



# BetaShares

Exchange Traded Funds

15 November 2011

Company Announcements Office  
ASX Limited

## ASX TRADING OF NEW BETASHARES COMMODITIES EXCHANGE TRADED FUNDS & PRODUCT DISCLOSURE STATEMENT

BetaShares Capital Ltd (**BetaShares**) makes this announcement in regard to the following BetaShares Exchange Traded Funds (**ETFs**):

ASX Code	Issuer	ETF
OOO	BetaShares	BetaShares Crude Oil Index ETF-Currency Hedged (Synthetic)
QAG	BetaShares	BetaShares Agriculture ETF-Currency Hedged (Synthetic)
QCB	BetaShares	BetaShares Commodities Basket ETF-Currency Hedged (Synthetic)
QCP	BetaShares	BetaShares Copper Index ETF-Currency Hedged (Synthetic)

BetaShares Crude Oil Index ETF-Currency Hedged (Synthetic) will be admitted to trading on the AQUA Market of the Australian Securities Exchange effective 16 November 2011.

The other ETFs listed above are expected to be admitted to trading on the AQUA Market of the Australian Securities Exchange progressively over the coming weeks.

A copy of the Product Disclosure Statement ("PDS") for the ETFs is attached.

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

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

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BETASHARES EXCHANGE TRADED FUNDS  
**PRODUCT DISCLOSURE STATEMENT**

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BETASHARES  
**CRUDE OIL INDEX ETF -  
CURRENCY HEDGED (SYNTHETIC)  
ASX CODE: 000**

BETASHARES  
**COMMODITIES BASKET ETF -  
CURRENCY HEDGED (SYNTHETIC)  
ASX CODE: QCB**

BETASHARES  
**AGRICULTURE ETF -  
CURRENCY HEDGED (SYNTHETIC)  
ASX CODE: QAG**

BETASHARES  
**COPPER INDEX ETF -  
CURRENCY HEDGED (SYNTHETIC)  
ASX CODE: QCP**

(the "Funds")

BetaShares Capital Ltd  
ABN 78 139 566 868 | AFSL 341181  
Dated: 18 October 2011



**BetaShares**  
BACK YOUR VIEW.®

#### IMPORTANT INFORMATION

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

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

This PDS is dated 18 October 2011.

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

This PDS is the offer document for each of the following registered managed investment schemes: BetaShares Crude Oil Index ETF – Currency Hedged (Synthetic) (ARSN 150 081 351), BetaShares Copper Index ETF – Currency Hedged (Synthetic) (ARSN 150 081 691), BetaShares Commodities Basket ETF – Currency Hedged (Synthetic) (ARSN 150 081 495) and BetaShares Agriculture ETF – Currency Hedged (Synthetic) (ARSN 150 080 176). A copy of this PDS has been lodged with the Australian Securities and Investments Commission (ASIC) on 18 October 2011. Neither ASIC nor ASX Limited takes any responsibility for the contents of this PDS.

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

A copy of the latest PDS for the Funds is available on the BetaShares website at [www.betashares.com.au](http://www.betashares.com.au) or by contacting BetaShares on (02) 9290 6888. A paper copy will be provided free of charge on request.

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

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

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

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

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

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

**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 Funds. 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 Funds is appropriate to their needs, objectives and circumstances.**

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

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

For further details on BetaShares Exchange Traded Funds, please contact a stockbroker or financial adviser or visit [www.betashares.com.au](http://www.betashares.com.au).

## PRODUCT DISCLOSURE STATEMENT

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# 1 KEY FEATURES

## 1.1 INTRODUCTION TO COMMODITY ETFS

An exchange traded fund (or “ETF”) is an investment vehicle traded on a stock exchange, such as the ASX, much like shares. ETFs generally aim to provide investors with exposure to a return that tracks the return of a particular index.

Indices are a method of measuring the performance of a financial market, or a segment of a financial market. Most commonly, an index measures the performance of a particular portfolio of shares, bonds or other assets that comprise the index.

Each BetaShares ETF (or “Fund”) offered under this PDS aims to closely track the performance of a specified commodity index, which is designed to measure the performance of a particular commodity, or basket of commodities.

ETFs tracking commodity indices allow investors to gain exposure to the performance of commodities without the need to invest in the futures market or take physical delivery of commodities.

General information on how commodity indices work is set out in section 2.2.2. Information on the indices applicable to the Funds is set out in the Product Supplements appearing after section 8.

An ETF may not replicate the performance of the relevant index exactly, but rather generally aims to minimise any deviation from the index, before fees and expenses, as much as possible.

ETFs combine certain features of index managed funds and listed shares in one investment. Like index managed funds, ETFs generally aim simply to track an index and can come with the benefits of transparency and attractive fee levels. Unlike index managed funds, however, ETFs trade on a stock exchange so they also benefit from simple trading, including the ability to buy and sell during the course of the trading day, much like ordinary shares.

ETFs carry certain investment risks. For information on the risks applicable to the BetaShares Funds see section 4 and the Product Supplements.

## 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 Funds.

Sections 1 to 8 of this PDS contain general information concerning the common features of all of the BetaShares Funds. The Product Supplements appearing after section 8 contain information specific to each Fund.

TABLE 1.2: SUMMARY OF KEY INFORMATION

TOPIC	SUMMARY	SECTION										
<b>Investment Objective</b>	<p>The investment objective of each Fund is to closely track the performance of a particular commodity Index, with a currency hedge against movements in the AUD/USD exchange rate, plus an interest component, before fees and expenses.</p> <p>The Funds allow investors to gain exposure to the performance of the commodities included in the relevant Index without the need to invest in the futures market or take physical delivery of the commodities.</p> <p>There are four Funds described in this PDS, offering exposure to the performance of the following commodities:</p>	<b>2.2 and Product Supplement</b>										
	<table border="1"> <thead> <tr> <th>Fund</th> <th>Exposure</th> </tr> </thead> <tbody> <tr> <td>BetaShares Crude Oil Index ETF – Currency Hedged (Synthetic)</td> <td>Crude Oil</td> </tr> <tr> <td>BetaShares Copper Index ETF – Currency Hedged (Synthetic)</td> <td>Copper</td> </tr> <tr> <td>BetaShares Agriculture ETF – Currency Hedged (Synthetic)</td> <td>Basket comprising Wheat, Corn, Soybeans and Sugar</td> </tr> <tr> <td>BetaShares Commodities Basket ETF – Currency Hedged (Synthetic)</td> <td>Basket comprising Crude Oil, Brent Crude, Unleaded Gasoline, Heating Oil, Gas Oil, Natural Gas, Aluminium, Copper, Lead, Nickel, Zinc, Gold, Silver, Wheat, Kansas Wheat, Corn, Soybeans, Cotton, Sugar, Coffee, Cocoa, Feeder Cattle, Live Cattle and Lean Hogs</td> </tr> </tbody> </table>	Fund	Exposure	BetaShares Crude Oil Index ETF – Currency Hedged (Synthetic)	Crude Oil	BetaShares Copper Index ETF – Currency Hedged (Synthetic)	Copper	BetaShares Agriculture ETF – Currency Hedged (Synthetic)	Basket comprising Wheat, Corn, Soybeans and Sugar	BetaShares Commodities Basket ETF – Currency Hedged (Synthetic)	Basket comprising Crude Oil, Brent Crude, Unleaded Gasoline, Heating Oil, Gas Oil, Natural Gas, Aluminium, Copper, Lead, Nickel, Zinc, Gold, Silver, Wheat, Kansas Wheat, Corn, Soybeans, Cotton, Sugar, Coffee, Cocoa, Feeder Cattle, Live Cattle and Lean Hogs	
Fund	Exposure											
BetaShares Crude Oil Index ETF – Currency Hedged (Synthetic)	Crude Oil											
BetaShares Copper Index ETF – Currency Hedged (Synthetic)	Copper											
BetaShares Agriculture ETF – Currency Hedged (Synthetic)	Basket comprising Wheat, Corn, Soybeans and Sugar											
BetaShares Commodities Basket ETF – Currency Hedged (Synthetic)	Basket comprising Crude Oil, Brent Crude, Unleaded Gasoline, Heating Oil, Gas Oil, Natural Gas, Aluminium, Copper, Lead, Nickel, Zinc, Gold, Silver, Wheat, Kansas Wheat, Corn, Soybeans, Cotton, Sugar, Coffee, Cocoa, Feeder Cattle, Live Cattle and Lean Hogs											
	Since the underlying commodities are priced in U.S. dollars (and since each											

TOPIC	SUMMARY	SECTION
<b>Investing</b>	<p>Index is denominated in U.S. dollars), the Funds will offer an exposure to the performance of the relevant Index that is substantially hedged back to the Australian dollar, with the aim of reducing currency risk for Australian investors.</p> <p>The Product Supplements set out information specific to each Fund, including the investment objective and the Index being tracked by the Fund (before fees and expenses).</p> <p><b>The Indices which each Fund aims to track are based on the price of futures contracts. Investing in commodity futures is not the same as investing in the “spot” price of a given commodity. The Funds do not aim to, and should not be expected to, provide the same return as the performance of the “spot” price of the relevant commodities. See section 2.2.2 for further information.</b></p>	<b>5</b>
<b>Redemptions</b>	<p>The offer in this PDS is only available to Authorised Participants.</p> <p>Applications for Units must be for a minimum of \$1,000,000 unless the Responsible Entity agrees otherwise.</p> <p>Application amounts are payable in cash. Applications are subject to an application fee described in section 3.</p> <p>It is intended that Units will be quoted on the ASX. Once quoted (and subject to market conditions), investors may purchase Units on the ASX. The purchase of Units on the ASX is not governed by the terms of this PDS and therefore the minimum investment does not apply to purchases of Units on the ASX.</p> <p>A Unitholder can only redeem Units if it is an Authorised Participant who is an Australian Resident.</p> <p>The minimum redemption for BetaShares Crude Oil Index ETF – Currency Hedged (Synthetic) and BetaShares Copper Index ETF – Currency Hedged (Synthetic) is 50,000 Units, unless the Responsible Entity agrees otherwise. The minimum redemption for BetaShares Commodities Basket ETF – Currency Hedged (Synthetic) and BetaShares Agriculture ETF – Currency Hedged (Synthetic) is 100,000 Units, unless the Responsible Entity agrees otherwise.</p> <p>The amount payable to a Unitholder on redemption will be paid in cash.</p> <p>In certain specified circumstances, redemption requests may be delayed, rejected or scaled down. See section 6.2.8 and 6.2.9 for further information.</p> <p>It is intended that Units will be quoted on the ASX. Once quoted (and subject to market conditions), investors may sell their Units on the ASX. The sale of Units on the ASX is not governed by the terms of this PDS and therefore the minimum redemption does not apply to sales of Units on the ASX.</p>	<b>5 and 6.2.8 and 6.2.9</b>
<b>Distributions</b>	<p>It is not the objective of the Funds to provide regular distributions to Unitholders. In some circumstances, however, a Fund might generate amounts of income and such income will be distributed to Unitholders at least annually.</p>	<b>2.3</b>
<b>Risks</b>	<p>There are a number of risks associated with investing in the Funds.</p> <p>Before investing, investors should carefully consider the risks associated with an investment in the Funds and obtain financial advice on whether an investment in the Funds is suitable for their objectives, financial situation and needs.</p> <p>For full details on the risks of investing, see section 4 and the Product Supplement.</p>	<b>4 and Product Supplement</b>

TOPIC	SUMMARY	SECTION
<b>Increased bid/offer spreads due to non-concurrent trading hours</b>	Investors should be aware that, due to non-concurrent trading hours between the ASX and certain futures exchanges (being exchanges on which trading occurs in the futures contracts that underlie the relevant Indices), certain underlying futures contracts that are included in the relevant Index may not be able to be traded, or may trade with reduced liquidity, during some or all of normal ASX trading hours. As a result, bid/offer spreads for Units of the Funds on the ASX may widen during such periods and increase the difference between the trading price of Units and the Net Asset Value per Unit. This difference may be significant at times and therefore investors are advised to carefully consider this impact before trading on the ASX. Further information is set out in each Product Supplement.	<b>4.15 and Product Supplement</b>
<b>Fees and costs</b>	Fees and costs as described in section 3 of this PDS will apply.	<b>3</b>
<b>Tax</b>	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.	<b>7</b>
<b>Complaints</b>	The Responsible Entity has a process in place to deal with complaints from Unitholders.	<b>6.2.23</b>
<b>Responsible Entity</b>	BetaShares Capital Ltd is the responsible entity of each Fund and is the issuer of this PDS.	<b>1.3</b>

### 1.3 ABOUT THE RESPONSIBLE ENTITY

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

The Responsible Entity is a wholly-owned subsidiary of BetaShares Holdings Pty Ltd, which is an Australian asset management business located in Sydney. BetaShares Holdings Pty Ltd was established in 2009 to be a specialist provider of exchange traded fund products and is majority owned by its directors and staff. The Responsible Entity launched its first ETFs in 2010. As at the date of this PDS, it acts as responsible entity for ten ETFs (including the Funds) whose units are, or are expected to be, quoted for trading on the Australian Securities Exchange under the AQUA Rules. These ETFs provide exposure to the performance of specific equity indices, currencies or commodity indices. The primary focus of the Responsible Entity's business is the operation of ETFs.

