less than	Greater than	Total
	30 June	6 months	6 months		30 June	6 months	6 months	
	2022	30 June	30 June	2022	2021	30 June	30 June	2021
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Due to brokers - payable for securities purchased	-	-	-	-	-	106	-	106
Distributions payable	-	2,563	-	2,563	-	3,350	-	3,350
Other payables	-	239	-	239	-	22	-	22
<b>Contractual cash flows (excluding net settled derivatives)</b>	<b>-</b>	<b>2,802</b>	<b>-</b>	<b>2,802</b>	<b>-</b>	<b>3,478</b>	<b>-</b>	<b>3,478</b>

9 Financial risk management (continued)

(c) Liquidity risk (continued)

Australian Sustainability Leaders ETF							
On demand 30 June 2022 \$'000	Less than 6 months 30 June 2022 \$'000	Greater than 6 months 30 June 2022 \$'000	Total 30 June 2022 \$'000	On demand 30 June 2021 \$'000	Less than 6 months 30 June 2021 \$'000	Greater than 6 months 30 June 2021 \$'000	Total 30 June 2021 \$'000
Due to brokers - payable for securities purchased	-	3,379	-	3,379	-	-	-
Distributions payable	-	29,089	-	29,089	-	25,676	25,676
Other payables	-	490	-	490	-	461	461
<b>Contractual cash flows (excluding net settled derivatives)</b>	<b>-</b>	<b>32,958</b>	<b>-</b>	<b>32,958</b>	<b>-</b>	<b>26,137</b>	<b>26,137</b>
<b>Net settled derivatives</b>							
Futures contracts	-	113	-	113	-	-	-
	-	113	-	113	-	-	-
Ex-20 Portfolio Diversifier ETF							
On demand 30 June 2022 \$'000	Less than 6 months 30 June 2022 \$'000	Greater than 6 months 30 June 2022 \$'000	Total 30 June 2022 \$'000	On demand 30 June 2021 \$'000	Less than 6 months 30 June 2021 \$'000	Greater than 6 months 30 June 2021 \$'000	Total 30 June 2021 \$'000
Due to brokers - payable for securities purchased	-	341	-	341	-	4,073	4,073
Distributions payable	-	3,330	-	3,330	-	2,473	2,473
Other payables	-	54	-	54	-	54	54
<b>Contractual cash flows (excluding net settled derivatives)</b>	<b>-</b>	<b>3,725</b>	<b>-</b>	<b>3,725</b>	<b>-</b>	<b>6,600</b>	<b>6,600</b>

9 Financial risk management (continued)

(c) Liquidity risk (continued)

	FTSE RAFI Australia 200 ETF							
	On demand	Less than	Greater than	Total	On demand	Less than	Greater than	Total
	30 June	6 months	6 months	30 June	30 June	6 months	6 months	30 June
	2022	2022	2022	2022	2021	2021	2021	2021
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Due to brokers - payable for securities purchased	-	8,634	-	8,634	-	13,606	-	13,606
Distributions payable	-	20,763	-	20,763	-	10,548	-	10,548
Other payables	-	175	-	175	-	130	-	130
<b>Contractual cash flows (excluding net settled derivatives)</b>	<b>-</b>	<b>29,572</b>	<b>-</b>	<b>29,572</b>	<b>-</b>	<b>24,284</b>	<b>-</b>	<b>24,284</b>
<b>Net settled derivatives</b>								
Futures contracts	-	23	-	23	-	17	-	17
	-	23	-	23	-	17	-	17
	Managed Risk Australian Share Fund							
	On demand	Less than	Greater than	Total	On demand	Less than	Greater than	Total
	30 June	6 months	6 months	30 June	30 June	6 months	6 months	30 June
	2022	2022	2022	2022	2021	2021	2021	2021
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Due to brokers - payable for securities purchased	-	18	-	18	-	2	-	2
Distributions payable	-	716	-	716	-	244	-	244
Other payables	-	12	-	12	-	10	-	10
<b>Contractual cash flows (excluding net settled derivatives)</b>	<b>-</b>	<b>746</b>	<b>-</b>	<b>746</b>	<b>-</b>	<b>256</b>	<b>-</b>	<b>256</b>
<b>Net settled derivatives</b>								
Futures contracts	-	-	-	-	-	8	-	8
	-	-	-	-	-	8	-	8

## 10 Offsetting financial assets and financial liabilities

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. The gross and net positions of financial assets and liabilities that have been offset in the statements of financial position are disclosed in the first three columns of the tables below.

	Effects of offsetting on the statements of financial position			Related amounts not offset in the statements of financial position		
	Gross amounts of financial assets/(liabilities)	Gross amounts set off in the statements of financial position	Net amount of financial assets/(liabilities) presented in the statements of financial position	Financial instruments (including non-cash collateral)	Stock and cash collateral pledged	Net amounts
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Australia 200 ETF</b>						
As at 30 June 2022						
Financial liabilities						
Futures contracts	121	-	121	-	-	121
Total	121	-	121	-	-	121
As at 30 June 2021						
Financial liabilities						
Futures contracts	37	-	37	-	-	37
Total	37	-	37	-	-	37
<b>Australian Dividend Harvester Fund</b>						
As at 30 June 2021						
Financial liabilities						
Futures contracts	56	-	56	-	-	56
Total	56	-	56	-	-	56

