BETASHARES FUNDS
PRODUCT DISCLOSURE STATEMENT

BETASHARES
AUSTRALIAN HIGH INTEREST CASH ETF
ASX CODE: AEA

BetaShares Capital Ltd
ABN 78 139 566 868 | AFSL 341181
Dated: 29 September 2017
IMPORTANT INFORMATION

About this PDS
This Product Disclosure Statement (PDS) is dated 29 September 2017.

BetaShares Capital Ltd ABN 78 139 566 869 AFS Licence 341181 is the issuer of this PDS and is responsible for its contents. In this PDS references to the “Responsible Entity”, “BetaShares”, “we”, “our” and “us” refer to BetaShares Capital Ltd.

This PDS is the offer document for the following registered managed investment scheme: BetaShares Australian High Interest Cash ETF (ARSN 143 219 961) (the “Fund”). A copy of this PDS has been lodged with the Australian Securities and Investments Commission (ASIC) on 29 September 2017. Neither ASIC nor ASX Limited takes any responsibility for the contents of this PDS.

The Fund commenced operations on 6 March 2012. An application was made to, and approved by, the ASX for Units to be quoted for trading on the AQUA market of the ASX. The Units are currently quoted for trading on the AQUA market of the ASX under the AQUA Rules.

A copy of the latest PDS for the Fund is available on the BetaShares website at www.betashares.com.au or by contacting BetaShares on (02) 9290 6898. A paper copy will be provided free of charge on request.

The offer
The offer under this PDS is for persons who have been authorised as ‘trading participants’ under the ASX Operating Rules, called “Authorised Participants”. Certain sections of the PDS (particularly those relating to applications for and redemptions of Units in the normal course) are of direct relevance to such persons only.

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

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

This PDS does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer.

No action has been taken to register or qualify the Fund in any jurisdiction outside Australia and New Zealand, although the Responsible Entity reserves the right to do so at any time. The distribution of this PDS outside Australia and New Zealand may be restricted by law and persons who come into possession of this PDS outside Australia and New Zealand should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law.

Units have not been registered under the United States Securities Act of 1933 (as amended) and except in a transaction which does not violate such Act, may not be directly or indirectly offered or sold in the United States of America or any of its territories or for the benefit of a US Person (as defined in Regulation S of such Act).

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

Risks
An investment in the Units is subject to risk (refer to section 4), which may include possible delays in repayment and loss of income and capital invested.

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

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

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

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

For further details on BetaShares Funds, please contact a stockbroker or financial adviser or visit www.betashares.com.au.
PRODUCT DISCLOSURE STATEMENT

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1  KEY FEATURES

1.1  ABOUT THE FUND

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

The Fund seeks to provide a simple and convenient investment alternative for investors interested in obtaining attractive and regular income returns and a high level of capital security through investment in bank deposit accounts with one or more banks in Australia.

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

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

1.2  SUMMARY OF KEY INFORMATION

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

<table>
<thead>
<tr>
<th>TOPIC</th>
<th>SUMMARY</th>
<th>SECTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Objective</td>
<td>The investment objective of the Fund is to provide attractive and regular income distributions and a high level of capital security. The Fund aims to generate a return that exceeds the 30-day Bank Bill Swap Rate (after fees and expenses).</td>
<td>2.2.1</td>
</tr>
<tr>
<td>Investing</td>
<td>The offer in this PDS is only available to Authorised Participants. Units can only be acquired in multiples of 20,000 under this PDS unless the Responsible Entity agrees otherwise. Every 20,000 Units represents one “Creation Unit”. Application amounts are payable in cash in Australian dollars, unless the Responsible Entity agrees otherwise, and are subject to an application fee described in section 3. Units are quoted on the ASX. Subject to market conditions, investors may purchase Units by trading on the ASX. The purchase of Units on the ASX is not governed by the terms of this PDS and therefore the minimum investment does not apply to purchases of Units on the ASX.</td>
<td>5</td>
</tr>
<tr>
<td>Redemptions</td>
<td>A Unitholder can only redeem Units if it is an Authorised Participant. Units can only be redeemed in multiples of 20,000 under this PDS unless the Responsible Entity agrees otherwise. The amount payable to a Unitholder on redemption will be paid in cash in Australian dollars, unless the Responsible Entity agrees otherwise. In certain specified circumstances, redemption requests may be delayed or rejected. See section 6.2.7 for further information. Units are quoted on the ASX. Subject to market conditions, investors may sell their Units by trading on the ASX. The sale of Units on the ASX is not governed by the terms of this PDS and therefore the minimum redemption does not apply to sales of Units on the ASX.</td>
<td>5, 6.2.7</td>
</tr>
<tr>
<td>Distributions</td>
<td>Income will normally be distributed to Unitholders on a monthly basis.</td>
<td>2.3</td>
</tr>
<tr>
<td>Risks</td>
<td>There are a number of risks associated with investing in the Fund. The key risks include the following:</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>- Risks relating to changes in interest rates</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Credit risk associated with the Fund’s bank deposit investments</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- An investment in the Fund does not receive the benefit of any government guarantee</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- In certain circumstances, the Responsible Entity can suspend or scale down applications or redemptions</td>
<td></td>
</tr>
</tbody>
</table>
• The trading price of Units on the ASX may differ from the Net Asset Value per Unit
• No assurance that there will be a liquid market for Units
• No assurance that the return on the Fund’s Units for any distribution period will be the same as the interest rate (after fees and expenses) applicable to the deposit accounts held by the Fund
• No guarantee that the Fund will be able to achieve its investment objectives or make distributions

This is not a comprehensive summary of all the risks of investing in the Fund. Before investing, investors should carefully consider the risks associated with an investment in the Fund and obtain financial advice on whether an investment in the Fund is suitable for their objectives, financial situation and needs.

For further details on the risks of investing, see section 4.

<table>
<thead>
<tr>
<th>Fees and other costs</th>
<th>Fees and other costs as described in section 3 of this PDS will apply.</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax</td>
<td>Tax information of a general nature is set out in section 7. Investors should seek their own professional tax advice which takes into account their particular circumstances.</td>
<td>7</td>
</tr>
<tr>
<td>Complaints</td>
<td>The Responsible Entity has a process in place to deal with complaints from Unitholders.</td>
<td>6.2.22</td>
</tr>
<tr>
<td>Responsible Entity</td>
<td>BetaShares Capital Ltd is the responsible entity of the Fund and is the issuer of this PDS.</td>
<td>1.3</td>
</tr>
<tr>
<td>Fund commencement date</td>
<td>The Fund commenced on 6 March 2012.</td>
<td></td>
</tr>
</tbody>
</table>
### 1.3 ABOUT THE RESPONSIBLE ENTITY

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

The Responsible Entity is an Australian asset management business located in Sydney which was established in 2009 to be a specialist provider of fund products that are exchange traded. The Responsible Entity launched its first funds in 2010. As at the date of this PDS, it manages over $4.6 billion in assets and acts as responsible entity for more than 40 funds whose units are, or are expected to be, quoted for trading on the Australian Securities Exchange under the AQUA Rules. These funds provide exposure to the performance of specific equity strategies, equity indices, fixed income strategies, fixed income indices, currencies, commodities or commodity indices. The primary focus of the Responsible Entity’s business is the operation of funds that are exchange traded.

The Responsible Entity is a member of the Mirae Asset Global Investments Group. Mirae Asset Global Investments Co., Ltd., which is the international asset management business within Mirae Asset Financial Group, is one of Asia’s largest asset management firms, managing over US$100 billion in assets globally as of 31 August 2017, including more than US$10 billion in exchange traded funds.

No member of the Mirae Asset Global Investments Group, or any of its related entities, directors or officers gives any guarantee or assurance as to the performance of, or the repayment of capital invested in, the Fund.

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

### 1.4 ADMISSION TO TRADING UNDER THE AQUA RULES

Units in the Fund have been admitted to trading status on the ASX under the AQUA Rules. The AQUA Rules form part of the ASX Operating Rules. The Fund will not be listed on the ASX under the ASX Listing Rules.

The AQUA Rules provide a tailored framework for the quotation of exchange traded funds, managed funds and structured products on the ASX.

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

### AQUA Rules: fundamental difference

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

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

The following table highlights the key specific differences between the AQUA Rules and the ASX Listing Rules.