BetaPro Management Inc. ("BetaPro"), a leading issuer of exchange traded funds (ETFs) based in Canada, is a shareholder (through a subsidiary) in BetaShares Holdings Pty Ltd. As at 31 August 2011, BetaPro, together with its subsidiary AlphaPro Management Inc., managed more than \$3.3 billion in assets and 75 ETFs listed on the Toronto Stock Exchange, together making up the largest selection of ETFs in Canada. The directors of the Responsible Entity as at the date of this PDS are:

**David Nathanson:** David is a Managing Director of BetaShares Capital Ltd and BetaShares Holdings Pty Ltd. He has approximately 15 years experience in the financial services and legal industries in Sydney and New York at firms including Goldman, Sachs & Co, Macquarie Bank and Freehills. He is a director of Apex Capital Partners Pty Ltd, an advisory and investment firm based in Sydney. He holds a Bachelor of Commerce and a Bachelor of Laws from University of NSW, and an MBA from Stanford Business School.

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

**Howard Atkinson:** Howard is President and Director, BetaPro Management Inc. He has 24 years of investment industry experience. Prior to BetaPro, Howard was responsible for iShares' Exchange Traded Products business in Canada, and held positions with a national investment dealer and major mutual fund companies in Canada. He is a past President of the Toronto CFA Society board of directors, a CFA Charterholder and holds the ICD.D designation from the Institute of Corporate Directors. He is a member of the S&P/TSX Canada Index Advisory Panel. He holds a Bachelor of Science, Economics from University of New Orleans.

**Adam Felesky:** Adam is Chief Executive Officer and Director, BetaPro Management Inc. In addition to managing the largest number of ETFs listed on the Toronto Stock Exchange, BetaPro is the majority owner of AlphaPro

Management Inc, a provider of actively managed ETFs. Prior to founding BetaPro, Adam worked at JPMorgan in New York. Previously, he worked in investment banking for JPMorgan Canada and CIBC World Markets. He holds a Bachelor of Engineering and Bachelor of Arts in Political Science from McMaster University.

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

### 1.4 AQUA MARKET OF THE ASX

Application has been made to admit the Units to trading status on the ASX under the AQUA Rules. The AQUA Rules form part of the ASX Operating Rules. The Funds will not be listed on the ASX under the ASX Listing Rules.

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

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

#### 1.4.1 Trading status

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

#### 1.4.2 AQUA Rules: fundamental difference

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

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

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

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

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



information is disclosed to ASIC. The Responsible Entity also intends to post any such information on its website [www.betashares.com.au](http://www.betashares.com.au) at the same time.

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

3. *Spread requirements* – The requirements under the ASX Listing Rules that issuers satisfy certain minimum spread requirements (i.e., a minimum number of holders each having a minimum parcel size) do not apply to AQUA Products. Under the AQUA Rules, unless and until a suitable spread of holders is achieved, an AQUA Product Issuer which is not a trading participant must appoint a market maker to make reasonable bids for trading in the Units in certain circumstances.

4. *Corporate control* – the ASX requirements in relation to matters such as takeover bids, share buy-backs, change of

capital, new issues, restricted securities, disclosure of directors' interests and substantial holdings are not relevant and do not apply to AQUA Products. The Responsible Entity is subject to general *Corporations Act* requirements in respect of some of these matters in some circumstances. Unlike the responsible entity of a managed investment scheme listed under the Listing Rules, the Responsible Entity can only be replaced by a resolution passed by the votes of at least 50% of all the votes eligible to be cast. The *Corporations Act* provisions that apply to takeovers and substantial shareholding requirements for listed managed investment schemes do not apply to AQUA Products.

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

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

## 2 ABOUT BETASHARES COMMODITY ETFS

### 2.1 RATIONALE FOR THE FUNDS

The purpose of the Funds is to provide investors with a convenient way to gain exposure to the performance of various commodities, with protection against movements in the AUD/USD exchange rate. Potential advantages of investing in the Units may include:

- **Easily accessible.** It is intended that Units will be quoted on the ASX, providing investors with indirect access to the commodity markets in an easily-accessible form.
- **Transparent.** The value of each Fund's assets and Net Asset Value per Unit will be reported daily on the BetaShares website at [www.betashares.com.au](http://www.betashares.com.au).
- **Reduced currency risk.** Because most commodities are traded and priced in U.S. dollars, the return on an investment in commodities for Australian investors is affected by two variables: (i) the price return of the relevant commodity (or commodity index) in U.S. dollars; and (ii) the variation in the AUD/USD exchange rate. To reduce the currency risk for Australian investors, each Fund will offer an exposure to the performance of the relevant commodity Index that is substantially hedged back to the Australian dollar.

### 2.2 INVESTMENT POLICY

#### 2.2.1 Investment objective

The investment objective of each Fund is to provide an investment return, before fees and expenses, that closely tracks the performance of the relevant Index, with a currency hedge against movements in the AUD/USD exchange rate, plus an interest component.

The Index in relation to each Fund is set out in the Product Supplement. The Product Supplement also sets out more information about the investment objective of each Fund.

There is no assurance or guarantee that the returns of the Funds will meet their investment objectives.

#### 2.2.2 Commodity indices and the commodity futures market

Because it can be impracticable for investors to take physical ownership of certain commodities for extended periods (oil or natural gas, for example), investors throughout the world use liquid and standardised futures contracts to obtain exposure to many commodities. Futures pricing can also be more liquid and efficient for some commodities, especially where the futures contract helps to standardize the pricing (agricultural commodities, for example, where quality can vary between crops, seasons and regions).

Accordingly, indices linked to the performance of many commodities, including the Index which each Fund aims to track, are based on the price of futures contracts.

**Investing in commodity futures is not the same as investing in the "spot" price of a given commodity.**

**The "spot" price of a commodity refers to the price quoted for immediate payment and delivery of a particular**

**commodity. The price reflects physical ownership of the commodity and a number of associated costs such as delivery, storage and insurance. The spot price is widely quoted in the financial press but, with respect to almost all commodities, an index based on commodity spot prices is not "investable" (i.e. the commodities are not suitable to be purchased and held by financial investors in physical form). None of the Funds invests in the spot market.**

A commodity futures contract is a standardised financial contract traded on a regulated exchange where the parties agree to buy or sell a commodity at a pre-determined future date and at a pre-determined price. Futures prices are based on the future expected spot prices of the commodities and will differ from current spot prices at any time based on a number of different factors including, but not limited to, expected future demand and supply, interest rates, storage and insurance costs.

Commodity futures contracts normally specify a certain date for delivery of the underlying physical commodity. Typically as each futures contract approaches expiration, investors who wish to avoid expiry and physical delivery of the underlying commodity (but who wish to remain invested), will sell the contract and replace it with similar contracts with later expirations. This process is called "rolling". Typically, on specified dates these futures contracts are rolled mechanically into a subsequent futures contract before the current position expires, in accordance with a defined schedule. This mechanism, which is also incorporated in the calculation of commodity indices, allows the investor to maintain an exposure to commodities over time.

#### 2.2.3 Investment strategy

The Responsible Entity will employ an investment management strategy which aims to closely track the price performance of the relevant Index (hedged into Australian dollars), plus an interest component, before fees and expenses.

Each Fund will primarily gain exposure to the relevant Index through an investment strategy under which the Fund will purchase a portfolio of assets comprising cash and/or money market instruments (the Portfolio) and enter into swap agreements with one or more Approved Financial Institutions (each, a Swap).

The Responsible Entity uses the Swap with the aim of ensuring that the price performance of the Fund closely tracks the price performance of the relevant Index (hedged into Australian dollars), plus an interest component, before fees and expenses. Under the Swap, if the Index (hedged into Australian dollars) increases in value, the amount of the increase is payable by the Approved Financial Institution to the Fund. Conversely, if the Index (hedged into Australian dollars) decreases in value, the amount of the decrease is payable by the Fund to the Approved Financial Institution.

The interest earned by the Fund on its cash and money market holdings comprising the Portfolio will accrue into the Fund's Net Asset Value for the benefit of Unitholders.

The performance of each Fund (before fees and expenses) is therefore expected to closely track the performance of the Index (hedged into Australian dollars), plus an interest component.

Because the Responsible Entity obtains exposure to the performance of the relevant commodities in the way described above, the Funds are referred to as “synthetic” ETFs.

The Responsible Entity may also use various combinations of other available investment techniques including forwards, futures and options to assist in better achieving a Fund’s investment objective. The Responsible Entity may also enter into repurchase agreements, although it has no intention to do so at the date of this PDS.

#### **2.2.4 Composition of the Portfolio**

Unless otherwise set out in the Product Supplement, for each Fund the Responsible Entity will adhere to certain investment guidelines in selecting assets to comprise the Portfolio.

Cash will be invested in overnight “at call” deposit accounts, term deposits, cash management trusts or short-term money market instruments such as bank accepted bills, certificates of deposit, commercial paper, government or semi-government securities or floating rate notes. The Responsible Entity applies both minimum liquidity and credit rating criteria in selecting such investments for a Fund, including the ability to liquidate investments on very short notice (generally no more than three business days) and the requirement that investments carry a minimum “investment grade” rating from one of the major credit rating agencies. For general information about credit ratings, see [www2.standardandpoors.com/aboutcreditratings/](http://www2.standardandpoors.com/aboutcreditratings/) or <http://v3.moodys.com/ratings-process/Ratings-Definitions/002002>. In addition to its use of credit ratings, the Responsible Entity will make its own assessment of the risk and return characteristics of any deposit account, cash management trust or other asset into which cash is invested, having regard at all times to the best interests of Unitholders. Interest earned from holding the cash and money market instruments will accrue to the benefit of the Fund.

The Portfolio of each Fund is to be held by the custodian.

As at the date of this PDS, each Fund has no material assets or liabilities.

#### **2.2.5 Approved Financial Institutions and risk management**

As described in section 2.2.3, in addition to owning the Portfolio, the Fund will be a party to Swap agreements with one or more Approved Financial Institutions.

Pursuant to the Swap agreements that will be initially entered into, the Fund is not required to transfer any assets to an Approved Financial Institution at the time of entry into the Swap agreements, and the Fund will only have credit exposure to an Approved Financial Institution once there is an increase in the value of the Index (hedged into Australian dollars).

The Responsible Entity will monitor the credit exposure of the Funds based on the daily mark to market valuations under the Swap agreements. All mark to market valuations will be

calculated daily by the Fund’s administrator and reviewed by the Responsible Entity.

Any amount owing by one party or the other due to the movement of the Index (hedged into Australian dollars) is calculated each trading day and managed to ensure that a pre-defined credit exposure limit is adhered to.