10 Offsetting financial assets and financial liabilities (continued)

	Effects of offsetting on the statements of financial position			Related amounts not offset in the statements of financial position		
	Gross amounts of financial assets/(liabilities)	Gross amounts set off in the statements of financial position	Net amount of financial assets/(liabilities) presented in the statements of financial position	Financial instruments (including non-cash collateral)	Stock and cash collateral pledged	Net amounts
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Australian Financials Sector ETF</b>						
As at 30 June 2022						
Financial liabilities						
Futures contracts	6	-	6	-	-	6
<b>Total</b>	<b>6</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>6</b>
As at 30 June 2021						
Financial liabilities						
Futures	22	-	22	-	-	22
<b>Total</b>	<b>22</b>	<b>-</b>	<b>22</b>	<b>-</b>	<b>-</b>	<b>22</b>
<b>Australian Resources Sector ETF</b>						
As at 30 June 2022						
Financial liabilities						
Futures contracts	12	-	12	-	-	12
<b>Total</b>	<b>12</b>	<b>-</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>12</b>

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10 Offsetting financial assets and financial liabilities (continued)

	Effects of offsetting on the statements of financial position			Related amounts not offset in the statements of financial position		
	Gross amounts of financial assets/(liabilities)	Gross amounts set off in the statements of financial position	Net amount of financial assets/(liabilities) presented in the statements of financial position	Financial instruments (including non-cash collateral)	Stock and cash collateral pledged	Net amounts
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Australian Sustainability Leaders ETF</b>						
As at 30 June 2022						
Financial liabilities						
Futures contracts	113	-	113	-	-	113
Total	113	-	113	-	-	113
As at 30 June 2021						
Financial assets						
Futures contracts	6	-	6	-	-	6
Total	6	-	6	-	-	6
<b>Ex-20 Portfolio Diversifier ETF</b>						
As at 30 June 2022						
Financial assets						
Futures contracts	11	-	11	-	-	11
Total	11	-	11	-	-	11
As at 30 June 2021						
Financial assets						
Futures contracts	4	-	4	-	-	4
Total	4	-	4	-	-	4

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10 Offsetting financial assets and financial liabilities (continued)

	Effects of offsetting on the statements of financial position			Related amounts not offset in the statements of financial position		
	Gross amounts of financial assets/(liabilities)	Gross amounts set off in the statements of financial position	Net amount of financial assets/(liabilities) presented in the statements of financial position	Financial instruments (including non-cash collateral)	Stock and cash collateral pledged	Net amounts
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>FTSE RAFI Australia 200 ETF</b>						
As at 30 June 2022						
Financial liabilities						
Futures contracts	23	-	23	-	-	23
<b>Total</b>	<b>23</b>	<b>-</b>	<b>23</b>	<b>-</b>	<b>-</b>	<b>23</b>
As at 30 June 2021						
Financial liabilities						
Futures contracts	17	-	17	-	-	17
<b>Total</b>	<b>17</b>	<b>-</b>	<b>17</b>	<b>-</b>	<b>-</b>	<b>17</b>
<b>Managed Risk Australian Share Fund</b>						
As at 30 June 2022						
Financial assets						
Futures contracts	561	-	561	-	-	561
<b>Total</b>	<b>561</b>	<b>-</b>	<b>561</b>	<b>-</b>	<b>-</b>	<b>561</b>
As at 30 June 2021						
Financial liabilities						
Futures contracts	8	-	8	-	-	8
<b>Total</b>	<b>8</b>	<b>-</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>8</b>

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## 11 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 year 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 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 year 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 year applicable for an instrument with similar terms and conditions.

## 11 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 year. 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.

Index futures and index options are measured by the quoted market prices, or binding dealer price quotations on the exchange where they are listed or held.

*(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:

	Active Australian Hybrids Fund							
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2022	2022	2022	2022	2021	2021	2021	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>								
Financial assets at fair value through profit or loss:								
Listed securities	-	-	-	-	9,002	-	-	9,002
Listed & unlisted hybrid and debt securities	1,780,498	3,856	-	1,784,354	1,182,924	12,049	-	1,194,973
<b>Total</b>	<b>1,780,498</b>	<b>3,856</b>	<b>-</b>	<b>1,784,354</b>	<b>1,191,926</b>	<b>12,049</b>	<b>-</b>	<b>1,203,975</b>

11 Fair value measurements (continued)

Fair value estimation (continued)

(iii) Recognised fair value measurements (continued)

	Australia 200 ETF							
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2022	2022	2022	2022	2021	2021	2021	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>								
Financial assets at fair value through profit or loss:								
Listed securities	2,095,008	-	2,218	2,097,226	1,483,158	-	-	1,483,158
<b>Total</b>	<b>2,095,008</b>	<b>-</b>	<b>2,218</b>	<b>2,097,226</b>	<b>1,483,158</b>	<b>-</b>	<b>-</b>	<b>1,483,158</b>

**Financial liabilities**

Financial liabilities at fair value through profit or loss:

Futures contracts	121	-	-	121	37	-	-	37
<b>Total</b>	<b>121</b>	<b>-</b>	<b>-</b>	<b>121</b>	<b>37</b>	<b>-</b>	<b>-</b>	<b>37</b>

	Australian Dividend Harvester Fund							
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2022	2022	2022	2022	2021	2021	2021	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>								
Financial assets at fair value through profit or loss:								
Listed securities	158,740	-	-	158,740	152,188	-	-	152,188
<b>Total</b>	<b>158,740</b>	<b>-</b>	<b>-</b>	<b>158,740</b>	<b>152,188</b>	<b>-</b>	<b>-</b>	<b>152,188</b>