<table>
<thead>
<tr>
<th>ASX LISTING RULES</th>
<th>AQUA RULES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Continuous Disclosure</strong></td>
<td><strong>Continuous Disclosure</strong></td>
</tr>
<tr>
<td>Issuers are subject to the continuous disclosure requirements under ASX Listing Rule 3.1 and Section 674 of the Corporations Act.</td>
<td>Issuers of products quoted under the AQUA Rules are not subject to the continuous disclosure requirements under ASX Listing Rule 3.1 and section 674 of the Corporations Act but must disclose information about:</td>
</tr>
<tr>
<td></td>
<td>- the Net Tangible Assets (&quot;NTA&quot;) or the Net Asset Value (&quot;NAV&quot;) of the fund;</td>
</tr>
<tr>
<td></td>
<td>- distributions declared; and</td>
</tr>
<tr>
<td></td>
<td>- any other information that is required to be disclosed to ASIC under section 675 of the Corporations Act must be disclosed via the ASX Market Announcements Platform at the same time it is disclosed to ASIC. The Responsible Entity also intends to post any such information on its website <a href="http://www.betashares.com.au">www.betashares.com.au</a> at the same time.</td>
</tr>
<tr>
<td>AQUA Product issuers must also disclose to ASX any information the non-disclosure of which may lead to the establishment of a false market in its products or would materially affect the price of its products.</td>
<td></td>
</tr>
<tr>
<td>ASX LISTING RULES</td>
<td>AQUA RULES</td>
</tr>
<tr>
<td>------------------</td>
<td>------------</td>
</tr>
<tr>
<td><strong>Periodic Disclosure</strong></td>
<td>Financial reports relating to the issuer itself are not required to be disclosed to the ASX. However, periodic financial reports relating to the AQUA Product must be disclosed to the ASX at the same time they are lodged with ASIC under Chapter 2M of the <em>Corporations Act</em>.</td>
</tr>
<tr>
<td><strong>Corporate Control</strong></td>
<td>These requirements do not apply to AQUA Product issuers. Section 601FM of the <em>Corporations Act</em> continues to apply to the removal or change of the responsible entity. An extraordinary resolution would be required to change the responsible entity. An extraordinary resolution is a resolution passed by a majority of the total votes that may be cast by members entitled to vote on the resolution.</td>
</tr>
<tr>
<td><strong>Related Party Transactions</strong></td>
<td>Chapter 10 of the ASX Listing Rules does not apply to AQUA Products. Products quoted under the AQUA Rules which are registered managed investment schemes remain subject to the related party requirements in Part 5C.7 and Chapter 2E of the <em>Corporations Act</em>.</td>
</tr>
<tr>
<td><strong>Auditor Rotation Obligations</strong></td>
<td>Issuers of products quoted under the AQUA Rules are not subject to the requirements under Part 2M.4 Division 5 of the <em>Corporations Act</em>. A responsible entity of a registered managed investment scheme will continue to be required to undertake an independent audit of its compliance with the scheme’s compliance plan in accordance with Section 601HG of the <em>Corporations Act</em>. The auditor must not be the auditor of the scheme’s financial statements (but may be from the same firm).</td>
</tr>
<tr>
<td><strong>Spread Requirements</strong></td>
<td>These requirements do not apply to AQUA Product issuers. Under the AQUA Rules, unless and until a suitable spread of holders is achieved, an AQUA Product issuer must ensure a reasonable bid and volume is maintained for the AQUA Product on the ASX except in permitted circumstances, or have in place other arrangements which meet the ASX’s requirements for providing liquidity, generally through the appointment of a market making agent.</td>
</tr>
</tbody>
</table>
2 ABOUT THE FUND

2.1 RATIONALE FOR THE FUND

The purpose of the Fund is to provide investors with a convenient way to gain benefits similar to those that may come from investing directly in high interest-earning bank deposit accounts. Potential advantages of investing in the Units may include:

- **Easily accessible.** The Fund's Units are quoted on the ASX, providing investors with indirect exposure to high interest-earning bank accounts in an easily-accessible form.

- **Monthly distributions.** The Responsible Entity intends to make distributions on a monthly basis, providing Unitholders with regular income returns.

- **Attractive interest rates.** The Responsible Entity intends that the interest rate earned on the deposit account(s) maintained by the Fund will be competitive with rates available from other similar deposit accounts offered by major banks in Australia.

- **Transparent.** The value of the Fund’s assets and Net Asset Value per Unit will be reported daily on the BetaShares website at www.betashares.com.au.

An investment in Units of the Fund is not the same as an investor placing money directly on deposit with a bank. The Fund is a managed investment scheme that pools the money invested in the Fund and seeks to obtain competitive interest rates from bank deposit accounts. By buying Units, investors obtain indirect exposure to the returns of high interest-earning bank accounts.

2.2 INVESTMENT POLICY

2.2.1 Investment objective

The investment objective of the Fund is to provide attractive, regular income distributions and a high level of capital security. The Fund aims to generate a return that exceeds the 30 day Bank Bill Swap Rate (after fees and expenses).

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

2.2.2 Investment strategy

The Fund will invest all of its assets into bank deposit accounts maintained with one or more of the following banks in Australia:

- Australia and New Zealand Banking Group
- Commonwealth Bank of Australia
- National Australia Bank Limited
- Westpac Banking Corporation Limited and any of their Australian subsidiary banks regulated by the Australian Prudential Regulatory Authority (APRA).

Additional banks may be added in the future at the discretion of the Responsible Entity if the Responsible Entity believes this to be in the best interests of Unitholders, provided they are regulated in Australia by APRA as authorised deposit taking institutions. Any additional banks will be notified to Unitholders and other market participants in advance via the ASX Market Announcements Platform.

The banks with which the Fund maintains deposit accounts from time to time are listed on the BetaShares website at www.betashares.com.au.

The Responsible Entity will endeavour to ensure that the selected deposit accounts offer an interest rate that is attractive relative to rates being offered by other major banks in Australia for similar accounts.

The deposit accounts maintained by the Responsible Entity will be limited to “at call” deposit accounts that allow the Responsible Entity to withdraw funds on a daily basis, combined with “notice” deposit accounts that require a minimum period of notice for withdrawal (typically 31 days but not exceeding 90 days) and term deposit accounts with maturities of up to 90 days.

Information about the current interest rate accruing for the benefit of Unitholders will be reported on the BetaShares website daily. The interest rate is variable and is subject to change without notice.

The Responsible Entity will assess the risk and return characteristics of the deposit accounts which it holds from time to time and may in the future establish additional accounts, or close existing accounts.

In selecting any additional or replacement banks, the Responsible Entity may have regard to a number of criteria, including but not limited to the requirement that a bank must be (or must be a subsidiary of) a reputable and regulated institution, subject to prudential supervision in Australia. The Responsible Entity may also, in its discretion, have regard to any other criteria it deems relevant in light of the then current market conditions, and having regard at all times to the best interests of Unitholders.

The Responsible Entity generally expects to fund redemption payments entirely from the Fund’s at call deposits, but it may from time to time also utilise a short term borrowing facility, pending receipt of withdrawal proceeds from any notice accounts that the Fund maintains with its banks.

2.2.3 Environmental, social and ethical considerations

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

2.2.4 Performance

Performance information for the Fund and the Net Asset Value for the Fund, will be published on the BetaShares website at www.betashares.com.au. Information relating to past performance is not a reliable indicator of future performance.

2.2.5 Indicative Net Asset Value per Unit

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

Any iNAV is not, and should not be taken to be or relied on as being, the value of a Unit or the price at which Units may be applied for or redeemed, or bought or sold on any stock exchange, and may not reflect the true value of a Unit. Investors interested in applying for or redeeming Units, or buying or selling Units on a stock exchange, should not rely on any iNAV which is made available, in making investment decisions but should consider other market information and relevant economic factors. Neither the Responsible Entity nor any designate or other service provider to the Responsible Entity shall be liable to any person who relies on the iNAV.
No assurance can be given that any iNAV will be published continuously, will be up to date or free from error.

2.2.6 Changes to investment objectives and strategy

The Responsible Entity may from time to time vary the investment mandate for the Fund as set out in this PDS (i.e. the investment objective and strategy described in sections 2.2.1 and 2.2.2).

Any significant change to the investment mandate will be notified to investors and potential investors via a supplementary or new PDS accessible through the ASX Market Announcements Platform.

2.3 DISTRIBUTIONS

The Fund is expected to earn interest income from the cash held in bank deposit accounts. The Responsible Entity expects to distribute the Fund’s net income to Unitholders on a monthly basis. There is no guarantee that the Fund will distribute any income to Unitholders.

2.3.1 Distributions

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

Any income of the Fund will normally be distributed monthly. The amount and components of distributable income at the end of any distribution period will be determined by the Responsible Entity. The Responsible Entity may determine to include non-taxable amounts as part of a distribution (please see section 7 “Tax” for more information).

Distribution of Australian sourced income to non-resident Unitholders may be subject to withholding tax at applicable rates.

Distributions will generally be paid within 15 business days of the end of the distribution period to which they relate by deposit to a Unitholder’s nominated Australian bank, building society or credit union account.