Specifically, the exposure of a Fund to any Approved Financial Institution will be managed with the objective that it will not exceed 5% of the Net Asset Value of the Fund. This objective means that in the event that the performance of the Index moves in such a way that an Approved Financial Institution owes the Fund under the Swap agreement an amount that exceeds 5% of the Net Asset Value of the Fund (or any lower threshold agreed with an Approved Financial Institution), the Approved Financial Institution will be required to make a cash payment to the Responsible Entity, or transfer collateral to the Responsible Entity, to reduce the exposure below the applicable threshold (the reverse will apply where the Fund owes an amount to the Approved Financial Institution). Any such cash or collateral provided by the Approved Financial Institution will belong to the Fund and also be held by the custodian. Similarly, any cash or collateral provided by the Fund will belong to the Approved Financial Institution.

In addition, the aggregate exposure of a Fund to all Approved Financial Institutions will be managed by the Responsible Entity with the objective that it will not exceed 5% of the Net Asset Value of the Fund. As at the date of this PDS, the Responsible Entity has agreed a zero exposure threshold with the initial Approved Financial Institution, subject to applicable minimum transfer amounts.

The Fund will only accept as collateral from an Approved Financial Institution assets that meet the investment guidelines set out in section 2.2.4 above, and the value of any such collateral will be calculated daily. Under the initial arrangements the Fund will only accept cash collateral. In the event of default under a Swap agreement, the Fund would use such collateral to offset its exposure to the Approved Financial Institution.

Further information on the Swap agreements is set out in section 6.3.

The Responsible Entity may enter into swap agreements in the future on terms that may differ from the specific swap agreements that will be initially entered into, provided that the exposure of a Fund to all Approved Financial Institutions will continue to be managed (in the manner described in this section 2.2.5) with the objective that it will not exceed 5% of the Net Asset Value of the Fund.

#### **2.2.6 Criteria for selection of Approved Financial Institutions**

As at the date of this PDS, the Approved Financial Institution for the Swap agreements of all the Funds is Credit Suisse International, a bank regulated in the United Kingdom by the Financial Services Authority. The Approved Financial Institutions may change at any time.

In selecting Approved Financial Institutions (including any additional or replacement Approved Financial Institution), the Responsible Entity may have regard to a number of criteria. The Approved Financial Institution must be subject to prudential supervision in Australia as an Australian

“Authorised Deposit-taking Institution”, or elsewhere on a substantially equivalent basis. The Responsible Entity may also select an entity as an Approved Financial Institution if the entity’s liability under any swap agreement is guaranteed by an institution of the kind described above.

At the time of selection, Approved Financial Institutions must be of good financial standing and must have, as a minimum, a long term investment grade credit rating from a major credit ratings agency.

The Responsible Entity may also, in its discretion, have regard to any other criteria it deems relevant in the selection of an Approved Financial Institution in light of the then current market conditions, and having regard at all times to the best interests of Unitholders.

### **2.2.7 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.

### **2.2.8 Performance**

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

### **2.2.9 Changes to investment objectives and strategy**

The Responsible Entity may from time to time vary the investment mandate for any Fund as set out in this PDS (i.e., the investment objective, strategy and guidelines as described in sections 2.2.1, 2.2.3 and 2.2.4 and, if applicable, in the Product Supplement).

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

## **2.3 DISTRIBUTIONS**

It is not the objective of the Funds to provide regular distributions to Unitholders.

In some circumstances, however, a Fund might generate amounts of income, and any such income will be distributed to Unitholders. For example, a Fund may earn interest on cash balances or money market instruments held from time to time. A Fund may also derive assessable income (and incur deductions) under any Swaps that are used to deliver Index returns.

There is no guarantee that any income generated by a Fund will be greater than a Fund’s fees and expenses. As such, there is no guarantee that a Fund will distribute any income to Unitholders.

### **2.3.1 Distributions**

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

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

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

The Net Asset Value of a Fund will fall at the end of a distribution period to reflect any distribution from the Fund. Unitholders who invest towards the end of a distribution period may find that they receive some of their capital as income via the distribution.

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

A distribution reinvestment plan is not available for the Funds.

### **2.3.2 Distribution statement**

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

## 3 FEES AND OTHER COSTS

### DID YOU KNOW?

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

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

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

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

### TO FIND OUT MORE

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

### 3.1 FEES AND COSTS

This PDS shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from each Fund's assets 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 COSTS

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
<b>FEES WHEN YOUR MONEY MOVES IN OR OUT OF THE FUND</b>		
<b>Establishment fee:</b> The fee to open your investment	Nil	Not applicable.
<b>Application/Contribution fee:</b> The fee on each amount contributed to your investment	\$1,500	Payable only by Authorised Participants.  This fee will be payable together with the application amount.
<b>Withdrawal fee:</b> The fee on each amount you take out of your investment	\$2,000	Payable only by Authorised Participants.  This fee will be deducted from the redemption proceeds.
<b>Termination fee:</b> The fee to close your investment	Nil	Not applicable.
<b>Management costs<sup>1</sup>:</b> The fees and costs for managing your investment	Capped (while this PDS is current) at 0.69% per annum (each Fund).	Calculated and accrued daily as a percentage of the Fund's Net Asset Value. Management costs are paid monthly on or after the first day of the following month. Management costs are reflected in the daily Net Asset Value per Unit.
<b>Service fees</b> <b>Investment switching fee:</b> The fee for changing investment options	Nil	Not applicable.

Each fee set out in this table may in some cases be negotiated with wholesale clients. For more information, refer to the explanation of “Differential fees, rebates and related payments” in the “Additional Explanation of Fees and Costs” section below. All fees and costs in the table above include Goods and Services Tax (GST) net of any input tax credits.

<sup>1</sup> Certain additional costs apply. For more information, refer to explanation of “Management costs” in the “Additional Explanation of Fees and Costs” section below.

### 3.2 EXAMPLE OF ANNUAL FEES AND COSTS

The following table provides examples of how the fees and costs can affect the investment over a one year period. You should use this table to compare these products with other managed investment products.

TABLE 3.2: EXAMPLE OF ANNUAL FEES AND COSTS

EXAMPLE – APPLICABLE TO EACH FUND	AMOUNT	BALANCE OF \$1,000,000 WITH A CASH CONTRIBUTION OF \$1,000,000 DURING THE YEAR
<b>CONTRIBUTION FEES<sup>1</sup></b>	\$1,500	\$1,500
<b>PLUS MANAGEMENT COSTS<sup>2</sup></b>	0.69% per annum	For every \$1,000,000 you invest in the Fund you will be charged \$6,900 each year.
<b>EQUALS COST OF FUND</b>		If you had an investment of \$1,000,000 at the beginning of the year and you put in an additional \$1,000,000 <sup>3</sup> during that year, you would be charged fees of \$8,400.

An Authorised Participant who redeems Units directly will also be charged a withdrawal fee of \$2,000 for a redemption. Each fee in this table may in some cases be negotiated with wholesale clients. For more information, refer to the explanation of “Differential fees, rebates and related payments” in the “Additional Explanation of Fees and Costs” section below.

<sup>1</sup> Payable only by Authorised Participants.

<sup>2</sup> Certain additional costs apply. For more information, refer to explanation of “Management costs” in the “Additional Explanation of Fees and Costs” section below.

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

### 3.3 ADDITIONAL EXPLANATION OF FEES AND COSTS

#### 3.3.1 Management costs

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

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

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

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

The management costs do not include transaction fees incurred by a Fund, such as ordinary brokerage and transaction fees associated with the buying and selling of the Fund's assets, including amounts accruing to Approved Financial Institutions under the Swap, index licence fees and certain transactional service fees (for example, transactional registry service fees). Therefore, the cap on management costs does not apply to these amounts.

The cap on management costs also does not apply to extraordinary fees and other costs not contemplated by the Responsible Entity at the date of this PDS. If the cap on management costs is exceeded because of the payment of extraordinary or unanticipated fees or other costs, Unitholders will be notified.

#### 3.3.2 Swap costs

The returns of a Fund will reflect allowances that accrue to Approved Financial Institutions for index tracking management and for certain costs (including foreign currency hedging and other transaction costs such as brokerage) that the Fund is not required to incur directly due to use of the Swap. These amounts may vary over time and may differ between Approved Financial Institutions. As at the date of this PDS, the Responsible Entity estimates that such amounts will equate to between approximately 0.5% and 0.8% per annum of the Net Asset Value of the Fund.

### **3.3.3 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 to the Responsible Entity on an application for or redemption of Units directly with the Fund.

The application fee and redemption fee applicable to a 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).

### **3.3.4 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.

### **3.3.5 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 each Fund limits the amount of the Responsible Entity's fee to a maximum of 3% p.a. of the Fund's Net Asset Value (plus GST). However, management costs (which include the Responsible Entity's fee) are capped at the levels set out in the table in section 3.1 while this PDS is current.

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

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

- a maximum redemption fee of 5% of the aggregate Withdrawal Amount of the relevant Units (plus GST).

The Responsible Entity also has the right to recover from a 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 a Fund from the levels set out in this PDS will be announced to the ASX via the Company Announcements Platform at least thirty days before it occurs.

### **3.3.6 Differential fees, rebates and related payments**

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

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

The Responsible Entity may also pay one-off or annual product access payments to wrap platform or master trust operators for including the Funds 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.

### **3.3.7 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 Funds face a number of investment risks. There are risks associated with any investment. Generally, the higher the expected return of an investment, the higher the risk and the greater the variability of returns.

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

The most common risks associated with investing in the Funds are described below, but there could be other risks that affect the performance of the Funds. The discussion below is general in nature. You should also read the Product Supplement for a discussion of any additional risks that are relevant to each specific Fund.

The Responsible Entity does not provide assurances or guarantees on future profitability, returns, distributions or return of capital. An investment in a 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 Funds fits into your overall investment portfolio.

### 4.1 MARKET RISK

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

### 4.2 COMMODITY VOLATILITY

A Fund which has exposure to the commodities markets may be subject to greater volatility than investments linked to other asset classes. The value of a Fund linked to a commodity index may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments.

### 4.3 COMMODITY ROLL RISK

Investing in the Funds does not provide the same return as investing in the “spot” price of the relevant commodities (which, as set out in section 2.2.2, may be impracticable or impossible).

The Indices applicable to the Funds replicate exposure to a defined basket of one or more commodities futures contracts. On specified dates these futures contracts are rolled mechanically into a subsequent futures contract before the current position expires according to a defined schedule. The difference between the price at which the first futures contract is sold and the next futures contract is purchased is called the “roll yield” and it is an important part of the return on a commodities investment.

Roll yield can be either positive or negative depending on the slope of the futures curve for the relevant commodity or index. Rolling futures will yield a positive return when the curve is in “backwardation”, which describes a situation where the prices are lower in the distant delivery months than in the nearest delivery months. Rolling futures will yield a negative return when the curve is in “contango”, which describes a situation where the prices are higher in the distant delivery months than in the nearer delivery months.

“Roll yield” is one reason why the returns of commodity indices based on underlying commodities futures contracts (and funds that aim to track the performance of such indices) will diverge from the performance of the relevant spot prices. Such divergences, which may be positive or negative, may be large and they may vary over time. If roll yield is consistently negative during a period then, all else being equal, the performance of an affected Fund will be worse than the performance of the spot price of the relevant commodities over the same period.

Factors that lead to contango or backwardation include storability (and the associated costs of storage), interest rates and the actual and expected scarcity of supply, and futures markets have historically moved between periods of contango and periods of backwardation over time. These movements may be volatile and they can occur over short periods of time. Prolonged periods of contango may also occur.

### 4.4 COMMODITY MARKET REGULATORY RISK

The regulation of futures transactions is a rapidly changing area of law and is subject to modification by government and judicial action. The effect of any future regulatory changes on the Funds is impossible to predict, but could be substantial and adverse.