**Financial liabilities**

Financial liabilities at fair value through profit or loss:

Futures contracts	-	-	-	-	56	-	-	56
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>56</b>	<b>-</b>	<b>-</b>	<b>56</b>

## 11 Fair value measurements (continued)

### Fair value estimation (continued)

(iii) Recognised fair value measurements (continued)

	Australian Quality ETF <sup>1</sup>							
	Level 1	Level 2	Level 3	Total				
	30 June	30 June	30 June	30 June				
	2022	2022	2022	2022				
	\$	\$	\$	\$				
<b>Financial assets</b>								
Financial assets at fair value through profit or loss:								
Listed securities	9,364,946	-	-	9,364,946				
<b>Total</b>	<b>9,364,946</b>	<b>-</b>	<b>-</b>	<b>9,364,946</b>				
	Australian Financials Sector ETF							
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>								
Financial assets at fair value through profit or loss:								
Listed securities	49,565	-	-	49,565	56,858	-	-	56,858
<b>Total</b>	<b>49,565</b>	<b>-</b>	<b>-</b>	<b>49,565</b>	<b>56,858</b>	<b>-</b>	<b>-</b>	<b>56,858</b>
<b>Financial liabilities</b>								
Financial liabilities at fair value through profit or loss:								
Futures contracts	6	-	-	6	22	-	-	22
<b>Total</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>22</b>	<b>-</b>	<b>-</b>	<b>22</b>

<sup>1</sup> There was no comparative amount for Australian Quality ETF. The Fund was registered on 1 September 2020 and commenced trading on 4 April 2022.

**11 Fair value measurements (continued)**

Fair value estimation (continued)

(iii) Recognised fair value measurements (continued)

	Australian Resources Sector ETF							
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2022	2022	2022	2022	2021	2021	2021	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>								
Financial assets at fair value through profit or loss:								
Listed securities	120,263	-	460	120,723	119,642	-	-	119,642
<b>Total</b>	<b>120,263</b>	<b>-</b>	<b>460</b>	<b>120,723</b>	<b>119,642</b>	<b>-</b>	<b>-</b>	<b>119,642</b>

**Financial liabilities**

Financial liabilities at fair value through profit or loss:

Futures contracts	12	-	-	12	-	-	-	-
<b>Total</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Australian Small Companies Select Fund							
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2022	2022	2022	2022	2021	2021	2021	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>								
Financial assets at fair value through profit or loss:								
Listed securities	61,553	-	-	61,553	62,642	-	-	62,642
<b>Total</b>	<b>61,553</b>	<b>-</b>	<b>-</b>	<b>61,553</b>	<b>62,642</b>	<b>-</b>	<b>-</b>	<b>62,642</b>

11 Fair value measurements (continued)

Fair value estimation (continued)

(iii) Recognised fair value measurements (continued)

		Australian Sustainability Leaders ETF							
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
		30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
		2022	2022	2022	2022	2021	2021	2021	2021
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>									
Financial assets at fair value through profit or loss:									
	Futures contracts	-	-	-	-	6	-	-	6
	Listed securities	1,131,127	-	149	1,131,276	1,056,170	-	149	1,056,319
<b>Total</b>		1,131,127	-	149	1,131,276	1,056,176	-	149	1,056,325
<b>Financial liabilities</b>									
Financial liabilities at fair value through profit									
	Futures contracts	113	-	-	113	-	-	-	-
<b>Total</b>		113	-	-	113	-	-	-	-
		Ex-20 Portfolio Diversifier ETF							
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
		30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
		2022	2022	2022	2022	2021	2021	2021	2021
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>									
Financial assets at fair value through profit or loss:									
	Futures contracts	11	-	-	11	4	-	-	4
	Listed securities	214,788	-	600	215,388	227,080	-	-	227,080
<b>Total</b>		214,799	-	600	215,399	227,084	-	-	227,084

11 Fair value measurements (continued)

Fair value estimation (continued)

(iii) Recognised fair value measurements (continued)

	FTSE RAFI Australia 200 ETF							
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2022	2022	2022	2022	2021	2021	2021	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>								
Financial assets at fair value through profit or loss:								
Listed securities	388,563	-	-	388,563	369,139	-	19	369,158
<b>Total</b>	<b>388,563</b>	<b>-</b>	<b>-</b>	<b>388,563</b>	<b>369,139</b>	<b>-</b>	<b>19</b>	<b>369,158</b>

**Financial liabilities**

Financial liabilities at fair value through profit or loss:

Futures contracts	23	-	-	23	17	-	-	17
<b>Total</b>	<b>23</b>	<b>-</b>	<b>-</b>	<b>23</b>	<b>17</b>	<b>-</b>	<b>-</b>	<b>17</b>

	Managed Risk Australian Share Fund							
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2022	2022	2022	2022	2021	2021	2021	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>								
Financial assets at fair value through profit or loss:								
Futures contracts	561	-	-	561	-	-	-	-
Listed securities	29,264	-	28	29,292	20,710	-	-	20,710
<b>Total</b>	<b>29,825</b>	<b>-</b>	<b>28</b>	<b>29,853</b>	<b>20,710</b>	<b>-</b>	<b>-</b>	<b>20,710</b>

**Financial liabilities**

Financial liabilities at fair value through profit or loss:

Futures contracts	-	-	-	-	8	-	-	8
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>8</b>

## 11 Fair value measurements (continued)

### (iv) Transfers between levels

The Funds listed below had transfers between levels during the year ended 30 June 2022 and 30 June 2021.