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

The Net Asset Value of the Fund will fall at the end of a distribution period to reflect any distribution from the Fund.

The Responsible Entity may, in its discretion, change the duration of a distribution period for the Fund.

Information about the timetable for each distribution and the declared distribution amount will be announced via the ASX Market Announcements Platform.

2.3.2 Tax statement

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

2.3.3 Distribution Reinvestment Plan

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

Participation in the DRP is subject to the terms and conditions of the DRP policy document, which is available at no charge by contacting BetaShares on 1300 487 577 (within Australia). The DRP is currently available only to Unitholders who have a registered address in Australia or New Zealand, unless otherwise determined by the Responsible Entity.

Unitholders can choose to:

- If eligible, participate in the DRP, meaning distributions from the Fund will be reinvested in additional Units in the Fund; or
- have the distributions paid directly to a nominated Australian bank, building society or credit union account.

Full or partial reinvestment is available. If no DRP election is made, the distributions will automatically be paid into the nominated Australian bank, building society or credit union account.

Eligible Unitholders can elect to participate in the DRP by completing an on-line form available on the Registrar’s website or by contacting the Registrar (further information will be provided in the information pack sent to you when you become a Unitholder).
3 FEES AND OTHER COSTS

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

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

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

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

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

3.1 FEES AND OTHER COSTS
This PDS shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole.

Taxes are set out in another part of this PDS.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

TABLE 3.1: TABLE OF FEES AND OTHER COSTS
BETASHARES AUSTRALIAN HIGH INTEREST CASH ETF

<table>
<thead>
<tr>
<th>TYPE OF FEE OR COST</th>
<th>AMOUNT</th>
<th>HOW AND WHEN PAID</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FEES WHEN YOUR MONEY MOVES IN OR OUT OF THE MANAGED INVESTMENT PRODUCT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Establishment fee:</td>
<td>Nil</td>
<td>Not applicable.</td>
</tr>
<tr>
<td>The fee to open your investment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution fee:</td>
<td>$0 if you are not an Authorised Participant.</td>
<td>Payable only by Authorised Participants.</td>
</tr>
<tr>
<td>The fee on each amount contributed to your investment</td>
<td>1% of the application amount if you are an Authorised Participant, unless otherwise agreed by the Responsible Entity.</td>
<td>This fee will be payable by Authorised Participants together with the application amount at the time of the application.</td>
</tr>
<tr>
<td>Withdrawal fee:</td>
<td>$0 if you are not an Authorised Participant.</td>
<td>Payable only by Authorised Participants at the time of the redemption.</td>
</tr>
<tr>
<td>The fee on each amount you take out of your investment</td>
<td>1% of the withdrawal amount if you are an Authorised Participant, unless otherwise agreed by the Responsible Entity.</td>
<td>This fee will be deducted from the redemption proceeds at the time of the redemption.</td>
</tr>
<tr>
<td>Exit fee:</td>
<td>Nil</td>
<td>Not applicable.</td>
</tr>
<tr>
<td>The fee to close your investment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management costs\1:</td>
<td>Capped (while this PDS is current) at 0.18% p.a. of the Fund’s Net Asset Value.</td>
<td>As at the date of this PDS, the management costs of the Fund consist of the following components:</td>
</tr>
<tr>
<td>The fees and costs for managing your investment</td>
<td></td>
<td>Management fee</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0.18% per annum of the Fund’s Net Asset</td>
</tr>
</tbody>
</table>
The fee for changing investment options

Service fees
Switching fee: Nil

Not applicable.

3 An Authorised Participant is a trading participant under the ASX Operating Rules who has entered into an agreement with the Responsible Entity in relation to Unit applications and redemptions. For an explanation of the contribution fees and withdrawal fees (also referred to in this PDS as application fees and redemption fees) please see section 3.3.6 “Application and Redemption Fees for Authorised Participants” in the “Additional Explanation of Fees and Costs”.

2 This figure reflects the recoverable expenses incurred by the Fund for the previous financial year ended 30 June 2017. See “Recoverable expenses” in the “Additional Explanation of Fees and Costs” section below for more information.

3 This figure reflects the indirect costs incurred by the Fund for the previous financial year ended 30 June 2017. For more information on the meaning and calculation of indirect costs, see “Indirect costs” in the “Additional Explanation of Fees and Costs” section below.

Certain additional costs apply, such as transactional and operational costs. See explanation of “Management costs” in the “Additional Explanation of Fees and Costs” section below for more information.

Each fee set out in this table may in some cases be negotiated with wholesale clients. For more information, refer to the explanation of “Differential fees, rebates and related payments” in the “Additional Explanation of Fees and Costs” section below.

All fees and costs in the table above include Goods and Services Tax (GST) net of any reduced input tax credits.

3.2 EXAMPLE OF ANNUAL FEES AND COSTS

This table gives an example of how the fees and costs can affect your investment over a one year period. You should use this table to compare this product with other managed investment products.
### Table 3.2: Example of Annual Fees and Costs

<table>
<thead>
<tr>
<th>EXAMPLE: SETASHARES AUSTRALIAN HIGH INTEREST CASH ETF</th>
<th>AMOUNT</th>
<th>BALANCE OF $50,000 WITH A CASH CONTRIBUTION OF $5,000 DURING THE YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CONTRIBUTION FEES</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td></td>
<td>For every additional $5,000 you put in, you will be charged:</td>
</tr>
<tr>
<td>$0 if you are not an Authorised Participant; or</td>
<td></td>
<td>$0 if you are not an Authorised Participant; or</td>
</tr>
<tr>
<td>1% if you are an Authorised Participant.</td>
<td></td>
<td>$50 if you are an Authorised Participant.</td>
</tr>
<tr>
<td><strong>PLUS MANAGEMENT COSTS</strong>&lt;sup&gt;2&lt;/sup&gt;</td>
<td>0.18% p.a. of the Fund’s Net Asset Value</td>
<td>And, for every $50,000 you have in the Fund you will be charged $90 each year.</td>
</tr>
<tr>
<td>(management fee plus recoverable expenses plus indirect costs)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EQUALS COST OF FUND</strong></td>
<td></td>
<td>If you had an investment of $50,000 at the beginning of the year and you put in an additional $5,000 during that year, you would be charged fees of $90 (if you are not an Authorised Participant) or $140 (if you are an Authorised Participant).</td>
</tr>
<tr>
<td></td>
<td></td>
<td>What it costs you will depend on whether you are an Authorised Participant, the investment option you choose and the fees you negotiate.</td>
</tr>
</tbody>
</table>

An Authorised Participant who redeems Units directly will also be charged a withdrawal fee of 1% of the withdrawal amount for a redemption, unless otherwise agreed by the Responsible Entity.

Each fee in this table may in some cases be negotiated with wholesale clients. For more information, refer to the explanation of “Differential fees, rebates and related payments” in the “Additional Explanation of Fees and Costs” section below.

<sup>1</sup>Please note the minimum investment in the Fund by an Authorised Participant is for 20,000 Units unless the Responsible Entity agrees otherwise.

<sup>2</sup> Management costs are made up of the management fee of 0.18% p.a., recoverable expenses of 0.00% p.a. and estimated indirect costs of 0.00% p.a., of the Fund’s Net Asset Value. Certain additional costs may apply, such as transactional and operational costs. For more information, refer to “Management costs” in the “Additional Explanation of Fees and Costs” section below.

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

### 3.3 Additional Explanation of Fees and Costs

#### 3.3.1 Management costs

The management costs for the Fund incorporate all relevant ongoing fees and other costs involved in managing the Fund and deriving investment returns. The management costs comprise:

- Responsible Entity’s management fee;
- recoverable expenses; and
- indirect costs.

Management costs do not include:

- transactional and operational costs, such as brokerage, transactional custodian fees, and other transaction fees associated with buying and selling the Fund’s assets; and
- other costs that an investor would ordinarily incur when investing directly in the Fund’s underlying assets.

(These costs are therefore not included in the management costs set out in Table 3.1 and Table 3.2 above; but they are paid out of the Fund’s assets).

#### 3.3.2 Management fee

The management fee is charged by the Responsible Entity for managing the Fund and making it available to investors. It is calculated and accrued daily as a percentage of the Fund’s Net Asset Value, and reflected in the daily Net Asset Value per Unit. The amount is deducted from the Fund’s assets monthly on or after the first day of the following month.

#### 3.3.3 Recoverable expenses

Recoverable expenses represent the operating expenses incurred in the operation of the Fund. The Fund’s constitution allows all properly incurred expenses to be recovered from the Fund and does not place any limit on the amount or types of expenses that can be recovered.