For example, in the United States, the Commodity Futures Trading Commission (“CFTC”) has proposed the implementation of speculative position limits for futures contracts in certain energy commodities, including futures contracts for crude oil. These proposed regulations are not final. In the event that the final form of these regulations do not include relevant exemptions for hedging activities, such position limits could impair a counterparty’s ability to hedge its obligations to a Fund by acquiring commodity futures contracts. This could in turn adversely affect a Fund’s ability to achieve its investment objective and could result in the Responsible Entity suspending new applications for Units in affected Funds.

### 4.5 DERIVATIVE RISK

The primary risks associated with the use of derivative contracts such as the Swaps are:

- the values of the derivative failing to move in line with the underlying asset;
- the potential lack of liquidity of the derivative;
- possibility that the derivative position is difficult or costly to manage or reverse;



- the Fund may not be able to meet payment obligations as they arise;
- the counterparty to the derivative contract (including any Approved Financial Institution) may not meet its obligations under the contract or there may be a dispute under the contract about the value of the derivative or any other matter;
- the collateral obligations in respect of margin requirements on derivative contracts can cause liquidity issues if insufficient collateral is available; and
- other factors cause the derivative contract to terminate early.

Any of the above factors could cause the Fund to incur losses, suffer increased costs, fail to realise gains or fail to achieve a high correlation with its investment objective.

#### **4.6 COUNTERPARTY AND SWAP TERMINATION RISK**

There is a risk that an Approved Financial Institution may default on its obligations under a Swap or similar derivative agreement. In the event of such a default, the relevant Fund and its Unitholders may incur a loss. Payment of returns from the Fund may also be delayed while the Responsible Entity enforces its rights under the agreement.

In the event of any material credit rating downgrade or other material adverse change concerning any Approved Financial Institution, or if an Approved Financial Institution terminates one or more Swaps in accordance with a Swap agreement or otherwise ceases its relationship with the Responsible Entity, the Responsible Entity will take such measures and actions as reasonably and practicably available to it. This may include entering into replacement swap transactions with one or more existing or new Approved Financial Institutions. Any replacement of an Approved Financial Institution will be notified to Unitholders. There can be no assurance that such measures will be effective.

If the Responsible Entity is unable to enter into replacement swap transactions with one or more existing or new Approved Financial Institutions, it may determine to wind up the Fund (with the consequent return of the Net Asset Value of the Fund less the costs of winding up and any provisions in accordance with the Constitution).

An Approved Financial Institution may also be adversely affected by regulatory or market changes which may make it difficult or impossible for the institution to hedge its obligations to a Fund (and hence deliver the agreed returns to the Fund), which may lead the Approved Financial Institution to seek to terminate the Swap agreement or increase its fees. This could adversely affect the Fund's ability to achieve its investment objective.

#### **4.7 CONCENTRATION RISK**

Each Fund aims to track an Index (hedged into Australian dollars) which may be concentrated in terms of the number of commodities represented, with some Funds highly concentrated in a single commodity. Concentration in fewer underlying commodities may result in a greater degree of volatility in an Index and, as a result, in the net asset value of the relevant Fund over time.

#### **4.8 GENERAL REGULATORY RISK**

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

The Funds 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 objectives of the Funds. The Responsible Entity may not always be in a position to take such action.

#### **4.9 INTERNATIONAL EXCHANGE RISK**

Each Fund will have exposure to an Index linked to the price of futures contracts that trade on an international exchange. This may involve risks not typically associated with investing in Australia. These foreign exchanges will typically trade through a twenty four hour cycle (except for a forty five minute closing), although not all the relevant futures contracts can be traded for this entire period, and they will therefore be open during periods when the Funds do not trade, for example on a non-ASX Business Day or outside of ordinary trading hours on an ASX Business Day. Hence there may be changes in the values of futures contracts and exchange rates which affect the relevant Index during periods when investors will not be able to purchase or sell Units on the ASX.

On any ASX Business Day when the relevant foreign exchange is closed, there will be no change in the underlying Index, which may limit the liquidity of the Fund during that ASX Business Day.

#### **4.10 PRICE LIMIT RISK**

Some foreign exchanges where futures contracts are traded have regulations that limit the amount of fluctuation that may occur in futures contract prices during a single business day. The maximum or minimum price on a contract on any given day as a result of these limits is referred to as a "limit price". Once the limit price is reached on a contract, no trades may be made at a price beyond the limit. The limit price may preclude trading or force liquidation of a particular contract at potentially disadvantageous prices or times. Such circumstances could adversely impact a counterparty's ability to hedge its obligations to a Fund, could affect the value of an Index or the net asset value of a Fund, and could also disrupt application and redemption requests. It is not certain how long any such limit price would remain in effect.

A limit price may result in a net asset value, and ASX trading price, of a Fund that differs, and may differ significantly, from the net asset value and trading price that would prevail in the absence of the limit price.

While the Responsible Entity may apply an Equalisation Adjustment (see section 5.3) with the objective of ensuring that net asset value of a Fund is not unfairly affected as a result of applications and redemptions effected while the Issue Price and Withdrawal Amount are affected by a limit price, the amount of the Equalisation Adjustment will not be able to be determined, and therefore reflected in the Fund's net asset value, until the limit price ceases to apply. During this period, which may last for one or more days, the published net asset values of a Fund would reflect the limit price rather than any more current value of the underlying

futures contracts. Similarly, during any period while the limit price event is continuing any iNAV would reflect the limit price rather than any more current value of the underlying futures contracts (see section 6.2.28).

#### **4.11 TAX RISK**

While the investment objective of each Fund is to track the relevant Index (hedged into Australian dollars) before fees and expenses, the taxation outcome may not be exactly the same as if the Fund directly held the same futures contracts as those underlying the relevant Index.

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

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

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

#### **4.12 MANAGER RISK**

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

The Responsible Entity employs an investment management strategy that aims to closely track the relevant Index for each Fund (hedged into Australian dollars), plus an interest component, before fees and expenses. This should help to lower the risk of underperformance relative to the investment objective, as compared to the performance of managers who employ an active investment strategy relative to their own benchmarks.

#### **4.13 FUND RISK**

There is a risk that a Fund could terminate, that fees and expenses could change or that the Responsible Entity could be replaced as responsible entity of a Fund. There is also a risk that investing in the Fund may give a different result than investing directly (if applicable) into the futures contracts that make up the Index tracked by the Fund. This may occur because the value of the Swap used to achieve the investment objective of a Fund fails to move in line with the relevant Index (hedged into Australian dollars) as expected. The deviation from the relevant Index could be positive or negative.

#### **4.14 OPERATIONAL RISK**

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

There is a risk that circumstances beyond the Responsible Entity's reasonable control could prevent the Responsible Entity from managing the Fund in accordance with its investment strategies and as otherwise contemplated by this PDS. Examples of these circumstances include strikes, industrial disputes, fires or other casualty, war, civil disturbance, terrorist acts, governmental pre-emption in

connection with an emergency of state and epidemics (including potential epidemics).

#### **4.15 TRADING RISK**

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

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

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

Although the Units are quoted on the AQUA market of the ASX there can be no assurances that there will be a liquid market for Units. The Responsible Entity has in place market making arrangements to assist in maintaining liquidity for the Funds 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.

#### ***Trading price on ASX may differ from Net Asset Value per Unit***

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.

In addition, the trading price of Units on the ASX may also be influenced by the non-concurrent trading hours between the ASX and the applicable futures exchanges on which the futures contracts, reflected in the Index, are traded. While the Funds' Units are normally available for trading on ASX from 10:00am to 4:00pm (Australian Eastern Time), certain futures contracts may not be able to be traded, or may trade with reduced liquidity, during all or some of this time period. As a result, during times when the ASX is open but the underlying futures contracts are not able to be traded, or trade with reduced liquidity, trading spreads (the difference between bid prices and the offer prices on the ASX) may widen

significantly and increase the difference between the trading price of Units and the Net Asset Value per Unit.

If the trading of futures contracts which form part of an Index is suspended or restricted, the Net Asset Value of a Fund that tracks such an Index may also be affected.

#### **4.16 SETTLEMENT RISK**

The application and redemption processes associated with the issue or redemption of Units are subject to the normal settlement procedures through CHESS. A Fund is exposed to some risk if an Authorised Participant fails to comply with its settlement obligations. These risks are mitigated by the fact that Authorised Participants are subject to usual ASX trading practices including ASX fail fees.

#### **4.17 INDEX RISK**

Each Fund aims to provide Unitholders with a return closely matching the return of the relevant Index (hedged into Australian dollars) before fees and expenses. The return of the relevant Index is subject to risk associated with the performance of the futures contracts that underlie the Index, which contribute to the volatility of Index returns, and hence the returns of Unitholders.

Occasionally, the published Index return may differ from what would be expected under the accepted index calculation methodology. The Index provider may or may not re-publish, restate, or advise market participants of an adjusted or corrected figure. In these circumstances, the Responsible Entity may recalculate returns, based on the figure generally accepted to be the correct figure.

As described in section 6.2.7, the sponsor of an Index may stop publishing the Index, or the Index may cease to be a significant benchmark, in which case the Responsible Entity may change the index for a Fund. The value of the Swap (and the Net Asset Value) may be adversely affected by such adjustments.

#### **4.18 RISK ASSOCIATED WITH TRACKING AN INDEX**

There is no guarantee that a Fund's investment objective will be achieved. No investment strategy, asset or financial instrument will guarantee automatic and continuous tracking of the performance of an Index.

#### **4.19 CURRENCY HEDGING**

Because most commodities and commodity futures are traded and priced in U.S. dollars, the return on an investment in commodities for Australian investors will be affected by two variables: (i) the price return of the relevant commodity (or commodity index) in U.S. dollars; and (ii) the variation in the AUD/USD exchange rate. To reduce the currency risk for Australian investors, each Fund will offer an exposure to the performance of the relevant commodity Index that is substantially hedged back to the Australian dollar.

The currency hedging undertaken by the Funds is implemented through the Swap agreements. There is no assurance that the currency hedging strategy will be effective. The strategy is designed to minimise the impact of currency fluctuations on the Fund's returns, but it does not eliminate exposure to all currency fluctuations. The allowances accruing under the Swaps to reflect currency movements will not perfectly offset the actual fluctuations in the AUD/USD exchange rate.

## 5 HOW TO BUY AND SELL UNITS

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

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

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

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

### 5.1 MINIMUM APPLICATIONS AND REDEMPTIONS

The minimum application amount is \$1,000,000, payable in cash, unless otherwise agreed with the Responsible Entity.

The minimum redemption for BetaShares Crude Oil Index ETF – Currency Hedged (Synthetic) and BetaShares Copper Index ETF – Currency Hedged (Synthetic) is 50,000 Units, unless the Responsible Entity agrees otherwise. The minimum redemption for BetaShares Commodities Basket ETF – Currency Hedged (Synthetic) and BetaShares Agriculture ETF – Currency Hedged (Synthetic) is 100,000 Units, unless the Responsible Entity agrees otherwise.

### 5.2 PROCESSING APPLICATIONS AND REDEMPTIONS

Application/Redemption forms received from Authorised Participants before the Dealing Deadline on a Dealing Day are processed at the Issue Price/Withdrawal Amount (being the Net Asset Value per Unit) for the Fund calculated generally as at the next official close of the Index. An Equalisation Adjustment payment may apply in connection with an application or redemption in the circumstances described below.

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

### 5.3 EQUALISATION ADJUSTMENT

If, as at the valuation time at which the Issue Price/Withdrawal Amount is calculated for a Dealing Day, a Market Disruption Event has occurred in relation to a Fund, an Equalisation Adjustment will be payable in respect of applications and redemption requests received for that Dealing Day, with the objective that the Authorised Participant applying for or redeeming Units, on the one hand, and other Unitholders, on the other, are treated fairly.