	Level 1 30 June 2022 \$'000	Level 2 30 June 2022 \$'000	Level 3 30 June 2022 \$'000	Level 1 30 June 2021 \$'000	Level 2 30 June 2021 \$'000	Level 3 30 June 2021 \$'000
<b>Australian Sustainability Leaders ETF</b>						
Transfers between levels 1 and 3:						
Listed securities	-	-	-	(152)	-	152

### (v) Movement in level 3 instruments

The following table presents the Funds that had movement in level 3 instruments for the year ended 30 June 2022 and 30 June 2021 by class of financial instrument:

	Listed securities		Listed securities		Listed securities	
	Australia 200 ETF		Ex-20 Portfolio Diversifier ETF		Australian Sustainability Leaders ETF	
	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2022 \$'000	30 June 2021 \$'000
Opening balance	-	-	-	-	149	-
Purchases	2,545	-	583	-	-	29
Sales	(350)	-	(6)	-	-	-
Transfers into/(out) from level 3	-	-	-	-	-	152
Gains/(losses) recognised in profit or loss	23	-	23	-	-	(32)
<b>Closing balance</b>	<b>2,218</b>	<b>-</b>	<b>600</b>	<b>-</b>	<b>149</b>	<b>149</b>
Total gains/(losses) for the year included in the statements of comprehensive income	23	-	23	-	-	(32)

## 11 Fair value measurements (continued)

(v) Movement in level 3 instruments (continued)

	Listed securities		Listed securities		Listed securities	
	FTSE RAFI		Australian Resources Sector		Managed Risk Australian Share	
	Australia 200 ETF		ETF		Fund	
	30 June	30 June	30 June	30 June	30 June	30 June
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	19	19	-	-	-	-
Purchases	-	-	624	-	33	-
Sales	-	-	(142)	-	-	-
Transfers into/(out) from level 3	-	-	-	-	-	-
Gains/(losses) recognised in profit or loss	(19)	-	(22)	-	(5)	-
<b>Closing balance</b>	-	19	460	-	28	-
Total gains/(losses) for the year included in the statements of comprehensive income	(19)	-	(22)	-	(5)	-

\*includes unrealised gains or (losses) recognised in profit or loss attributable to balances held at the end of the reporting period.

### Fair value measurements using significant unobservable inputs (Level 3)

An investment held in AVZ Minerals LTD (ASX Code: AVZ) in Australia A200 ETF, Ex-20 Portfolio Diversifier ETF, Australian Resources Sector, and Managed Risk Australian Share Funds were purchased during the year and suspended from ASX on 11 May 2022.

An investment held in Phoslock Environmental Techn (ASX Code: PET) in Australian Sustainability Leaders ETF was purchased on 20 Sept 2019 and suspended from ASX on 17 Sept 2020.

An investment held in Speedcast International Limited (ASX Code: SDA) in FTSE RAFI Australia 200 ETF was purchased on 15 March 2019 and suspended from ASX on 31 Jan 2020.

There were no other transfers between levels for the year ended 30 June 2022 and year ended 30 June 2021.

### Valuation process

Portfolio reviews are undertaken regularly by management to identify securities that potentially may not be actively traded or have stale security pricing. This process identifies securities which possibly could be regarded as level 3 securities.

Further analysis, should it be required, is undertaken to determine the accounting significance of the identification. For certain security types, in selecting the most appropriate valuation model, management performs back testing and considers actual market transactions. Changes in allocation to or from level 3 are analysed at the end of each reporting period.

(vi) Fair value 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 unit holders differs from its fair value (deemed to be the redemption price for individual units) due to differences in valuation inputs. The difference is not material in the current year.

## 12 Derivative financial instruments

In the normal course of business certain Funds may enter into transactions in various derivative financial instruments which have certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

Derivative transactions include many different instruments such as forwards, futures and options. Derivatives are considered to be part of the investment process and the use of derivatives is an essential part of the Funds' portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- hedging to protect an asset or liability of the Fund against a fluctuation in market values or to reduce volatility;
- a substitution for trading of physical securities; and
- adjusting asset exposures within the parameters set in the investment strategy, and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

While derivatives are used for trading purposes, they are not used to gear (leverage) a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of the Funds.

The following Funds held derivative instruments:

### Futures Contracts

Futures are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities. Changes in futures contracts' values are usually settled net daily with the exchange.

The following Funds held derivative instruments (amounts in positive indicates long/buy and amounts in negative indicates short/sell):

	Australia 200 ETF						Australian Dividend Harvester Fund					
	Fair values			Fair values			Fair values			Fair values		
	Contract/ notional 30 June 2022 \$'000	Assets 30 June 2022 \$'000	Liabilities 30 June 2022 \$'000	Contract/ notional 30 June 2021 \$'000	Assets 30 June 2021 \$'000	Liabilities 30 June 2021 \$'000	Contract/ notional 30 June 2022 \$'000	Assets 30 June 2022 \$'000	Liabilities 30 June 2022 \$'000	Contract/ notional 30 June 2021 \$'000	Assets 30 June 2021 \$'000	Liabilities 30 June 2021 \$'000
Futures contracts	17,283	-	121	9,029	-	37	-	-	-	(16,071)	-	(56)
	17,283	-	121	9,029	-	37	-	-	-	(16,071)	-	(56)