The expenses normally incurred in the day to day operation of the Fund include custodian, fund administration, unit registry, ASX and
audit costs (other than transactional and operational costs described above). These expenses normally incurred will be paid by the Responsible Entity from its own resources while this PDS is current. The Responsible Entity may withdraw or replace this PDS at any time.

Extraordinary expenses are expenses that are not normally incurred in the day to day operation of the Fund and are not necessarily incurred in any given year. They may include costs associated with holding unitholder meetings, changing a Fund’s constitution, or defending or pursuing legal proceedings. Extraordinary expenses will not be paid by the Responsible Entity out of the management fee it receives. Any such expenses will be recovered from the Fund and reflected in its Net Asset Value per Unit. At the date of this PDS the estimate of extraordinary expenses of the Fund for the previous financial year ended 30 June 2017 were nil.

3.3.4 Indirect costs

Indirect costs are any amounts that we know or where required, reasonably estimate, will reduce the Fund’s returns that are paid from the Fund’s assets (other than the management fee, recoverable expenses, and transactional and operational costs described elsewhere in this section) or that are paid from the assets of any interposed vehicle (such as an underlying fund) in which the Fund may invest.

At the date of this PDS the indirect costs of the Fund for the previous financial year ended 30 June 2017 were 0.00% p.a. of the Net Asset Value of the Fund.

3.3.5 Transactions and operational costs

The Fund incurs transactional and operational costs, such as transactional custodian fees and fees incurred in operating the Fund’s bank deposit accounts. Transactional and operational costs are an additional cost and are not included in the management costs.

The Fund’s total transactional and operational costs for the previous financial year ended 30 June 2017 are estimated at 0.00% p.a. of the Fund’s Net Asset Value.

Any transactional and operational costs are in addition to the management costs set out in Table 3.1 and Table 3.2 above.

The amount of these costs can be expected to vary from year to year depending on the volume and value of transactions undertaken.

3.3.6 Application and redemption fees for Authorised Participants.

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

Application fees and redemption fees will only be payable by Authorised Participants on an application for or redemption of Units directly with the Fund. The application fee and redemption fee applicable to the Fund is set out in the table in section 3.1.

These fees will be added to the investment amount receivable from an Authorised Participant on application, or deducted from the amount payable to an Authorised Participant on redemption (as applicable).

3.3.7 Stockbroker fees for all other investors

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

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

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

The Constitution of the Fund limits the amount of the Responsible Entity’s fee to a maximum of 3% p.a. of the Fund’s Net Asset Value (plus GST).

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

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

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

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

Any estimates of fees and costs in this PDS are based on information available as at the date of this PDS. As such, the actual fees and costs may differ and are subject to change from time to time. Information in this PDS that is not materially adverse to investors is subject to change from time to time and may be updated by the Responsible Entity by publishing such information on the BetaShares website at www.betashares.com.au. A paper copy of any updated information will be provided free of charge on request.

3.3.9 Differential fees, rebates and related payments

The Responsible Entity may, from time to time, agree with wholesale clients to rebate or reduce some of the management or other fees on a case by case basis. The amount of fee reduction is at the Responsible Entity’s discretion. The Responsible Entity will achieve these reductions and meet any rebates in relation to management fees by payments from its own resources. For more information, please contact the Responsible Entity.

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

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

3.3.10 Other benefits

The Responsible Entity may receive payments for its own benefit from service providers to the Fund as a contribution towards the cost of promoting the Fund or the costs for establishing, maintaining and/or administering the Fund. Any such payments may vary in amount, would not adversely affect the Fund’s returns and would not oblige the Responsible Entity to maintain a relationship with any service provider.
3.3.11 Indirect investors

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

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

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

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

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

4.1 INTEREST RATE RISK

Changes in interest rates may have a direct or indirect impact (positive or negative) on the Fund’s asset values or returns. While, at the date of this PDS, the interest expected to be earned by the Fund on its deposit account(s) is substantially higher than the expenses of the Fund, there can be no guarantee that this will always be the case. If interest rates fall significantly, the interest earned by the Fund on its deposit account(s) may be insufficient to cover the expenses of the Fund. In these circumstances, the Fund may need to use available cash to compensate for this shortfall. This could cause a decline in the Net Asset Value of the Fund.

Interest rates are broadly influenced by various economic factors such as present and expected levels of economic growth, inflation and unemployment rates, and specifically by the creditworthiness of issuers of debt instruments. There is also a risk that the interest earned by the Fund on its deposit account(s) will not exceed the rate of inflation over any period. If this occurs, the value of Units may fall in real terms.

While the Responsible Entity believes at the date of this PDS that the interest rate earned by the Fund on each bank deposit account is generally competitive, the interest rate may not be the best rate available. If the Responsible Entity forms the view that the interest rate is inadequate, it may close a bank deposit account (with any applicable notice period) and open a substitute account with another financial institution.

Any transaction costs or other costs incurred in operating the Fund’s bank deposit accounts will have the effect of reducing the interest received by the Fund from those accounts.

4.2 CREDIT RISK

It is intended that the Fund will only invest in bank deposit accounts. Whilst the banks with which the Fund’s assets are deposited will be assessed by the Responsible Entity against a number of criteria (for example, a requirement that they be, or be a subsidiary of, a reputable and regulated institution that is subject to prudential supervision in Australia), there is a risk that the relevant bank may not be in a financial position to pay interest or repay the deposit which may arise as a result of circumstances such as the bank’s insolvency or other events of default.

An investment in the Fund does not receive the benefit of any government guarantee (although the Fund itself, as a depositor, may be able to claim under the Financial Claims Scheme (FCS), under which the Australian Government guarantees the timely repayment of deposits in authorised deposit-taking institutions (ADIs) incorporated in Australia, up to a cap of $250,000 per account holder (being the Fund in this case)). Deposits above the cap in Australian ADIs also benefit from “depositor preference”. Broadly, this means that, in the event of insolvency of such an ADI, depositors have a priority claim on the Australian assets of the ADI ahead of other unsecured creditors, after the Government has been reimbursed for any amounts paid under, and expenses incurred in relation to, the FCS.

An investment in the Fund is not a deposit with a bank.

4.3 TRADING RISK

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

There may be other occasions where the Responsible Entity may suspend the application and redemption process, such as around the end of a distribution period or where other factors prevent the accurate calculation of Unit prices. While the Responsible Entity generally expects to fund redemption payments entirely out of the Fund’s at call deposits (or potentially also from short term borrowing facilities), in certain circumstances it may, in accordance with the Constitution, temporarily suspend redemptions pending receipt of withdrawal proceeds from any notice accounts that the Fund maintains with its banks. The Responsible Entity may also scale down redemption requests on a prorata basis, if the Responsible Entity receives one or more redemption requests in respect of a particular valuation time that seek the redemption in aggregate of more than 10% of the total number of Units on issue.

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

Although the Units are quoted on the AQUA market of the ASX there can be no assurances that there will be a liquid market for the Units. The Responsible Entity has in place market making arrangements to assist in maintaining liquidity for the Fund on the ASX. The Responsible Entity cannot guarantee that a market maker will fulfil its obligations or that a market maker will continue to be appointed. The market making arrangements agreed by the Responsible Entity with the market maker also specify certain permitted circumstances where the market making obligations may be suspended (such as operational disruptions, market disruptions or unusual conditions, other events set out in the ASX Operating Rules the suspension or rejection of applications for Units or redemption requests, or the market maker not having ASIC relief to allow short selling of Units). If a market maker defaults on its obligations, the Responsible Entity may seek to replace the market maker, although the arrangements with the market maker may limit or exclude any liability on the part of the market maker.
As with any exchange traded fund, it is possible that the trading price of Units on the ASX may differ from the Net Asset Value per Unit. The trading price is dependent on a number of factors including the demand for and supply of Units. The trading price may be affected if there is a suspension of the application and redemption process. The application and redemption facility is designed to reduce the likelihood of Units trading at a significant discount or premium to the Net Asset Value per Unit.

4.4 EFFECT OF APPLICATIONS AND REDEMPTIONS ON DISTRIBUTIONS

There is no assurance that the return on the Fund’s Units for any distribution period will be the same as the interest rate (after fees and expenses) applicable to the deposit accounts held by the Fund. For example, the issue of Units during a distribution period will tend to reduce the amount of the distribution per Unit for that period (which will be associated with a smaller decline in the NAV per Unit at the time of the distribution). Conversely, the redemption of Units during a distribution period will tend to increase the amount of the distribution per Unit for that period (which will be associated with a larger decline in the NAV per Unit at the time of the distribution).

4.5 MANAGER RISK

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

4.6 INVESTMENT OBJECTIVE RISK

There is no guarantee that the Fund’s investment objective will be achieved or that any distribution will be made to Unit holders. All prospective Unit holders should consider an investment in the Fund within the overall context of their investment policies. Investment policy considerations should include, setting objectives, defining risk/return constraints and considering time horizons.