An Equalisation Adjustment may arise if, due to a Market Disruption Event, the Responsible Entity is not able to increase the investment exposure of the Fund (for

applications) or decrease the investment exposure of the Fund (for redemptions) at the same price that is reflected in the Issue Price/Withdrawal Amount.

The Equalisation Adjustment will be the difference between the aggregate Issue Price/Withdrawal Amount and the aggregate price in respect of an application/redemption that reflects the investment positions actually achieved by the Responsible Entity in increasing/decreasing the investment exposure of the Fund. This difference may result in a cash payment to the transacting Authorised Participant from the assets of the Fund, or a cash payment from the transacting Authorised Participant to the Fund. In this way, neither the transacting Authorised Participant nor other Unitholders, should be unfairly affected by the Market Disruption Event.

The Responsible Entity will advise the Authorised Participant of any applicable Equalisation Adjustment as soon as practicable on or after T+1. Payment of any Equalisation Adjustment must be made at the time of settlement of the application or redemption, unless the Responsible Entity otherwise determines.

### 5.4 APPLICATIONS AND REDEMPTIONS

For applications, an Authorised Participant must pay the application consideration by transferring to the Responsible Entity or custodian the cash amount of the application (plus the application fee). On T+1, the Responsible Entity will advise the Authorised Participant of the number of Units (rounded down to the nearest Unit) that equates to the value of the application. For redemptions, an Authorised Participant must deliver the relevant Units to the Responsible Entity or custodian. On T+1, the Responsible Entity will advise the Authorised Participant of the total Withdrawal Amount that equates to the aggregate value of the Units being redeemed. The Authorised Participant will receive the cash amount of the redemption (less the redemption fee).

Settlement of applications and redemptions will generally occur through CHESS on T+2 for applications and T+3 for redemptions.

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.

### 5.5 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 6.2.8 and 6.2.9 for further information.

## **5.6 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 (an Equalisation Adjustment may also be payable. See section 5.3 above).

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 (an Equalisation Adjustment may also be payable. See section 5.3 above). 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 a Fund is generally the official close of the Index on each day the relevant Index is published, unless otherwise determined by the Responsible Entity.

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

The Net Asset Value of a Fund is calculated by deducting from the aggregate value of the assets of the Fund all accrued fees and other costs, liabilities and provisions relating to the Fund. Fees and other costs, including the Responsible Entity's fees, are accrued daily. The 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.

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

## 6 ADDITIONAL INFORMATION

### 6.1 THE ROLE OF CERTAIN ENTITIES IN REGARD TO THE FUNDS

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

#### 6.1.1 Custodian and Administrator

The custodian provides certain custodial services to the Responsible Entity, including holding the assets of the Funds. The custodian may, from time to time, appoint sub-custodians.

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

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

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

#### 6.1.2 Registrar

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

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

Link Market Services  
Level 12  
680 George Street  
Sydney NSW 2000

#### 6.1.3 Market maker

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

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

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

The market maker(s) selected by the Responsible Entity from time to time will be listed on the Fund factsheets available on the BetaShares website at [www.betashares.com.au/resources/factsheets/](http://www.betashares.com.au/resources/factsheets/).

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, although the arrangements with the market maker may limit or exclude any liability on the part of the market maker. Subject to the AQUA Rules and agreements with the market makers, the Responsible Entity may replace or terminate a market maker in respect of a Fund. The Responsible Entity may determine to no longer appoint market makers in respect of a Fund in circumstances where it is no longer required to do so under the AQUA Rules.

### 6.2 OTHER INFORMATION YOU NEED TO KNOW

#### 6.2.1 BetaShares as the responsible entity

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

Each Fund is a registered managed investment scheme governed by a Constitution. Under the Constitution of each Fund, the Responsible Entity has all the powers of a natural person in respect of the Fund. The Constitution for each Fund 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 Constitutions of the Funds, all of which are substantially identical in terms of their material provisions.

A copy of the Constitution in relation to a Fund 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.

### 6.2.3 Amendments to the Constitution

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

### 6.2.6 Unit pricing policy

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

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

### 6.2.7 Change of Index

Subject to the contractual arrangements with any Index provider, it is possible that the Responsible Entity may change the Index applicable to a Fund. This may be for reasons such as (but not limited to):

- i. the particular Index ceases to exist or the methodology or constituents of the Index are materially changed;

- ii. a new index becomes available which supersedes the existing Index;
- iii. a new index becomes available which is, in the opinion of the Responsible Entity, more cost effective for a Fund and/or is regarded as the market standard for investors in the particular market and/or would be regarded as of greater benefit to the Unitholders (for reasons including a reduction in transaction costs including Swap costs) than the existing Index;
- iv. it becomes difficult to invest in assets comprised within the particular Index or it becomes difficult or inefficient to enter into Swaps or other derivatives relating to the particular Index;
- v. the Index provider increases its charges to a level which the Responsible Entity considers too high or if any Index licence provided by an Index provider in connection with the use of the Index is terminated;
- vi. the quality (including accuracy and availability of data) of a particular Index has, in the opinion of the Responsible Entity, deteriorated;
- vii. an Approved Financial Institution notifies the Responsible Entity that there is limited liquidity in a portion of the component assets of the Index or it becomes impractical to invest in the components or assets of the Index; or
- viii. other reasons.

The Responsible Entity will not change a Fund's Index if the change would represent a significant change to the investment mandate for the Fund (i.e., the investment objective, strategy and guidelines as described in sections 2.2.1, 2.2.3 and 2.2.4 and, if applicable, the Product Supplement) without approval of a resolution of the Unitholders of the relevant Fund passed by at least 75% of the votes cast.

### 6.2.8 Suspensions of applications and redemptions

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

- i. the Responsible Entity has taken all reasonable steps to realise sufficient assets to pay amounts due in respect of Units to which a redemption request applies and is unable to do so due to circumstances outside its control, such as restricted or suspended trading in the market for an asset or, in the market for any futures contract or other constituent of the Index;
- ii. the Responsible Entity believes that it is impracticable or not possible to transfer, in the

manner acceptable to the Responsible Entity, sufficient assets to satisfy the redemption request (for example, because of disruption to a settlement or clearing system);

- iii. the Responsible Entity believes that it is not practicable or desirable to carry out the calculations necessary to satisfy the redemption request (for example, because a relevant index, exchange rate or other reference price is not compiled or published, or it is impracticable or undesirable to calculate the Net Asset Value because of restricted or suspended trading in the market for an asset, in the market for any futures contract or other constituent of the Index, or because the value of any asset cannot otherwise promptly or accurately be ascertained);
- iv. the quotation of any Units on the ASX is suspended or the trading of any Units is otherwise halted, interrupted or restricted by the ASX, or the trading of any Units on the ASX is subject to a period of deferred settlement trading, or there is a period during which Units are subject to a consolidation or division;
- 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.

#### **6.2.9 Spreading redemption requests**

The Constitution of each 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 10<sup>th</sup> valuation time following the first valuation time.

#### **6.2.10 Non-Authorised Participant redemption request**

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

#### **6.2.11 Information relating to redemptions**

The information in section 5 relating to redemptions assumes that each Fund is liquid within the meaning of section 601KA of the *Corporations Act*. A 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 each Fund will be liquid under the *Corporations Act*. If a 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.

#### **6.2.12 Rights of a Unitholder**

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

The terms and conditions of each 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.

#### **6.2.13 Reimbursement of expenses**

In addition to any other indemnity which the Responsible Entity may have under a 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 relevant Fund for all liabilities, losses and expenses incurred in relation to the proper performance of its duties as responsible entity of that Fund.

#### **6.2.14 Retirement of BetaShares**

BetaShares may retire as responsible entity of a 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*.

#### **6.2.15 Termination**

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

#### **6.2.16 Limitation of liability of Unitholders**

The Constitution of each 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.

#### 6.2.17 Meeting of Unitholders

The Responsible Entity may convene a meeting of Unitholders of a Fund at any time, (e.g. to approve certain amendments to a 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 that Fund's Constitution provides otherwise, or the *Corporations Act* requires otherwise, a resolution of Unitholders must be passed by Unitholders who hold Units exceeding 50% in value of the total value of all Units held by Unitholders who vote on the resolution.

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

#### 6.2.18 Indemnities and limitation of liability of the Responsible Entity

The Responsible Entity is indemnified out of the assets of each 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.

#### 6.2.19 Defective applications

The Constitution of each 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.

#### 6.2.20 Discretionary redemptions

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

#### 6.2.21 Information from Unitholders

The Constitution of each 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.

#### 6.2.22 Borrowings

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

#### 6.2.23 If you have a complaint

If a Unitholder has a complaint regarding a Fund or services provided by the Responsible Entity, please contact Client Services on 02 9290 6888 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 9, 50 Margaret Street  
Sydney NSW 2000

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

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

In the event that a Unitholder is not satisfied with the outcome of a complaint, the Unitholder has the right to request the Responsible Entity to review their decision or to refer the matter to an external complaints resolution scheme. The Responsible Entity is a member of the Financial Ombudsman Services (FOS). Unitholders can contact FOS on 1300 780 808, or at the following address:

Financial Ombudsman Service  
GPO Box 3  
Melbourne VIC 3001  
Email: [info@fos.org.au](mailto:info@fos.org.au)

Information may also be obtained at [www.fos.org.au](http://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).

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

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

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

To obtain a copy of the privacy policy, contact BetaShares on (02) 9290 6888.

#### **6.2.25 Anti-money laundering**

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

- it does not subscribe to the Fund under an assumed name;
- any money used to invest in the Units is not derived from or related to any criminal activities;
- any proceeds of the investment will not be used in relation to any criminal activities;
- if the Responsible Entity requests, the Unitholder will provide to it any additional information that is reasonably required for the purposes of AML/CTF Laws (including information about the investor, any beneficial interest in the Units, or the source of funds used to invest);

- the Responsible Entity may obtain information about the Unitholder or any beneficial owner of a Unit from third parties if it is believed this is necessary to comply with AML/CTF Laws; and
- in order to comply with AML/CTF Laws, the Responsible Entity may be required to take action, including:
  - delaying or refusing the processing of any application or redemption, or disclosing information that the Responsible Entity holds about the Unitholder or any beneficial owner of the Units to its related bodies corporate or service providers, or relevant regulators of AML/CTF Laws (whether in or outside of Australia);
  - disclosing information that the Responsible Entity holds about the Unitholder or any beneficial owner of the Units to the Responsible Entity's related bodies corporate or service providers, or relevant regulators of AML/CTF Laws (whether in or outside of Australia).

#### **6.2.26 Interest on amounts awaiting investment or redemption**

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

#### **6.2.27 Other services**

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

#### **6.2.28 Indicative Net Asset Value per Unit**

The Responsible Entity may at its discretion make available, or may designate other persons to make available on its behalf, an estimated indicative Net Asset Value per Unit (iNAV) for a Fund from time to time. Such information, if made available on any ASX Business Day, will be calculated based upon information available to the Responsible Entity or its designate during the ASX Business Day or any portion of the ASX Business Day. No assurance is given that any iNAV published will be published continuously.

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. This may particularly be the case, for example, if one or more underlying futures contracts reflected in an Index are not open for trading during the ASX Business Day or have reached a "limit price" on the relevant exchange, and therefore any iNAV published while these circumstances exist may not reflect a more current value or estimated value of the underlying futures contracts. Investors interested in applying for or redeeming Units, or buying or selling Units on a stock exchange, should not rely on any iNAV which is made available in making investment decisions but should consider other market information and relevant economic factors. Neither the Responsible Entity nor any designate or other service provider to the Responsible Entity shall be liable to any person who relies on the iNAV.