12 Derivative financial instruments (continued)

	Australian Financials Sector ETF						Australian Resources Sector ETF					
	Fair values						Fair values					
	Contract/ notional 30 June 2022 \$'000	Assets 30 June 2022 \$'000	Liabilities 30 June 2022 \$'000	Contract/ notional 30 June 2021 \$'000	Assets 30 June 2021 \$'000	Liabilities 30 June 2021 \$'000	Contract/ notional 30 June 2022 \$'000	Assets 30 June 2022 \$'000	Liabilities 30 June 2022 \$'000	Contract/ notional 30 June 2021 \$'000	Assets 30 June 2021 \$'000	Liabilities 30 June 2021 \$'000
Futures contracts	795	-	6	719	-	22	125	-	12	-	-	-
	795	-	6	719	-	22	125	-	12	-	-	-
	Australian Sustainability Leaders ETF						Ex-20 Portfolio Diversifier ETF					
	Fair values						Fair values					
	Contract/ notional 30 June 2022 \$'000	Assets 30 June 2022 \$'000	Liabilities 30 June 2022 \$'000	Contract/ notional 30 June 2021 \$'000	Assets 30 June 2021 \$'000	Liabilities 30 June 2021 \$'000	Contract/ notional 30 June 2022 \$'000	Assets 30 June 2022 \$'000	Liabilities 30 June 2022 \$'000	Contract/ notional 30 June 2021 \$'000	Assets 30 June 2021 \$'000	Liabilities 30 June 2021 \$'000
Futures contracts	3,392	-	113	3,612	6	-	1,938	11	-	1,445	4	-
	3,392	-	113	3,612	6	-	1,938	11	-	1,445	4	-
	FTSE RAFI Australia 200 ETF						Managed Risk Australian Share Fund					
	Fair values						Fair values					
	Contract/ notional 30 June 2022 \$'000	Assets 30 June 2022 \$'000	Liabilities 30 June 2022 \$'000	Contract/ notional 30 June 2021 \$'000	Assets 30 June 2021 \$'000	Liabilities 30 June 2021 \$'000	Contract/ notional 30 June 2022 \$'000	Assets 30 June 2022 \$'000	Liabilities 30 June 2022 \$'000	Contract/ notional 30 June 2021 \$'000	Assets 30 June 2021 \$'000	Liabilities 30 June 2021 \$'000
Futures contracts	4,361	-	23	2,347	-	17	(14,699)	561	-	(1,986)	-	8
	4,361	-	23	2,347	-	17	(14,699)	561	-	(1,986)	-	8

### 13 Auditor's remuneration

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

	Active Australian Hybrids Fund		Australia 200 ETF		Australian Dividend Harvester Fund		Australian Quality ETF <sup>1</sup>	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
<b>KPMG</b>	\$	\$	\$	\$	\$	\$	\$	\$
<i>Audit and other assurance service</i>								
Audit and review of financial reports	7,529	7,529	4,982	4,982	7,529	7,529	4,252	
Audit of compliance plan	1,230	1,230	1,230	1,230	1,230	1,230	1,230	
Total remuneration of audit and other assurance services	8,759	8,759	6,212	6,212	8,759	8,759	5,482	

	Australian Financials Sector ETF		Australian Resources Sector ETF		Australian Small Companies Select Fund		Australian Sustainability Leaders ETF	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
<b>KPMG</b>	\$	\$	\$	\$	\$	\$	\$	\$
<i>Audit and other assurance service</i>								
Audit and review of financial reports	4,982	4,982	4,982	4,982	4,982	4,982	4,982	4,982
Audit of compliance plan	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230
Total remuneration of audit and other assurance services	6,212	6,212	6,212	6,212	6,212	6,212	6,212	6,212

	Ex-20 Portfolio Diversifier ETF		FTSE RAFI Australia 200 ETF		Managed Risk Australian Share Fund	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
<b>KPMG</b>	\$	\$	\$	\$	\$	\$
<i>Audit and other assurance service</i>						
Audit and review of financial reports	4,982	4,982	4,982	4,982	7,529	7,529
Audit of compliance plan	1,230	1,230	1,230	1,230	1,230	1,230
Total remuneration of audit and other assurance services	6,212	6,212	6,212	6,212	8,759	8,759

<sup>1</sup> There was no comparative amount for Australian Quality ETF. The Fund was registered on 1 September 2020 and commenced trading on 4 April 2022.

## 14 Related party transactions

### Responsible Entity

The Responsible Entity of the Funds is BetaShares Capital Ltd (ABN 78 139 566 868), which is a wholly owned subsidiary of BetaShares Financial Group Pty Ltd.