4.7 FUND RISK

There is a risk that the Fund could terminate, that fees and expenses could change or that the Responsible Entity may not be able to continue to act, for example if it loses its Australian financial services licence (in which case it could be replaced as responsible entity of the Fund).

4.8 OPERATIONAL RISK

The Fund’s day to day operations may be adversely affected by circumstances beyond the reasonable control of the Responsible Entity, such as failure of technology or infrastructure, or natural disasters. A breakdown in administrative procedures and risk control measures implemented by the Responsible Entity or its service providers, including with respect to cyber-security, may also adversely affect the operation and performance of the Fund.

4.9 GENERAL REGULATORY RISK

There is a risk that a government or regulator (such as the Australian Securities and Investments Commission, Australian Prudential Regulation Authority or the Australian Taxation Office) may introduce regulatory and/or tax changes, or a court makes a decision regarding the interpretation of the law, which affects the value of the Units or the tax treatment of the Fund and its Unitholders.

The Fund may be affected by changes to legislation or government policy or political developments both in Australia and in other countries.

These changes are monitored by the Responsible Entity and action is taken, where appropriate, to facilitate the achievement of the investment objective of the Fund. The Responsible Entity may not always be in a position to take such action.

4.10 TAX RISK

Taxation law is complex and subject to changes by the Australian Government, possibly with retrospective effect.

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

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

4.11 COUNTERPARTY RISK

Counterparties used in connection with the Fund’s investment activities may default on their obligations, for instance by failing to make a payment when due. This may be due to insolvency or other events of default. Such counterparties may include service providers, such as the Fund’s custodian. Default on the part of a counterparty could result in financial loss to the Fund.
5 HOW TO BUY AND SELL UNITS

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

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

Prior to being issued Units, an Authorised Participant must execute an Authorised Participant Agreement that deals with, amongst other things, the rights and obligations of the Authorised Participant in relation to applying for Units. See section 6.3 for further information about the Authorised Participant Agreement.

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

5.1 MINIMUM APPLICATIONS AND REDEMPTIONS

The minimum application and redemption amount is one Creation Unit. The number of Units that constitute a Creation Unit is 20,000 Units, unless otherwise agreed with the Responsible Entity.

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

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

5.2 PROCESSING APPLICATIONS AND REDEMPTIONS

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

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

5.3 APPLICATIONS AND REDEMPTIONS

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

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

Amounts payable pursuant to applications, or receivable upon redemptions, will be notified to the Unitholder on or before the ASX Business Day following the effective date of the application or redemption.

An application received before the Dealing Deadline (on day T) will generally enable the Authorised Participant to receive the new Units in its CHESS account two ASX Business Days later (T+2), provided the Authorised Participant has paid the application proceeds and application fee no later than 11:30am on T+2.

A redemption request received before the Dealing Deadline (on day T) will generally enable the Authorised Participant to receive the redemption proceeds two ASX Business Days later (T+2), provided the Authorised Participant has transferred the Units and the redemption fee by no later than 11:30am on T+2.

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

5.4 SUSPENSIONS OF APPLICATIONS AND REDEMPTIONS

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

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

The Responsible Entity may also scale down redemptions in certain circumstances.

See section 6.2.7 and 6.2.8 for further information.

5.5 VALUATIONS AND PRICING

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

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

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

The valuation time for the Fund applicable to each ASX Business Day is generally 4pm Sydney time, unless otherwise determined by the Responsible Entity.
The Net Asset Value of the Fund is calculated by deducting from the aggregate value of the assets of the Fund all liabilities such as accrued fees and other costs, and provisions relating to the Fund. Fees and other costs, including the Responsible Entity’s fees, are normally accrued daily. The Fund’s assets reflect their market value. The valuation methods applied by the Responsible Entity to value the Fund’s assets and liabilities are consistent with applicable industry standards and result in Net Asset per Unit calculations that are independently verifiable.

6 ADDITIONAL INFORMATION

6.1 THE ROLE OF CERTAIN ENTITIES IN REGARD TO THE FUND

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

6.1.1 Custodian and Administrator

The custodian provides certain custodial services to the Responsible Entity, including holding the assets of the Fund. The custodian has no obligation to monitor whether the Responsible Entity is complying with its obligations as responsible entity of the Fund. The custodian may, from time to time, appoint sub-custodians. The Responsible Entity may change the custodian without prior notice to Unitholders.

The administrator provides administration services to the Responsible Entity. These services include fund accounting, maintenance of books and records, calculating distribution amounts, calculating the Issue Price and Withdrawal Amount, and taxation and other services. The Responsible Entity may change the custodian and administrator without prior notice to Unitholders.

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

RBC Investor Services Trust
Level 47
2 Park Street
Sydney NSW 2000

6.1.2 Registrar

As for any quoted security, the role of the Registrar is to keep a record of the Unitholders in the Fund. This includes details such as the quantity of securities held and tax file numbers (if provided). The Responsible Entity may change the Registrar without prior notice to Unitholders.

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

Link Market Services
Level 12
680 George Street
Sydney NSW 2000

6.1.3 Market maker

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

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

The Responsible Entity seeks to appoint market making firms: that have experience in making markets in exchange-traded securities both in Australia and internationally; that have the necessary skill and expertise to perform market making functions; and that are ASX participants (or trade through an ASX participant). To qualify for admission as an ASX participant, a firm must meet admission requirements set out in the ASX Operating Rules, which require the firm to hold an Australian financial services licence that authorises it to carry on its business as a market participant and to satisfy ASX of various matters including organisational competence and business integrity.

Information about the market maker(s) selected by the Responsible Entity from time to time can be obtained by contacting the Responsible Entity.

The arrangements with the market maker specify certain permitted circumstances where the market making obligations may be suspended (such as operational disruptions, market disruptions or unusual conditions, other events set out in the ASX Operating Rules, the suspension or rejection of applications for Units or redemption requests, or the market maker not having ASIC relief to allow short selling of Units). If a market maker defaults on its obligations, the Responsible Entity may seek to replace the market maker(s), although the arrangements with the market maker may limit or exclude any liability on the part of the market maker. The arrangements with the market maker may also provide that the market maker has no liability or responsibility to Unitholders for any act or omission made in connection with the market making arrangements.

Unitholders should be aware that a marketmaker will retain for its own account any trading profit and bear any loss which may be generated by its market making activities. Subject to the AQUA Rules and the agreement with the market maker, the Responsible Entity may appoint or terminate a market maker in respect of the Fund. The Responsible Entity may determine to no longer appoint a market maker in respect of the Fund in circumstances where it is no longer required to do so under the AQUA Rules.

6.1.4 Auditor

The Responsible Entity has appointed KPMG as the auditor of the financial statements of the Fund and of the Responsible Entity’s compliance plan for the Fund.

6.1.5 Monitoring of service providers

The Responsible Entity has procedures in place to monitor the performance of those service providers to whom functions have been outsourced. Monitoring methods include, where appropriate, daily observation of service provider performance, review of regular compliance and audit reports, regular meetings with service providers and performance assessments.

6.2 OTHER INFORMATION YOU NEED TO KNOW

6.2.1 BetaShares as the responsible entity

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

The Responsible Entity has the power to appoint an agent, or otherwise engage a person, to do anything that it is authorised to do in connection with the Fund and, for the purpose of determining whether the Responsible Entity has properly performed its duties as responsible entity, the Responsible Entity is taken to have done (or failed to do) anything that the agent or person has done (or failed to do) because of the appointment or engagement, even if they were acting fraudulently or outside the scope of their authority or engagement.
6.2.2 The Constitution
The Fund is a registered managed investment scheme governed by a Constitution. Under the Fund’s Constitution, the Responsible Entity has all the powers it is possible to confer on a trustee as though it were the absolute owner of the Fund’s assets and acting in its personal capacity. The Constitution sets out the rights of the Unitholders and the obligations of the Responsible Entity, as responsible entity of the Fund. This PDS outlines some of the more important provisions of the Constitution.