### 6.3 MATERIAL CONTRACTS

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

TABLE 6.3: MATERIAL CONTRACTS

CONTRACT AND PARTY	DESCRIPTION
<b>Index Licence Agreement</b>	The Index provider in relation to each Fund is set out in the Product Supplement. There is an Index Licence Agreement in relation to each Fund that allows the Responsible Entity to use the relevant Index in the operation of the Fund.
<b>Custody Agreement</b> RBC Dexia Investor Services Trust	Custody Agreement which sets out the services provided by the custodian on an ongoing basis together with the service standards.
<b>Investment Administration Agreement</b> RBC Dexia Investor Services Trust	Investment Administration Agreement which sets out the services provided by the administrator (accountancy services, tax services and fund services including Unit price calculations), together with the service standards.
<b>Registry Agreement</b> Link Market Services Limited	Registry Agreement which sets out the services provided by the Registrar on an ongoing basis together with the service standards.
<b>Authorised Participant Agreement</b> Authorised Participants	<p>An Authorised Participant Agreement deals with execution and settlement procedures in relation to the application for and redemption of Units. The terms of each Authorised Participant Agreement may vary and each may be amended from time to time.</p> <p>Under the Authorised Participant Agreement, the Authorised Participant makes certain representations to the Responsible Entity about its status as an appropriately licensed, Australian resident ASX participant.</p> <p>The Authorised Participant agrees to comply with the Constitution, with the execution and settlement procedures, and with all relevant laws in relation to selling Units. The Authorised Participant indemnifies the Responsible Entity against any losses incurred by the Responsible Entity or a Fund arising from the Authorised Participant's breach of the Authorised Participant Agreement or the execution and settlement procedures.</p>
<b>Swap Agreements</b> Credit Suisse International	<p>Each Fund will be party to one or more swap agreements with Approved Financial Institutions. Under each agreement, if the Index (hedged into Australian dollars) increases in value, the amount of the increase (before fees and expenses) is payable by the Approved Financial Institution to the Fund. Conversely, if the Index (hedged into Australian dollars) decreases in value, the amount of the decrease (before fees and expenses) is payable by the Fund to the Approved Financial Institution. The payment will be made at the end of the term of the swap agreement, but may be agreed to be made earlier.</p> <p>In the master agreement for each Swap, each party provides a number of standard representations, warranties and undertakings to each other. If an "Event of Default" or a "Termination Event" has occurred and is continuing with respect to either the Fund or the Approved Financial Institution under that Fund's Swap master agreement, the other party may nominate a date for all outstanding transactions to terminate early. An "Event of Default" may include a failure to pay or deliver, breach of agreement, credit support default, misrepresentation, default under a specified transaction, cross default, bankruptcy and merger without assumption. A "Termination Event" will occur if an entity other than the Responsible Entity (or an associate/related body corporate) becomes the responsible entity of the Fund. "Termination Event" may also include, among other things, certain tax events and illegality.</p> <p>Following the early termination, no further payments or deliveries for terminated transactions will be required and instead a single net termination amount, representing the net amount that either the Fund or the Approved Financial Institution owes to the other on that date, will be calculated in accordance with the master agreement.</p> <p>The terminating party calculates this net termination amount by reference to the amounts of losses or gains to that party that are or would be realised under then prevailing circumstances in replacing the economic equivalent of the material terms of the terminated transactions. The</p>

CONTRACT AND PARTY	DESCRIPTION
	<p>terminating party may consider either firm or indicative quotations for replacement transactions available in the relevant market and other inputs to determine this. This net termination amount could be payable by the Fund or to the Fund.</p> <p>In addition, pursuant to each Swap master agreement, either the Fund or the Approved Financial Institution may require collateral from the other party to reduce the net amount payable to that party. Any collateral delivered under a Swap master agreement is transferred absolutely to the other party and does not create a security interest. If the Swap is terminated early, the value of any collateral delivered by a party is taken into account in determining the net termination amount.</p> <p>An Approved Financial Institution may require some initial collateral from the Fund in order to provide further credit protection to the Approved Financial Institution. Such initial collateral is not intended to be transferred to the Approved Financial Institution under the collateral arrangements set out in the Swap master agreement as described above. Instead a security interest in it is intended to be provided to the Approved Financial Institution, so that the Fund can retain ownership of the initial collateral.</p>
<b>Nominee Deed Poll</b> RBC Dexia Investor Services Trust	Under this document, if applicable, the Applicant Nominee agrees to hold Units the subject of an application by an Authorised Participant as nominee for the Authorised Participant pending settlement.
<b>Nominee Terms</b> Authorised participant	By signing the Application Form, if applicable, the Authorised Participant covenants for the benefit of the Applicant Nominee to be bound by the Nominee Terms under which the Applicant Nominee will hold Units for the Authorised Participant subject to a security interest in favour of the Responsible Entity pending settlement of the application. Under the Nominee Terms, if the Authorised Participant does not comply with its obligations relating to the issue of Units, the Responsible Entity may direct the Applicant Nominee that the Units not be transferred to the Authorised Participant, in which case the Units are to be held solely for the Responsible Entity.

#### 6.4 ASIC RELIEF Equal Treatment Relief

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

#### PDS and Issue of Securities Requirements

ASIC has granted relief under section 1020F(1)(c) of the *Corporations Act* from certain requirements in sections 1013H, 1016D and 1016E, to reflect the continuous offering of Units in the Funds. For the purposes of this relief, an application for quotation of the Units in each Fund must be made no later than 7 days after the date of each new issue of the Units if such an application is required by the ASX, and the Responsible Entity must notify ASX of the total number of Units on issue in each Fund by no later than 5 business days after the last business day of each calendar month. It is expected that there will be no period during which the Responsible Entity or custodian will hold application money before the Units are issued. In relation to the initial issue of Units, Units will be quoted on the first date for quotation of Units. For applications received after the initial issue of Units, Units will generally be issued on the ASX Business Day after the trade date and quoted with effect from the settlement of the issue of the relevant Units through CHESSE.

#### Ongoing Disclosure Relief

ASIC has granted relief under section 1020F(1)(a) of the *Corporations Act* from ongoing disclosure requirements in section 1017B on the condition that the Responsible Entity

complies with the provisions of the *Corporations Act* that apply to unlisted disclosing entities as if each Fund was an unlisted disclosing entity.

#### 6.5 DOCUMENTS LODGED WITH ASIC

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

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

- the annual report most recently lodged with ASIC in respect of the Fund;
- any half-year financial report lodged with ASIC in respect of the Fund after the lodgement of the abovementioned annual report and before the date of this Product Disclosure Statement; and
- any continuous disclosure notices given in respect of the Fund after the lodgement of the 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 5 business days of the request.

## 6.6 COOLING OFF

There is no cooling off period in relation to the subscription for Units in the Funds. 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 relevant 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 Funds 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](http://www.betashares.com.au) or by contacting BetaShares on (02) 9290 6888:

- The daily Net Asset Value (NAV) for the Funds;
- The daily NAV per Unit for the Funds;
- The Responsible Entity's Unit pricing policy;
- The latest PDS for the Funds;
- Copies of announcements made to the ASX via the ASX Company Announcements Platform (including continuous disclosure notices and distribution information);
- Information about distributions as soon as possible after they are declared or paid;
- Annual Reports and Financial Statements for the Funds; and
- Information in relation to the Funds to enable Authorised Participants and market makers to estimate the Net Asset Value per Unit of the Funds during the course of a trading day.

## 6.9 CONSENT AND DISCLAIMER

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

RBC Dexia Investor Services Trust ("RBC Dexia Investor Services") has been appointed as the custodian and

administrator. RBC Dexia Investor Services' role as custodian is limited to holding assets of the Funds. As administrator, RBC Dexia Investor Services is responsible for the day to day administration of the Funds. RBC Dexia Investor Services has no supervisory role in relation to the operation of the Funds and has no liability or responsibility to Unitholders for any act done or omission made in accordance with the custody and investment administration agreements.

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

## 6.10 INDEX DISCLAIMER

The Funds are not sponsored, endorsed, sold or promoted by Standard & Poor's and its affiliates ("S&P"). S&P makes no representation, condition or warranty, express or implied, to the owners of the Funds or any member of the public regarding the advisability of investing in securities generally or in the Funds particularly or the ability of the S&P GSCI to track the performance of certain financial markets and/or sections thereof and/or of groups of assets or asset classes. S&P's only relationship to BetaShares is the licensing of certain trademarks and trade names and of the S&P GSCI which is determined, composed and calculated by S&P without regard to BetaShares or the Funds. S&P has no obligation to take the needs of BetaShares or the owners of the Funds into consideration in determining, composing or calculating the S&P GSCI. S&P is not responsible for and has not participated in the determination of the prices and amount of the Funds or the timing of the issuance or sale of the Funds or in the determination or calculation of the equation by which the Fund units are to be converted into cash. S&P has no obligation or liability in connection with the administration, marketing, or trading of the Funds.

S&P does not guarantee the accuracy and/or the completeness of the S&P GSCI or any data included therein and S&P shall have no liability for any errors, omissions, or interruptions therein. S&P makes no warranty, condition or representation, express or implied, as to results to be obtained by BetaShares, owners of the Funds, or any other person or entity from the use of the S&P GSCI or any data included therein. S&P makes no express or implied warranties, representations or conditions, and expressly disclaims all warranties or conditions of merchantability or fitness for a particular purpose or use and any other express or implied warranty or condition with respect to the S&P GSCI or any data included therein. Without limiting any of the foregoing, in no event shall S&P have any liability for any special, punitive, indirect, or consequential damages (including lost profits) resulting from the use of an index or any data included therein, even if notified of the possibility of such damages.

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# 7 TAXATION OF UNITS

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

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

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

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

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

The components of the distribution (if any) are expected to consist of income amounts. This is because interest earned on cash and money market instruments, as well as the payments and receipts under any Swaps that are used to deliver Index returns should generally be on revenue account.

While the investment objective of each Fund is to track the relevant Index (hedged into Australian dollars) before fees and expenses, the outcome will not be exactly the same as if the Fund directly held futures contracts representing the relevant Index. In this regard, it is possible that the composition of the Fund's return may differ from that which would result from a direct investment in the futures contracts that comprise the relevant Index.

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

## 7.1.2 Selling or transferring Units

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

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

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

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

## 7.1.3 Tax Reform

The Australian Government has announced that:

- it intends to implement a proposed new tax system for managed investment trusts ("MITs") from 1 July 2012; and
- it will undertake a public consultation process as the first step towards updating the Australian trust income tax provisions.

Legislation on these proposals has not yet been introduced into Parliament. Unitholders should monitor developments carefully.

The *Tax Laws Amendment (2011 Measures No. 5) Act 2011* has recently been enacted, which, inter alia, amended the tax law to enable the streaming of capital gains and franked distributions. These amendments are not expected to materially change the operation of the Fund.

## 7.1.4 Goods and Services Tax (GST)

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

Given the nature of the activities of the Fund, the Fund may not be entitled to claim input-tax credits for the full amount of the GST incurred. However, for the majority of the expenses,

a Reduced Input-Tax Credit (RITC) of 75% of the GST paid may be able to be claimed.

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

### 7.1.5 Redemption of Units by Authorised Participants

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

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

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

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

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

The Constitution of each Fund contains provisions which, in broad terms, allocate capital gains and other taxable gains realised by the Fund when redeeming Units to redeeming Unitholders.

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

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

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

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

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

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

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

Although the High Court decision in *Commissioner of Taxation v Bamford* [2010] HCA 10 ("**Bamford**"), the recent Federal Court decision in *Colonial First State Investments Limited v Commissioner of Taxation* [2011] FCA 16 ("**Colonial**"), the ATO's Decision Impact Statement dated 2 June 2010 issued in respect of *Bamford* and the draft Decision Impact Statement issued on 30 June 2011 in respect of *Colonial* had cast some doubt on the ability of a trust (such as a Fund) to allocate a particular component of income (e.g. capital or other taxable gains) to particular unitholders, these events are not likely to adversely affect the tax treatment outlined above for redeeming Unitholders on the basis that the Funds are not expected to distribute any capital gains. Furthermore, as discussed in paragraph 7.1.3 above, the Australian Government has introduced legislation into Parliament which amends the tax law (which will apply from the 2010-2011 income year) to enable the streaming of capital gains and franked distributions.

However, the Responsible Entity will continue to monitor developments in this area.