### Key management personnel

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

#### (a) Directors

Mr Alex Vynokur (appointed 21 September 2009)  
Mr Jason Gellert (appointed 5 March 2021)  
Mr Edward Sippel (appointed 5 March 2021)

#### (b) Other key management personnel

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

### Responsible Entity's management fees and other transactions

The Responsible Entity's fees are calculated in accordance with the Funds' Constitutions. The Responsible Entity's fees comprise a management fee and (if applicable) expense recoveries (after taking account of GST and reduced input tax credits), which are calculated as a percentage of the net asset value of the Funds and are disclosed in the statements of comprehensive income. A performance fee may be payable by certain Funds. The fee is calculated based on the relevant Fund's performance relative to its benchmark. The fee is calculated and accrued each business day. Provided the relevant Fund outperforms the benchmark for a performance fee period (quarter ending 31 March, 30 June, 30 September and 31 December), a performance fee may be payable. The following table discloses the Responsible Entity's fees for 30 June 2022 and 30 June 2021:

Funds	Management Fee		Expense Recoveries		Performance Fee	
	30 June	30 June	30 June	30 June	30 June	30 June
	2022	2021	2022	2021	2022	2021
	%	%	%	%	%	%
Active Australian Hybrids Fund	0.45	0.45	0.10	0.10	15.50	15.50
Australia 200 ETF	0.07	0.07	-	-	-	-
Australian Dividend Harvester Fund*	0.65	0.65	0.07	0.25	-	-
Australian Quality ETF	0.35	-	-	-	-	-
Australian Financials Sector ETF	0.34	0.34	-	-	-	-

\* Effective, 31 May 2022, the expense recovery reduced to 7bps

#### 14 Related party transactions (continued)

##### Responsible Entity's management fees and other transactions (continued)

Funds	Management Fee		Expense Recoveries		Performance Fee	
	30 June	30 June	30 June	30 June	30 June	30 June
	2022	2021	2022	2021	2022	2021
	%	%	%	%	%	%
Australian Resources Sector ETF	0.34	0.34	-	-	-	-
Australian Small Companies Select Fund	0.32	0.32	0.07	0.07	15.50	15.50
Australian Sustainability Leaders ETF	0.39	0.39	0.10	0.10	-	-
Ex-20 Portfolio Diversifier ETF	0.20	0.20	0.05	0.05	-	-
FTSE RAFI Australia 200 ETF	0.30	0.30	0.10	0.10	-	-
Managed Risk Australian Share Fund	0.39	0.39	0.10	0.10	-	-

The related party transactions during the year and amounts payable at year end were as follows:

	Active Australian Hybrids Fund		Australia 200 ETF		Australian Dividend Harvester Fund		Australian Quality ETF <sup>1</sup>
	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2022	2021	2022	2021	2022	2021	2022
	\$	\$	\$	\$	\$	\$	\$
Management fees expensed to the Responsible Entity	7,078,411	4,293,115	1,380,885	732,651	1,098,009	858,111	7,152
Management fees payable to the Responsible Entity at reporting date	668,992	473,601	124,678	89,407	87,894	89,946	2,810
Expense recoveries expensed to the Responsible Entity	1,574,315	960,373	-	-	402,784	300,286	-
Expense recoveries payable to the Responsible Entity at reporting date	148,665	105,245	-	-	9,465	34,594	-
Management fees rebate received from the Responsible Entity	25,235	25,103	-	-	63,387	7,303	-
Management fees rebate receivable from the Responsible Entity at reporting date	1,847	3,462	-	-	2,332	8,716	-

<sup>1</sup> There was no comparative amount for Australian Quality ETF. The Fund was registered on 1 September 2020 and commenced trading on 4 April 2022.

#### 14 Related party transactions (continued)

##### Responsible Entity's management fees and other transactions (continued)

	Australian Financials Sector ETF		Australian Resources Sector ETF		Australian Small Companies Select Fund		Australian Sustainability Leaders ETF	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$	\$	\$	\$	\$	\$	\$	\$
Management fees expensed to the Responsible Entity	199,073	129,852	363,518	285,993	224,064	153,125	4,689,505	3,069,764
Management fees payable to the Responsible Entity at reporting date	15,911	17,372	35,618	36,677	17,292	17,393	363,583	354,819
Expense recoveries expensed to the Responsible Entity	-	-	-	-	49,014	33,496	1,202,437	787,119
Expense recoveries payable to the Responsible Entity at reporting date	-	-	-	-	3,783	3,805	93,227	90,979
					FTSE RAFI Australia 200 ETF		Managed Risk Australian Share Fund	
					30 June 2022	30 June 2021	30 June 2022	30 June 2021
					\$	\$	\$	\$
Management fees expensed to the Responsible Entity			475,020	319,487	1,163,031	887,842	94,105	139,644
Management fees payable to the Responsible Entity at reporting date			36,669	38,897	97,127	93,910	9,705	7,426
Expense recoveries expensed to the Responsible Entity			118,755	79,872	387,677	295,947	24,129	35,806
Expense recoveries payable to the Responsible Entity at reporting date			9,167	9,724	32,376	31,303	2,488	1,904

#### 14 Related party transactions (continued)

##### Related party unitholdings

The tables below provide details in relation to the investments held by related parties in certain Funds for the relevant financial period:

##### *Active Australian Hybrids Fund*

2022	Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
Unitholder							
BetaShares Capital Ltd	100,000	100,000	992,000	0.06	-	-	25,295
<b>Total</b>	<b>100,000</b>	<b>100,000</b>	<b>992,000</b>	<b>0.06</b>	<b>-</b>	<b>-</b>	<b>25,295</b>

2021	Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
Unitholder							
BetaShares Capital Ltd	100,000	100,000	1,032,000	0.08	-	-	26,253
<b>Total</b>	<b>100,000</b>	<b>100,000</b>	<b>1,032,000</b>	<b>0.08</b>	<b>-</b>	<b>-</b>	<b>26,253</b>

2022	Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
Unitholder							
Australian High Interest Cash	179,713	-	-	-	1,789,630	1,969,343	43,028
<b>Total</b>	<b>179,713</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,789,630</b>	<b>1,969,343</b>	<b>43,028</b>