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

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

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

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

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

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

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

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

i. the Responsible Entity has taken all reasonable steps to realise sufficient assets to pay amounts due in respect of Units to which a redemption request applies and is unable to do so due to circumstances outside its control, such as restricted or suspended trading in the market for an asset;

ii. the Responsible Entity believes that it is impracticable or not possible to transfer, in the manner acceptable to the Responsible Entity, sufficient assets to satisfy the redemption request (for example, because of disruption to a settlement or clearing system);

iii. the Responsible Entity believes that it is not practicable or desirable to carry out the calculations necessary to satisfy the redemption request (for example, because the value of any asset cannot otherwise promptly or accurately be ascertained);

iv. the quotation of any Units on the ASX is suspended or the trading of any Units is otherwise halted, interrupted or restricted by the ASX;

v. the Units cease to be admitted to trading status on the ASX;

vi. a redemption request is received in a financial year and the Responsible Entity determines that the date on which the completion of the redemption of the Units would otherwise occur would be in the next financial year;

vii. a withdrawal request is received during any period before or after a distribution date which period the Responsible Entity determines to be necessary or desirable to facilitate the calculation and distribution of distributable income;

viii. the Responsible Entity does not consider that it is in the best interests of Unitholders of the Fund taken as a whole to transfer or realise sufficient assets to satisfy the redemption request; or

ix. the Responsible Entity believes that assets cannot be realised at prices that would be obtained if assets were realised in an orderly fashion over a reasonable period in a stable market.

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

6.2.8 Spreading redemption requests
The Constitution of the Fund provides that, if the Responsible Entity receives one or more redemption requests in respect of a particular valuation time that seek the redemption in aggregate of more than 10% of the total number of Units on issue, the Responsible Entity may scale down pro rata each redemption request so that no more than 10% of the number of Units on issue will be redeemed in respect of that valuation time. If a redemption request is scaled down in this way, the relevant Unitholder shall be deemed to have made a redemption request with respect to the unsatisfied balance of the Units the subject of the redemption request and that request will be deemed to have been received immediately following the first valuation time. The balance of such unsatisfied redemption request will be satisfied in priority to any subsequently received redemption request and will generally be satisfied in full no later than the 10th valuation time following the first valuation time.
6.2.9 Non-Authorised Participant redemption request
If there are no Authorised Participants, the Responsible Entity may accept a redemption request from a person who is not an Authorised Participant.

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

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

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

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

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

6.2.14 Termination
The Responsible Entity may wind up the Fund at any time. Following winding up, the net proceeds will be distributed to Unitholders pro-rata according to the number of Units they hold.

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

i. the indemnities each Unitholder gives the Responsible Entity for losses or liabilities incurred by the Responsible Entity:

a. in relation to the Unitholder’s failure to provide requested information;

b. for tax or user pays fees as a result of any act or omission by the Unitholder or any matter arising in connection with the Units held by the Unitholder;

ii. application/redemption fees and management fees; and

iii. execution and settlement procedures prescribed by the Responsible Entity that relate to the issue and redemption of Units.

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

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

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

6.2.17 Indemnities and limitation of liability of the Responsible Entity
The Responsible Entity is indemnified out of the assets of the Fund for any liability incurred by it in properly performing or exercising any of its powers or duties in relation to the Fund. To the extent permitted by the Corporations Act, the indemnity includes any liability incurred by the Responsible Entity as a result of any act or omission of a delegate or agent appointed by the Responsible Entity.

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

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

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

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

The Fund’s Constitution places no formal limits on borrowing. It is not the Responsible Entity’s intention to enter into borrowing for the Fund, except that temporary borrowings may be used occasionally to manage certain cash flows, such as funding redemption payments pending receipt of withdrawals from the Fund’s deposit accounts. Any borrowing may be on a secured or unsecured basis and any borrowing costs would be borne by the Fund subject to the cap on management costs set out in section 3.1.

6.2.22 If you have a complaint

If a Unitholder has a complaint regarding the Fund or services provided by the Responsible Entity, please contact Client Services on 1300 487 577 (within Australia) or +61 2 9290 6886 (outside Australia) from 9:00 am to 5:00 pm Sydney time, Monday to Friday.

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

Manager Client Services
BetaShares Capital Ltd
Level 11, 50 Margaret Street
Sydney NSW 2000

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

The Responsible Entity will try to resolve complaints as soon as possible, but in any event, will inform the Unitholder in writing of its determination regarding the complaint within 45 days of receiving the initial complaint.

In the event that a Unitholder is not satisfied with the outcome of a complaint, the Unitholder has the right to request the Responsible Entity to review their decision or to refer the matter to an external complaints resolution scheme. The Responsible Entity is a member of the Financial Ombudsman Services (FOS). Unitholders can contact FOS on 1800 367 287, or at the following address:

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

Information may also be obtained at www.fos.org.au. To be considered by FOS, the claim involved must fall within FOS’s jurisdiction as set out in their Terms of Reference (published on the above website), including that any claim must not exceed $500,000 (as may be amended by FOS from time to time).

6.2.23 Privacy policy

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

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

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

The Responsible Entity may:

- provide personal information to a Unitholder’s adviser if unitholder written consent is provided to the Responsible Entity;
- disclose personal information to authorities investigating criminal or suspicious activity and to the Australian Transaction Reports and Analysis Centre (AUSTRAC) in connection with anti-money laundering and counter-terrorism financing;
- provide a Unitholder’s personal information to its service providers for certain related purposes (as described under the Privacy Act 1988) such as account administration and the production and mailing of statements;
- use a Unitholder’s personal information and disclose it to its service providers to improve customer service (including companies conducting market research) and to keep Unitholders informed of the Responsible Entity’s or its partners’ products and services.

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

Unitholders may request access to the personal information held about them at any time and ask the Responsible Entity to correct this information if it is incomplete, incorrect or out of date.

To obtain a copy of the privacy policy, contact BetaShares on 1300 487 577 (within Australia) or +61 2 9290 6886 (outside Australia).

6.2.24 Anti-money laundering

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

- it does not subscribe to the Fund under an assumed name;
- any money used to invest in the Units is not derived from or related to any criminal activities;
- any proceeds of the investment will not be used in relation to any criminal activities;
- if the Responsible Entity requests, the Unitholder will provide to it any additional information that is reasonably required for the purposes of AML/CTF Laws (including information about the investor, any beneficial interest in the Units, or the source of funds used to invest);
- the Responsible Entity may obtain information about the Unitholder or any beneficial owner of a Unit from third parties if it is believed this is necessary to comply with AML/CTF Laws; and
- in order to comply with AML/CTF Laws, the Responsible Entity may be required to take action, including:
  - delaying or refusing the processing of any application or redemption, or disclosing information that the Responsible Entity holds about the Unitholder or any beneficial owner of the Units to its related bodies corporate or service.
providers, or relevant regulators of AML/CTF Laws
(whether in or outside of Australia);

- disclosing information that the Responsible Entity holds
about the Unit holder or any beneficial owner of the Units to
the Responsible Entity’s related bodies corporate or
service providers, or relevant regulators of AML/CTF Laws
(whether in or outside of Australia).

6.2.25 Foreign Account Tax Compliance Act (FATCA) &
OECD Common Reporting Standard (CRS)

FATCA was enacted by the U.S. Congress to target non-compliance
by US taxpayers using foreign accounts. In order to prevent FATCA
withholding tax being applied to any US connected payments made
to the Fund in Australia, the Fund is required to collect and report
information to the Australian Taxation Office relating to certain U.S.
accounts, which may be exchanged with the U.S. Internal Revenue
Service.

Similar to FATCA, the CRS is the single global standard for the
collection, reporting and exchange of financial account information
on foreign tax residents. Australian financial institutions need to
collect and report financial account information regarding non-
residents to the Australian Taxation Office.

Accordingly, the Fund may request that you provide certain
information about yourself (for individual investors) or your controlling
persons (where you are an entity) in order for the Fund to comply
with its FATCA or CRS compliance obligations.

6.2.26 Interest on amounts awaiting investment or
redemption

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

6.2.27 Other services

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

6.2.28 Conflicts management

In operating the Fund, the Responsible Entity may face conflicts
between its duties to the Fund and its own interests. As an
Australian financial services licensee, the Responsible Entity is
required to have in place adequate arrangements to manage
conflicts of interest. Any conflicts will be resolved fairly and
reasonably, in accordance with regulatory requirements and the
Responsible Entity’s policies.

6.2.29 Warning statement for New Zealand investors

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

1. This offer to New Zealand investors is a regulated offer
made under Australian and New Zealand law. In Australia,
this is Chapter 6 of the Corporations Act 2001 (Cth) and
regulations made under that Act. In New Zealand, this is
subpart 6 of Part 9 of the Financial Markets Conduct Act
2013 and Part 9 of the Financial Markets Conduct
Regulations 2014.

2. This offer and the content of the offer document are
principally governed by Australian rather than New Zealand
law. In the main, the Corporations Act 2001 (Cth) and
the regulations made under that Act set out how the offer must
be made.

3. There are differences in how financial products are
regulated under Australian law. For example, the disclosure
of fees for managed investment schemes is different under
the Australian regime.

4. The rights, remedies, and compensation arrangements
available to New Zealand investors in Australian financial
products may differ from the rights, remedies, and
compensation arrangements for New Zealand financial
products.