### 7.1.6 Other comments

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

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

## 8 GLOSSARY

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

<b>Applicant Nominee</b>	An entity which holds Units pending settlement on behalf of Authorised Participants applying for Units. As at the date of this PDS the Applicant Nominee is RBC Dexia Investor Services Trust. The Responsible Entity may determine that the Applicant Nominee is no longer to be appointed to hold Units pending settlement on behalf of Authorised Participants applying for Units.
<b>Approved Financial Institution</b>	A financial institution that meets the Responsible Entity's selection criteria such as those set out in section 2.2.6 of this PDS.
<b>AQUA Product</b>	A product admitted under the ASX Operating Rules to the AQUA market of the ASX.
<b>AQUA Rules</b>	Schedule 10A of the ASX Operating Rules and related rules and procedures, as amended, varied or waived from time to time.
<b>ASX</b>	ASX Limited or the Australian Securities Exchange as the case requires.
<b>ASX Business Day</b>	A "Business Day" as defined in the ASX Operating Rules, unless determined otherwise by the Responsible Entity.
<b>ASX Listing Rules or Listing Rules</b>	The listing rules of the ASX as amended, varied or waived from time to time.
<b>ASX Operating Rules</b>	The operating rules of the ASX as amended, varied or waived from time to time.
<b>Australian Resident</b>	An Australian resident for tax purposes, as defined in the Constitution and as described in section 7.1.6.
<b>Authorised Participant</b>	Trading participants under the ASX Operating Rules who have entered into an Authorised Participant Agreement with the Responsible Entity.
<b>Authorised Participant Agreement</b>	An agreement between the Responsible Entity and an Authorised Participant in relation to Unit applications and redemptions.
<b>CHESS</b>	The Clearing House Electronic Sub register System.
<b>Constitution</b>	In relation to a particular Fund, means the constitution governing the Fund, as amended or replaced from time to time.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth)
<b>Dealing Day</b>	A day that is both (a) an ASX Business Day and (b) a day on which the relevant Index is scheduled to be published, unless the Responsible Entity determines otherwise.
<b>Dealing Deadline</b>	4:30 pm Sydney time on each Dealing 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 Dealing Day.
<b>ETF</b>	Exchange Traded Fund
<b>Equalisation Adjustment</b>	The amount payable in respect of an application or redemption, due to a Market Disruption Event, as described in section 5.3.
<b>Funds</b>	BetaShares Crude Oil Index ETF – Currency Hedged (Synthetic), BetaShares Copper Index ETF – Currency Hedged (Synthetic), BetaShares Commodities Basket ETF – Currency Hedged (Synthetic) and BetaShares Agriculture ETF – Currency Hedged (Synthetic).
<b>Index</b>	The index whose performance (hedged into Australian dollars) a Fund will generally



	aim to track, before fees and expenses, as set out in the Product Supplement (subject to any amendment or replacement).
<b>Issue Price</b>	The Net Asset Value divided by the number of Units on issue in the relevant Fund.
<b>Market Disruption Event</b>	<p>(a) The temporary or permanent failure by an exchange or price source to publish the settlement price for any futures contract or other constituent of an Index; or</p> <p>(b) The suspension of, or material limitation in, trading in any futures contract or other constituent of an Index on an exchange, including the situation where the settlement price for any such futures contract or other constituent is a "limit price" (being the maximum or minimum price prescribed by applicable regulations on a given trading day so that once the limit price is reached, no trades may be executed beyond the limit); or</p> <p>(c) The cessation of trading in any futures contract or other constituent of an Index.</p>
<b>mark to market</b>	In relation to a Swap or other derivative entered into between a Fund and an Approved Financial Institution, means the current market value of the derivative, which amount will be payable by one party to the other.
<b>Net Asset Value</b>	The net asset value for a Fund calculated in accordance with section 5.6.
<b>Nominee Terms</b>	In relation to an application for Units, the nominee terms made available by the Responsible Entity to applicants, as described in section 6.3.
<b>PDS</b>	This Product Disclosure Statement.
<b>Portfolio</b>	The investments purchased by a Fund from time to time (other than the Swap) in accordance with its investment strategy.
<b>Product Supplement</b>	The part of this PDS appearing after section 8 that contains information specific to each Fund.
<b>Registrar</b>	Link Market Services Limited (ABN 54 083 214 537), or any other registry that the Responsible Entity appoints to maintain the register.
<b>Swap</b>	A derivative contract entered into by a Fund and an Approved Financial Institution in relation to an Index, as described in section 6.3.
<b>Tax Act</b>	The <i>Income Tax Assessment Act 1936</i> , the <i>Income Tax Assessment Act 1997</i> or both, as appropriate.
<b>Unit</b>	A unit in the relevant Fund.
<b>Withdrawal Amount</b>	The Net Asset Value divided by the number of Units on issue in the relevant Fund.

For personal use only

**PRODUCT SUPPLEMENTS**

BETASHARES

**CRUDE OIL INDEX ETF –  
CURRENCY HEDGED (SYNTHETIC)  
ASX CODE: 000**

BETASHARES

**COPPER INDEX ETF –  
CURRENCY HEDGED (SYNTHETIC)  
ASX CODE: QCP**

BETASHARES

**COMMODITIES BASKET ETF –  
CURRENCY HEDGED (SYNTHETIC)  
ASX CODE: QCB**

BETASHARES

**AGRICULTURE ETF –  
CURRENCY HEDGED (SYNTHETIC)  
ASX CODE: QAG**

## PRODUCT SUPPLEMENT

# BETASHARES CRUDE OIL INDEX ETF – CURRENCY HEDGED (SYNTHETIC)

## INVESTMENT OBJECTIVE

The investment objective of the Fund is to track the performance of the S&P GSCI Crude Oil Index Excess Return ("Index") hedged into Australian dollars, plus an interest component, before fees and expenses.

The Index tracks the performance of West Texas Intermediate ("WTI") crude oil futures traded on the New York Mercantile Exchange ("NYMEX"). WTI crude is a light, sweet crude oil which, due to its high viscosity and low sulphur content, can produce a high yield of gasoline during the refining process. WTI is also a pricing benchmark for the more than 160 internationally-traded crude oils.

The interest component is based on the interest earned by the Fund on its cash holdings and will accrue into the Fund's Net Asset Value for the benefit of Unitholders.

Although the underlying futures contracts (and the Index) are priced in U.S. dollars, the Fund offers an exposure to the performance of the Index that is substantially hedged back to the Australian dollar, with the aim of reducing currency risk for Australian investors.

## ABOUT THE S&P GSCI INDEX SERIES

The S&P GSCI Index Series provides investors with reliable and publicly available benchmarks for investment performance in the commodity markets. The indices are designed to be tradable, readily accessible to market participants, and cost efficient to implement.

The S&P GSCI (the main index of the S&P GSCI Index Series) is widely recognized as a leading measure of general commodity price movements and inflation in the world economy.

The S&P GSCI is calculated primarily on a world production weighted basis, and is comprised of the principal physical commodities that are the subject of active, liquid futures markets.

To be included in the S&P GSCI for a given year, contracts must satisfy several sets of eligibility criteria. First, Standard & Poor's identifies those contracts that meet the general criteria for eligibility (namely, contracts denominated in U.S. dollars that are traded on a trading facility with its principal place of business in an OECD country and that have at least two years of available daily contract reference prices and three months of available volume data.) Second, contracts must meet certain contract volume and weight requirements. Lastly, the number of contracts is determined. At that point, the list of designated contracts for the relevant S&P GSCI year is complete and production weights can be determined. There is no limit on the number of contracts that may be included in the S&P GSCI.

## FURTHER INFORMATION ABOUT THE INDEX

The S&P GSCI Crude Oil Index Excess Return is part of a series of sub-indices calculated by Standard & Poor's that represent

components of the S&P GSCI from across a number of commodity sectors.

The specific WTI oil futures contract traded on NYMEX that is included in the Index is the contract with the closest expiration date (the "nearest contract"). The nearest contract expires on the third business day prior to the 25th calendar day of the relevant month. The Index incorporates a methodology for rolling into the contract with the next closest expiration date (the "next nearest contract") as the existing contract approaches expiration. The Index gradually reduces the weighting of the nearest contract and increases the weighting of the next-nearest contract over a five business day period (commencing on the fifth S&P GSCI Business Day of the month) so that on the first day of the roll-over period the nearest contract represents 80% and the next-nearest contract represents 20% of the Index, and on the fifth day of the roll-over period (i.e., the ninth S&P GSCI Business Day of the month) the next-nearest contract represents 100% of the Index.

The Index referenced by the Fund is an "excess return" (and not a "total return") index and therefore reflects the return of the underlying commodity futures price movements only (and not any notional interest earnings).

Standard & Poor's has established an Index Committee to oversee the daily management and operations of the S&P GSCI (and all related sub-indices), and is responsible for all analytical methods and calculation in the indices, as well as the index rules that govern the S&P GSCI and the annual rebalancing of the S&P GSCI. Standard & Poor's liability is limited as set out in section 6.10.

Further information on the Index is available on the S&P website at [www.spgsci.standardandpoors.com](http://www.spgsci.standardandpoors.com)

The nature and method of calculation of the Index may change from time to time.

Neither the Responsible Entity nor any other company in the BetaShares group has any control over, or responsibility for, the composition, calculation or availability of the Index.

Past performance information about the Index is available from various sources, including stockbrokers, financial information websites and major data providers such as Bloomberg or Reuters. Any past performance information about the Index does not take into account fees or taxes that may be incurred as a result of investing in the Fund. Past performance of the Index is not a reliable guide to future performance of the Index or the Fund.

## SPECIFIC RISK FACTORS

*In addition to the Risk Factors set out in section 4 of this PDS, there are a number of additional risks that are relevant to the Fund.*

### Concentration risk and commodity volatility

The Fund is highly concentrated in a single commodity, crude oil. Generally, such concentration may result in a greater degree of volatility in the Index and, as a result, in the net asset value of the Fund, relative to more diversified investments.

Historically over the period between 1992 and 2011, the Index has exhibited an annualised volatility of approximately 35%.

Volatility is a statistical measure of the magnitude of fluctuations in the returns of a benchmark. By comparison, the volatility of the S&P/ASX 200 Index has been approximately 16% over this same period. This indicates that the Index has historically been more volatile than the Australian sharemarket as a whole, and thus has the potential for greater losses.

Crude oil prices may be influenced by a range of factors including economic events which affect the demand for crude

oil, supply availability reflecting levels of industry exploration and investment, development of alternate energy technologies, and changing perceptions of supply risk. Movements in global financial markets, including movements in global capital flows caused by changes in interest rates as between major economies, can also affect crude oil price trends.

Nations with centralised or nationalised oil production and organisations such as the Organization of Petroleum Exporting Countries control large physical quantities of crude oil. If one or more of these members decides to increase or decrease the supply of oil in amounts large enough to cause a change in world prices, or if there is a belief or expectation that this may occur, the price of Units based upon a benchmark related to oil will be affected.

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## PRODUCT SUPPLEMENT

# BETASHARES COPPER INDEX ETF – CURRENCY HEDGED (SYNTHETIC)

## INVESTMENT OBJECTIVE

The investment objective of the Fund is to track the performance of the S&P GSCI North American Copper Index Excess Return ("Index") hedged into Australian dollars, plus an interest component, before fees and expenses.

The Index tracks the performance of copper futures traded on the COMEX exchange, a division of the New York Mercantile Exchange. After iron and aluminum, copper is the third most widely used industrial metal. Demand for copper is viewed by some economists as a good indicator of growth. Copper has very high thermal and electrical conductivity and a good resistance to corrosion. It is commonly used in construction, transportation, industrial machinery and in the electrical industry.

The interest component is based on the interest earned by the Fund on its cash holdings and will accrue into the Fund's Net Asset Value for the benefit of Unitholders.