2021	Number of units (Units)	Number of units (Units)	Fair value of investment (\$)	Interest (%)	Number of units (Units)	Number of units (Units)	Distributions (\$)
Unitholder							
Australian High Interest Cash	409,000	179,713	9,001,824	0.42	660,966	890,253	80,879
<b>Total</b>	<b>409,000</b>	<b>179,713</b>	<b>9,001,824</b>	<b>0.42</b>	<b>660,966</b>	<b>890,253</b>	<b>80,879</b>

**14 Related party transactions (continued)**

Related party unitholdings (continued)

*Australia 200 ETF*

2022	Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
Unitholder							
BetaShares Australian Dividend Harvester Fund	1,233,367	350,882	38,305,487	1.87	1,629,828	2,512,313	5,212,107
BetaShares Diversified All Growth ETF	164,702	510,597	55,741,437	2.72	373,815	27,920	3,179,308
<b>Total</b>	<b>1,398,069</b>	<b>861,479</b>	<b>94,046,924</b>	<b>4.59</b>	<b>2,003,643</b>	<b>2,540,233</b>	<b>8,391,415</b>

2021	Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
Unitholder							
BetaShares Australian Dividend Harvester Fund	1,143,854	1,233,367	152,187,865	10.24	1,993,957	1,904,444	2,775,143
BetaShares Ethical Diversified Balanced ETF	5,833	-	-	-	2,728	8,561	5,570
BetaShares Ethical Diversified Growth ETF	7,890	-	-	-	3,894	11,784	8,014
BetaShares Diversified All Growth ETF	19,312	164,702	20,322,942	1.37	150,224	4,834	214,258
<b>Total</b>	<b>1,176,889</b>	<b>1,398,069</b>	<b>172,510,807</b>	<b>11.61</b>	<b>2,150,803</b>	<b>1,929,623</b>	<b>3,002,985</b>

*Australian Resources Sector ETF*

2021	Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
Unitholder							
AMP Capital Dynamic Markets Fund (Hedge Fund)	56,663	-	-	-	34,126	90,789	4,535
<b>Total</b>	<b>56,663</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,126</b>	<b>90,789</b>	<b>4,535</b>

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#### 14 Related party transactions (continued)

##### Related party unitholdings (continued)

##### *Australian Sustainability Leaders ETF*

2022	Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
Unitholder							
BetaShares Ethical Diversified Balanced ETF	69,309	160,543	2,606,261	0.24	105,200	13,966	92,664
BetaShares Ethical Diversified Growth ETF	99,725	351,877	5,712,385	0.52	267,617	15,465	199,188
BetaShares Ethical Diversified High Growth ETF	149,449	778,548	12,638,979	1.14	630,639	1,540	422,511
Total	<u>318,483</u>	<u>1,290,968</u>	<u>20,957,625</u>	<u>1.90</u>	<u>1,003,456</u>	<u>30,971</u>	<u>714,363</u>
2021	Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
Unitholder							
BetaShares Ethical Diversified Balanced ETF	-	69,309	1,348,642	0.13	69,309	-	38,108
BetaShares Ethical Diversified Growth ETF	-	99,725	1,940,489	0.19	118,701	18,976	54,656
BetaShares Ethical Diversified High Growth ETF	-	149,449	2,908,038	0.28	197,831	48,382	80,277
Total	<u>-</u>	<u>318,483</u>	<u>6,197,169</u>	<u>0.60</u>	<u>385,841</u>	<u>67,358</u>	<u>173,041</u>

All transactions with related parties are conducted on normal terms and conditions. From time to time the Responsible Entity or its director-related entities may invest or withdraw from the Funds.

#### 15 Events occurring after the reporting period

Since the end of the reporting period the net asset value of the below Funds has changed by more than 10% due to changes in the fair value of the investments held. These movements result from

Fund	Net asset value changed by:
Australian Quality ETF	10.64%
Ex-20 Portfolio Diversifier ETF	10.07%

No other significant events have occurred since the end of the reporting year which would impact on the financial position of the Funds disclosed in the statements of financial position as at 30 June 2022 or on the results and cash flows of the Funds for the year ended on that date.

#### 16 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2022.

**Directors' declaration**

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

BetaShares Active Australian Hybrids Fund (managed fund)  
BetaShares Australia 200 ETF  
BetaShares Australian Dividend Harvester Fund (managed fund)  
BetaShares Australian Quality ETF  
BetaShares Australian Financials Sector ETF  
BetaShares Australian Resources Sector ETF  
BetaShares Australian Small Companies Select Fund (managed fund)  
BetaShares Australian Sustainability Leaders ETF  
BetaShares Ex-20 Portfolio Diversifier ETF  
BetaShares FTSE RAFI Australia 200 ETF  
BetaShares Managed Risk Australian Share Fund (managed fund)

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

- (a) the financial statements and notes set out on pages 7 to 72 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 30 June 2022 and of their performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the Funds will be able to pay their debts as and when they become due and payable; and
- (c) note 2(a) confirms that the financial statements comply with International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board.

Signed in accordance with a resolution of the directors.