5. Both the Australian and New Zealand financial markets
regulators have enforcement responsibilities in relation to this
offer. If you need to make a complaint about this offer, please
contact the Financial Markets Authority, New Zealand
(http://www.fma.govt.nz). The Australian and New Zealand
regulators will work together to settle your complaint.

6. The taxation treatment of Australian financial products is not
the same as for New Zealand financial products.

7. If you are uncertain about whether this investment is
appropriate for you, you should seek the advice of an
appropriately qualified financial adviser.

Currency exchange risk

1. The offer may involve a currency exchange risk. The
currency for the financial products is not New Zealand
dollars. The value of the financial products will go up or
down according to changes in the exchange rate between
that currency and New Zealand dollars. These changes
may be significant.

2. If you expect the financial products to pay any
amounts in a currency that is not New Zealand
dollars, you may incur significant fees in having the
funds credited to a bank account in New Zealand in
New Zealand dollars.

Trading on financial product market

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

Dispute resolution process

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

The Responsible Entity has entered into a number of contracts in relation to the Fund, as set out below.

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

6.4 ASIC RELIEF

Equal Treatment Relief

ASIC has granted relief under section 601QA(1a) of the Corporations Act from the equal treatment requirement in section 601FC(1)(d), to the extent necessary to allow the Responsible Entity to restrict eligibility to submit redemption requests in relation to Units to Authorised Participants. The Responsible Entity will not treat Unitholders of the same class equally to the extent that it restricts redemptions from the Fund to such Authorised Participants.

Ongoing Disclosure Relief

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

Periodic Statements Relief

ASIC Class Order 13/1200 exempts the Responsible Entity from certain periodic statement requirements. In particular, the Responsible Entity is not required (and does not propose) to include in periodic statements details of the price at which an investor transacts in Units on the ASX, or information on the return on an investment in Units acquired on the ASX (for the year in which the Units are acquired), if the Responsible Entity is not able to calculate this and the periodic statement explains why the information was not included and how it can be obtained.

6.5 DOCUMENTS LODGED WITH ASIC

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

As an investor in the Fund, a Unitholder may obtain the following documents from the Responsible Entity:
• the annual report most recently lodged with ASIC in respect of the Fund;
• any half-year financial report lodged with ASIC in respect of the Fund after the lodgement of the abovementioned annual report and before the date of this Product Disclosure Statement; and
• any continuous disclosure notices given in respect of the Fund after the lodgement of the abovementioned annual report and before the date of this PDS.

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

6.6 COOLING OFF

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

6.7 INDIRECT INVESTORS

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

6.8 INFORMATION AVAILABLE FROM BETASHARES

The Responsible Entity is subject to regular reporting and disclosure obligations, in its capacity as responsible entity of the Fund and issuer of the Units. The following information can be obtained from the Responsible Entity by visiting the BetaShares website at www.betashares.com.au or by contacting BetaShares on 1300 487 577 (within Australia) or +61 2 9290 6888 (outside Australia):
• The daily Net Asset Value (NAV) for the Fund;
• The daily NAV per Unit for the Fund;
• The Responsible Entity’s Unit pricing policy;
• The latest PDS for the Fund;
• Copies of announcements made to the ASX via the ASX Market Announcements Platform (including continuous disclosure notices and distribution information);
• Information about distributions as soon as possible after they are declared;
• Annual Reports and Financial Statements for the Fund;
• Details of any Distribution Reinvestment Plan; and
• Information in relation to the Fund to enable Authorised Participants and market makers to estimate the Net Asset Value per Unit of the Fund during the course of a trading day.

6.9 DISCLAIMER

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

RBC Investor Services was not involved in preparing, nor takes any responsibility for, this PDS and RBC Investor Services makes no guarantee of the success of the Fund nor the repayment of capital or any particular rate of capital or income return.
The taxation information in this PDS is provided for general information only. It is a broad overview of some of the Australian tax consequences associated with investing in the Fund for a potential Australian resident investor.

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

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

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

### 7.1.1 Distributions from the Fund

Under existing taxation legislation, Funds that have not elected into AMIT as yet (see section 7.1.5 below) should not have to pay Australian income tax, provided Unitholders are presently entitled to all of the income of the Fund in each year of income, which is intended to be the case.

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

A Unitholder may receive an entitlement to the income of the Fund for a financial year if the Unitholder holds Units at the end of a distribution period, or if the Unitholder redeems any Unit during the financial year.

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

The components of the distribution (if any) are expected to consist of income amounts. This is because interest earned on cash should generally be on revenue account.

The Fund may also distribute “tax deferred amounts”, relating to distributions of capital by the Fund, which are generally non-assessable for tax purposes. Where non-assessable, tax deferred amounts reduce the capital gains tax (“CGT”) cost base of a Unitholder’s Units, and may increase the capital gain or reduce the capital loss subsequently realised on disposal of the Units. Where the total tax deferred amounts received by a Unitholder have exceeded the cost base of their Units, the excess is treated as a capital gain to the Unitholder.

For Unitholders who hold Units as trading stock or as part of a securities trading business (eg under Authorised Participant), tax deferred amounts will generally be assessable income (refer Taxation Ruling IT 2512 and the ATO Guidance on the proposed New taxation system for Managed Investment Trusts).

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

### 7.1.2 Selling or transferring Units

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

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

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

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

### 7.1.3 Goods and Services Tax (GST)

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

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

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

### 7.1.4 Redemptions of Units by Authorised Participants

A person will only be eligible to apply for and redeem Units if they are an Authorised Participant.

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

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

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

The Responsible Entity may elect to activate provisions of the Fund’s Constitution which, in broad terms, distribute a portion of the distributable income of the Fund in a distribution period to redeeming Unitholders on redemption of their Units. Such distribution would only occur where the total number of Units redeemed on any day, as a result of one or more redemption requests, constitute more than 10% of the outstanding Units on issue in the Fund.
In this event, the Withdrawal Amount may therefore comprise a distribution of the income of the Fund as well as the payment of the redemption price for the Units which are to be redeemed.

An Authorised Participant whose Units are redeemed should be assessed on any profit arising on the redemption of the Units. An Authorised Participant who redeems Units may be entitled to a deduction for any loss arising on the redemption of Units.

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

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

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

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

### 7.1.5 Attribution Managed Investment Trust (AMIT) tax regime

The Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2016 introduced into taxation law the new Attribution Managed Investment Trust (AMIT) regime. An AMIT, in broad terms, is a managed investment trust (MIT) whose unitholders have clearly defined interests in relation to the income and capital of the trust and the responsible entity has made an irrevocable election to apply the regime.

The regime can apply to a trust from 1 July 2016, and had an optional early start date of 1 July 2015.

The AMIT rules contain a number of provisions that will impact on the taxation treatment of the Fund. The key features of the new tax system include:

- an attribution model for determining member tax liabilities, which allows amounts to retain their tax character as they flow through a MIT to its unitholders;
- the ability to carry forward understatements and overstatements of taxable income, instead of reissuing investor statements;
- deemed fixed trust treatment under the income tax law;
- upwards cost base adjustments to units to address double taxation; and
- legislative certainty about the treatment of tax deferred distributions.

BetaShares will monitor the impact of the AMIT rules on the Fund in order to determine if it should elect into the regime.

Reforms to the taxation of trusts are generally ongoing. Investors should seek their own advice and monitor the progress of announcements and proposed legislative changes to assess their potential impact.