Alex Vynokur  
Director

Sydney  
15 September 2022

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## Independent Auditor's Report

To the respective unitholders of the following Schemes:

BetaShares Active Australian Hybrids Fund (managed fund)

BetaShares Australia 200 ETF

BetaShares Australian Dividend Harvester Fund (managed fund)

BetaShares Australian Quality ETF

BetaShares Australian Financials Sector ETF

BetaShares Australian Resources Sector ETF

BetaShares Australian Small Companies Select Fund (managed fund)

BetaShares Australian Sustainability Leaders ETF

BetaShares Ex-20 Portfolio Diversifier ETF

BetaShares FTSE RAFI Australia 200 ETF

BetaShares Managed Risk Australian Share Fund (managed fund)

For the purpose of this report, the term Scheme and Schemes denote the individual and distinct entity for which the financial information is prepared and upon which our audit is performed. Each is to be read as a singular subject matter.

### Opinion

We have audited the **Financial Report** of the Schemes.

In our opinion, the accompanying **Financial Report** of the Schemes is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Schemes' financial position as at 30 June 2022, and of their financial performance and their cash flows for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** of the Schemes comprise:

- Statements of financial position as at 30 June 2022;
- Statements of comprehensive income for the year then ended;
- Statements of changes in equity, and Statements of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' Declaration made by the Directors' of BetaShares Capital Limited (the Responsible Entity).

### Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.



We are independent of the Schemes and the Responsible Entity in accordance with the *Corporations Act 2001* and the relevant ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code). We have fulfilled our other ethical responsibilities in accordance with these requirements.

### Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the Schemes in the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The **Key Audit Matter** we identified for each of the Schemes is:

- Valuation and existence of financial instruments.

**Valuation and existence of financial instruments**  
 (BetaShares Active Australian Hybrids Fund (managed fund) \$1,784,354,000, BetaShares Australia 200 ETF \$2,097,225,000, BetaShares Australian Dividend Harvester Fund (managed fund) \$158,740,000, BetaShares Australian Quality ETF \$9,364,946, BetaShares Australian Financials Sector ETF \$49,565,000, BetaShares Australian Resources Sector ETF \$120,724,000, BetaShares Australian Small Companies Select Fund (managed fund) \$61,553,000, BetaShares Australian Sustainability Leaders ETF \$1,131,276,000, BetaShares EX-20 Portfolio Diversifier ETF \$215,399,000, BetaShares FTSE RAFI Australia 200 ETF \$388,563,000, BetaShares Managed Risk Australian Share Fund (managed fund) \$29,853,000).

Refer to Note 5 to the Financial Report

The key audit matter	How the matter was addressed in our audit
<p>Financial instruments at fair value through profit or loss comprise investments in listed securities, unlisted securities, debt securities and derivatives ("investments").</p> <p>The Scheme outsources certain processes and controls relevant to:</p> <ul style="list-style-type: none"> <li>Executing transactions as instructed by the Responsible Entity and recording and valuing investments to the Scheme administrator;</li> <li>Maintaining custody and underlying records of investments to the custodian;</li> </ul> <p>Valuation and existence of investments is a key audit matter due to the:</p> <ul style="list-style-type: none"> <li>Size of the Scheme's portfolio of investments. These investments represent a significant percentage of the Scheme's total assets at</li> </ul>	<p>Our procedures included:</p> <ul style="list-style-type: none"> <li>We assessed the appropriateness of the accounting policies applied by the Scheme, including those relevant to the fair value of investments, against the requirements of the accounting standards.</li> <li>We obtained and read the Scheme's Service Provider's ASAE 3402 <i>Assurance Reports on Controls at a Service Organisation</i> and GS007 (<i>Guidance Statement 007 Audit Implications of the Use of Service Organisations for Investment Management Services</i>) assurance reports to understand the processes and assess the controls relevant to the:             <ul style="list-style-type: none"> <li>Scheme administrator – to execute transactions, record and value the Scheme's investments;</li> <li>Custodian – to maintain custody and underlying records of the Scheme's investments;</li> </ul> </li> <li>We obtained and read the custodians bridging letter over the period not covered by the</li> </ul>



<p>year end; and</p> <ul style="list-style-type: none"> <li>Importance of the performance of these investments in driving the Scheme's investment income and capital performance, as reported in the Financial Report.</li> </ul> <p>As a result, this was the area with greatest effect on our overall audit strategy and allocation of resources in planning and performing our audit</p>	<p>ASAE3402 and GS007 assurance reports. We have checked that there were no instances of non-compliance over controls in place at the service provider.</p> <ul style="list-style-type: none"> <li>We assessed the reputation, professional competence and independence of the auditors of the ASAE 3402 and GS007 assurance reports.</li> <li>We checked the existence of investments, being the ownership and quantity held, to external sources such as independent confirmations for derivative investments as at 30 June 2022.</li> <li>We checked the valuation of investments, as recorded in the general ledger, to independently sourced prices as at 30 June 2022.</li> </ul> <p>We evaluated the Scheme's disclosures of investments, using our understanding obtained from our testing, against the requirements of the accounting standards.</p>
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**Other Information**

Other Information is financial and non-financial information in the Schemes' annual reporting which is provided in addition to the Financial

Report and the Auditor's Report. This includes the Director's Report. The Directors of BetaShares Capital Limited (the Responsible Entity) are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

**Responsibilities of Directors for the Financial Report**

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

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*;
- implementing necessary internal controls to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the Schemes' ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Scheme or to cease



operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the Audit of the Financial Report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar2.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf). This description forms part of our Auditor's Report.

KPMG

Nicholas Buchanan  
Partner

Sydney  
15 September 2022

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