#### 7.1.6 Tax File Number ("TFN") or Australian Business Number ("ABN")

Unitholders will be requested by the Fund to provide their TFN or ABN (if applicable) or claim an exemption in relation to their investment in the Fund. It should be noted that there is no obligation to provide a TFN, however, Unitholders who do not provide their TFN or ABN or claim an exemption may have tax deducted from distributions at the highest marginal rate.
## Glossary

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

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicant Nominee</td>
<td>An entity which holds Units pending settlement on behalf of Authorised Participants applying for Units. As at the date of this PDS the Applicant Nominee is RBC Investor Services Trust. The Responsible Entity may determine that the Applicant Nominee is no longer to be appointed to hold Units pending settlement on behalf of Authorised Participants applying for Units.</td>
</tr>
<tr>
<td>AQUA Product</td>
<td>A product admitted under the ASX Operating Rules to the AQUA market of the ASX.</td>
</tr>
<tr>
<td>AQUA Rules</td>
<td>Schedule 10A of the ASX Operating Rules and related rules and procedures as amended, varied or waived from time to time.</td>
</tr>
<tr>
<td>ASX</td>
<td>ASX Limited or the Australian Securities Exchange, as the case requires.</td>
</tr>
<tr>
<td>ASX Business Day</td>
<td>A “Business Day” as defined in the ASX Operating Rules, unless determined otherwise by the Responsible Entity.</td>
</tr>
<tr>
<td>ASX Listing Rules orListing Rules</td>
<td>The listing rules of the ASX as amended, varied or waived from time to time.</td>
</tr>
<tr>
<td>ASX Operating Rules</td>
<td>The operating rules of the ASX as amended, varied or waived from time to time.</td>
</tr>
<tr>
<td>Authorised Participant</td>
<td>Trading participants under the ASX Operating Rules, other market professionals who hold or act under an AFS licence or such other persons as determined by the Responsible Entity, who have entered into an Authorised Participant Agreement, where required, with the Responsible Entity.</td>
</tr>
<tr>
<td>Authorised ParticipantAgreement</td>
<td>An agreement between the Responsible Entity and an Authorised Participant in relation to Unit applications and redemptions.</td>
</tr>
<tr>
<td>Bank Bill Swap Rate</td>
<td>The Bank Bill Swap Rate (BBSW) is the average mid rate of market rates supplied by domestic Australian banks for specific maturities of bank bills and is the rate at which banks will lend to each other. It is calculated and published daily by the Australian Financial Markets Association, providing an independent and transparent benchmark interest rate for Australian dollar financial instruments.</td>
</tr>
<tr>
<td>CHESS</td>
<td>The Cleaning House Electronic Sub-Register System.</td>
</tr>
<tr>
<td>Constitution</td>
<td>The constitution governing the Fund, as amended or replaced from time to time.</td>
</tr>
<tr>
<td>Corporations Act</td>
<td>Corporations Act 2001(Cth).</td>
</tr>
<tr>
<td>Creation Unit</td>
<td>20,000 Units of the Fund, or as otherwise determined by the Responsible Entity from time to time.</td>
</tr>
<tr>
<td>Dealing Deadline</td>
<td>4 pm Sydney time on each ASX Business Day (or such other time advised by the Responsible Entity), being the time by which an Application/Redemption Form must be received by the Responsible Entity to be processed for that trading day.</td>
</tr>
<tr>
<td>ETF</td>
<td>Exchange traded fund.</td>
</tr>
<tr>
<td>Fund</td>
<td>BetaShares Australian High Interest Cash ETF.</td>
</tr>
<tr>
<td>Issue Price</td>
<td>The Net Asset Value divided by the number of Units on issue in the Fund.</td>
</tr>
<tr>
<td>Net Asset Value</td>
<td>The Net Asset Value for the Fund calculated in accordance with section 5.5.</td>
</tr>
<tr>
<td>Nominee Terms</td>
<td>In relation to an application for Units, the nominee terms made available by the Responsible Entity to applicants, as described in section 6.3.</td>
</tr>
<tr>
<td>PDS</td>
<td>This Product Disclosure Statement.</td>
</tr>
<tr>
<td>Registrar</td>
<td>Link Market Services Limited (ABN 54 083 214 537), or any other registry that the Responsible Entity appoints to maintain the register.</td>
</tr>
<tr>
<td><strong>Tax Act</strong></td>
<td>The Income Tax Assessment Act 1936, the Income Tax Assessment Act 1997 or both, as appropriate.</td>
</tr>
<tr>
<td><strong>Unit</strong></td>
<td>A unit in the Fund.</td>
</tr>
<tr>
<td><strong>Unitholder</strong></td>
<td>A holder of a Unit.</td>
</tr>
<tr>
<td><strong>Withdrawal Amount</strong></td>
<td>The Net Asset Value divided by the number of Units on issue in the Fund.</td>
</tr>
</tbody>
</table>
FORMS
APPLICATION FORM

BetaShares Australian High Interest Cash ETF Product
Disclosure Statement dated 29 September 2017 issued by
BetaShares Capital Ltd, ABN 78 139 566 668, AFSL 3411181 as
Responsible Entity.

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

It is important to read the Product Disclosure Statement (PDS)
carefully. If this PDS was obtained electronically, a paper copy of
this PDS (including any supplementary PDS) and the Application
Form will be provided free of charge upon request. If you give
another person access to the Application Form you must at the
same time and by the same means give the other person access to
this PDS and any supplementary PDS. Capitalised terms have the
same meaning as in the PDS.

Please fax the completed Application Form to (02) 9262 4950 or
scan it and send it by email to orders@betashares.com.au.

APPLICANT DETAILS

Name ________________________________

ACN/ABN ________________________________

Postal address: ________________________________

Suburb ________________________________

State ________________________________ Postcode ________________________________

Telephone (__) ________________________________

Fax (__) ________________________________

NUMBER OF UNITS APPLIED FOR

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

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

Fund: BetaShares Australian High Interest Cash ETF

ASX code: AAA

Number of Units: ________________________________

ACKNOWLEDGEMENTS

By signing this Application Form:

• I/We confirm that the representations and warranties made
  and given in the Authorised Participant Agreement continue
  to be true and correct.

• I/We confirm that all of the information in this Application Form is
  true and correct.

• I/We declare I/we have read the PDS and agree to be bound by the
  terms and conditions of the PDS and the Constitution of the Fund in
  which I/we are investing (as amended or replaced from time to
  time).

• I/We agree to the Applicant Nominee holding Units on the
  applicant’s behalf pending settlement of this application in
  accordance with the Nominee Terms, if required, as determined by
  the Responsible Entity.

• I/We covenant, for the benefit of the Applicant Nominee, to be
  bound by the Nominee Terms, if applicable.

• I/We understand that none of BetaShares Holdings Pty Ltd,
  BetaShares Capital Ltd or their related entities, directors or officers
  guarantees the performance of, the repayment of capital invested
  in, or the payment of income from the Fund.

• I/We acknowledge that an investment in Units is subject to risk
  which may include possible delays in repayment and loss of income
  and capital invested.

• I/We acknowledge that an investment in the Fund is not a deposit
  with a bank and does not receive the benefit of any government
  guarantee.

• I/We declare that the applicant has the capacity and power to make
  an investment in accordance with the application.

• I/We declare that in making a decision to invest the only information
  and representations provided by the Responsible Entity are those
  contained in this PDS to which this application relates.

• I/We understand the risks of the investment and have obtained all
  professional financial and taxation advice independently of the
  Responsible Entity as we consider necessary prior to deciding to
  invest in the Fund.

• I/We acknowledge that I/we have read and understood the privacy
disclosure statement in the PDS and agree to information about the
applicant being collected, used and disclosed in accordance with
that statement.

• If signed under power of attorney, the/each attorney verifies that no
notice or revocation of that power has been received.

• I/We intend this Application Form to take effect as a deed poll.

Applicant signatures

Signature of Authorised Person

______________________________

Name of Authorised Person (block letters)

______________________________

Position (block letters)

Signature of Authorised Person

______________________________

Name of Authorised Person (block letters)

______________________________

Position (block letters)

Date: __________________________

30
REDEMPTION FORM

BetaShares Australian High Interest Cash ETF Product Disclosure Statement dated 29 September 2017 issued by BetaShares Capital Ltd, ABN 78 139 566 868, AFSL 341181 as Responsible Entity.

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

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

Please fax the completed Application Form to (02) 9262 4950 or scan it and send it by email to orders@betashares.com.au.

UNITHOLDER DETAILS

Name ________________________________

ACN/ABN ________________________________

Postal address ________________________________

Suburb ________________________________

State ___________ Postcode ___________

Telephone (_ ____) ________________________________

Fax (_ ____) ________________________________

NUMBER OF UNITS TO BE REDEEMED

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

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

Fund: BetaShares Australian High Interest Cash ETF

ASX code: AAA

Number of Units: ________________________________

SIGNATURE BY REDEEMING UNITHOLDER

By signing this Redemption Form:

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

Applicant signatures

Signature of Authorised Person ________________________________

Name of Authorised Person (block letters) ________________________________

Position (block letters) ________________________________

Signature of Authorised Person ________________________________

Name of Authorised Person (block letters) ________________________________

Position (block letters) ________________________________

Date: ________________________________
DIRECTORY

Responsible Entity
BetaShares Capital Ltd
Level 11
50 Margaret Street
Sydney NSW 2000
Telephone: 1300 487 577 (within Australia) or +61 2 9290 6888 (outside Australia)

Custodian & Fund Administrator
RBC Investor Services
Level 47
2 Park Street
Sydney NSW 2000

Registrar
Link Market Services
Level 12
680 George Street
Sydney NSW 2000

Solicitors to BetaShares
MinterEllison
Governor Macquarie Tower
Level 40
1 Farrer Place
Sydney NSW 2000

Auditor
KPMG
Level 38
Tower Three, International Towers Sydney
300 Barangaroo Avenue
Sydney NSW 2000