Although the underlying futures contracts (and the Index) are priced in U.S. dollars, the Fund offers an exposure to the performance of the Index that is substantially hedged back to the Australian dollar, with the aim of reducing currency risk for Australian investors.

## ABOUT THE S&P GSCI INDEX SERIES

The S&P GSCI Index Series provides investors with reliable and publicly available benchmarks for investment performance in the commodity markets. The indices are designed to be tradable, readily accessible to market participants, and cost efficient to implement.

The S&P GSCI (the main index of the S&P GSCI Index Series) is widely recognized as a leading measure of general commodity price movements and inflation in the world economy.

The S&P GSCI is calculated primarily on a world production weighted basis, and is comprised of the principal physical commodities that are the subject of active, liquid futures markets.

To be included in the S&P GSCI for a given year, contracts must satisfy several sets of eligibility criteria. First, Standard & Poor's identifies those contracts that meet the general criteria for eligibility (namely, contracts denominated in U.S. dollars that are traded on a trading facility with its principal place of business in an OECD country and that have at least two years of available daily contract reference prices and three months of available volume data.) Second, contracts must meet certain contract volume and weight requirements. Lastly, the number of contracts is determined. At that point, the list of designated contracts for the relevant S&P GSCI year is complete and production weights can be determined. There is no limit on the number of contracts that may be included in the S&P GSCI.

## FURTHER INFORMATION ABOUT THE INDEX

The S&P GSCI North American Copper Index Excess Return follows the S&P GSCI methodology.

The specific copper futures contract traded on the COMEX exchange that is included in the Index is the contract with the closest expiration date (the "nearest contract"). The nearest contract expires on the third business day prior to the 25th calendar day of the relevant month. The Index incorporates a methodology for rolling into the contract with the next closest expiration date (the "next nearest contract") as the existing contract approaches expiration. The Index gradually reduces the weighting of the nearest contract and increases the weighting of the next-nearest contract over a five business day period (commencing on the fifth S&P GSCI Business Day of the month) so that on the first day of the roll-over period the nearest contract represents 80% and the next-nearest contract represents 20% of the Index, and on the fifth day of the roll-over period (i.e., the ninth S&P GSCI Business Day of the month) the next-nearest contract represents 100% of the Index.

The Index referenced by the Fund is an "excess return" (and not a "total return") index and therefore reflects the return of the underlying commodity futures price movements only (and not any notional interest earnings).

Standard & Poor's has established an Index Committee to oversee the daily management and operations of the S&P GSCI (and all related sub-indices), and is responsible for all analytical methods and calculation in the indices, as well as the index rules that govern the S&P GSCI and the annual rebalancing of the S&P GSCI. Standard & Poor's liability is limited as set out in section 6.10.

Further information on the Index is available on the S&P website at [www.spgsci.standardandpoors.com](http://www.spgsci.standardandpoors.com)

The nature and method of calculation of the Index may change from time to time.

Neither the Responsible Entity nor any other company in the BetaShares group has any control over, or responsibility for, the composition, calculation or availability of the Index.

Past performance information about the Index is available from various sources, including stockbrokers, financial information websites and major data providers such as Bloomberg or Reuters. Any past performance information about the Index does not take into account fees or taxes that may be incurred as a result of investing in the Fund. Past performance of the Index is not a reliable guide to future performance of the Index or the Fund.

## SPECIFIC RISK FACTORS

*In addition to the Risk Factors set out in section 4 of this PDS, there are a number of additional risks that are relevant to the Fund.*

### Concentration risk and commodity volatility

The Fund is highly concentrated in a single commodity, copper. Generally, such concentration may result in a greater degree of volatility in the Index and, as a result, in the net asset value of the Fund, relative to more diversified investments.

Historically over the period between 1992 and 2011, the Index has exhibited an annualised volatility of approximately 27%. Volatility is a statistical measure of the magnitude of fluctuations in the returns of a benchmark. By comparison, the volatility of the S&P/ASX 200 Index has been approximately 16% over this same period. This indicates that the Index has historically been

more volatile than the Australian sharemarket as a whole, and thus has the potential for greater losses.

Copper is an industrial metal and its price may be influenced by a range of factors including: changes in the level of industrial activity; the availability of substitutes such as man-made or synthetic substitutes; disruptions in the supply chain, from mining to storage to smelting or refining; adjustments to inventory levels; variation in production costs, including storage, labour and energy costs; costs associated with regulatory compliance, including environmental regulations; changes in industrial, government and consumer demand.

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## PRODUCT SUPPLEMENT

# BETASHARES COMMODITIES BASKET ETF – CURRENCY HEDGED (SYNTHETIC)

## INVESTMENT OBJECTIVE

The investment objective of the Fund is to track the performance of the S&P GSCI Light Energy Index Excess Return ("Index") hedged into Australian dollars, plus an interest component, before fees and expenses.

The S&P GSCI Light Energy Index is a broadly inclusive index that contains 24 commodities from all commodity sectors that meet certain eligibility requirements: six energy products, seven metals, eight agricultural and three livestock products. This broad range of constituents provides a high level of diversification across the commodity sector. (The term "Light Energy" in the index name denotes a lower weighting to energy-related commodities than contained in the S&P GSCI index, which is an alternative benchmark offered by the same index provider that includes the same commodities.)

The interest component is based on the interest earned by the Fund on its cash holdings and will accrue into the Fund's Net Asset Value for the benefit of Unitholders.

Although the underlying futures contracts (and the Index) are priced in U.S. dollars, the Fund offers an exposure to the performance of the Index that is substantially hedged back to the Australian dollar, with the aim of reducing currency risk for Australian investors.

## ABOUT THE S&P GSCI INDEX SERIES

The S&P GSCI Index Series provides investors with reliable and publicly available benchmarks for investment performance in the commodity markets. The indices are designed to be tradable, readily accessible to market participants, and cost efficient to implement.

The S&P GSCI (the main index of the S&P GSCI Index Series) is widely recognized as a leading measure of general commodity price movements and inflation in the world economy.

The S&P GSCI is calculated primarily on a world production weighted basis, and is comprised of the principal physical commodities that are the subject of active, liquid futures markets.

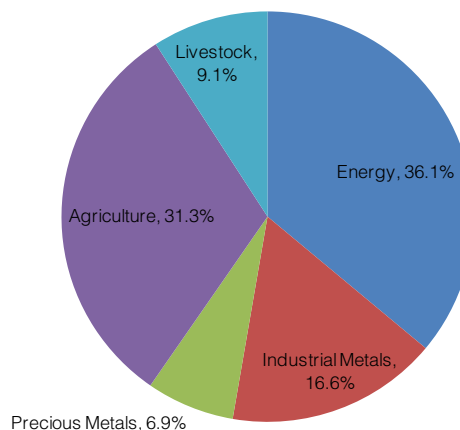
To be included in the S&P GSCI for a given year, contracts must satisfy several sets of eligibility criteria. First, Standard & Poor's identifies those contracts that meet the general criteria for eligibility (namely, contracts denominated in U.S. dollars that are traded on a trading facility with its principal place of business in an OECD country and that have at least two years of available daily contract reference prices and three months of available volume data.) Second, contracts must meet certain contract volume and weight requirements. Lastly, the number of contracts is determined. At that point, the list of designated contracts for the relevant S&P GSCI year is complete and production weights can be determined. There is no limit on the number of contracts that may be included in the S&P GSCI.

## FURTHER INFORMATION ABOUT THE INDEX

The Index is the S&P GSCI Light Energy Index Excess Return.

The Index is intended to reflect the performance of a broadly diversified group of commodities as measured by the price of futures contracts on 24 different commodities. The Index is comprised as follows (as at 30 June 2011):

COMMODITY	WEIGHT	COMMODITY	WEIGHT
<b>Energy</b>		<b>Agriculture</b>	
Crude Oil	16.9%	Corn	9.0%
Brent Oil	8.7%	Wheat	5.5%
Gas Oil	3.6%	Soybeans	4.9%
Heating Oil	2.6%	Cotton	3.0%
RBOB Gas	2.7%	Sugar	4.4%
Natural Gas	1.6%	Coffee	2.2%
	<u>36.1%</u>	Kansas Wheat	1.5%
		Cocoa	0.6%
			<u>31.3%</u>
<b>Industrial Metals</b>		<b>Livestock</b>	
Aluminium	5.2%	Feeder Cattle	0.9%
Copper	7.8%	Live Cattle	5.0%
Lead	1.0%	Lean Hogs	3.2%
Nickel	1.5%		<u>9.1%</u>
Zinc	1.2%		
	<u>16.6%</u>		
<b>Precious Metals</b>			
Gold	5.8%		
Silver	1.1%		
	<u>6.9%</u>		



The contracts currently used to calculate the Index are futures contracts traded on the New York Mercantile Exchange, London Metal Exchange, COMEX, Chicago Mercantile Exchange, Chicago Board of Trade, InterContinental Exchange and the Kansas City Board of Trade.

In relation to each commodity, the specific contract included in the Index is the contract with the closest expiration date (the "nearest contract"). The nearest contract expires on the third business day prior to the 25th calendar day of the relevant month. The Index incorporates a methodology for rolling into the contract with the next closest expiration date (the "next nearest contract") as the existing contract approaches expiration. The Index gradually reduces the weighting of the nearest contract and increases the weighting of the next-nearest contract over a

five business day period (commencing on the fifth S&P GSCI Business Day of the month) so that on the first day of the roll-over period the nearest contract represents 80% and the next-nearest contract represents 20% of the Index, and on the fifth day of the roll-over period (i.e., the ninth S&P GSCI Business Day of the month) the next-nearest contract represents 100% of the Index.

The Index referenced by the Fund is an “excess return” (and not a “total return”) index and therefore reflects the return of the underlying commodity futures price movements only (and not any notional interest earnings).

Standard & Poor’s has established an Index Committee to oversee the daily management and operations of the S&P GSCI (and all related sub-indices), and is responsible for all analytical methods and calculation in the indices, as well as the index rules that govern the S&P GSCI and the annual rebalancing of the S&P GSCI. Standard & Poor’s liability is limited as set out in section 6.10.

Further information on the Index is available on the S&P website at [www.spgsci.standardandpoors.com](http://www.spgsci.standardandpoors.com)

The nature and method of calculation of the Index may change from time to time.

Neither the Responsible Entity nor any other company in the BetaShares group has any control over, or responsibility for, the composition, calculation or availability of the Index.

Past performance information about the Index is available from various sources, including stockbrokers, financial information websites and major data providers such as Bloomberg or Reuters. Any past performance information about the Index does not take into account fees or taxes that may be incurred as a result of investing in the Fund. Past performance of the Index is not a reliable guide to future performance of the Index or the Fund.

### **SPECIFIC RISK FACTORS**

*In addition to the Risk Factors set out in section 4 of this PDS, there are a number of additional risks that are relevant to the Fund.*

#### **Commodity volatility**

Historically over the period between 1992 and 2011, the Index has exhibited an annualised volatility of approximately 16%.

Volatility is a statistical measure of the magnitude of fluctuations in the returns of a benchmark. By comparison, the volatility of the S&P/ASX 200 Index has been approximately 16% over this same period. This indicates that the Index has historically had similar volatility to the Australian sharemarket as a whole, and thus has the potential for losses.

#### **Increased bid/offer spreads due to non-concurrent trading hours**

As discussed in section 4.15, the trading price of Units on the ASX may be influenced by the non-concurrent trading hours between the ASX and the applicable futures exchanges on which the futures contracts, reflected in the Index, are traded. Certain futures contracts may not be able to be traded, or may trade with reduced liquidity, during all or some of the time when the ASX is open. As a result, during times when the ASX is open but the underlying futures contracts are not able to be traded, or trade with reduced liquidity, trading spreads (the difference between bid prices and the offer prices on the ASX) may widen significantly and increase the difference between the trading price of Units and the Net Asset Value per Unit. This difference may be significant at times and therefore investors are advised to carefully consider this impact before trading on the ASX. Please note that daily trading of Units in the Fund on the ASX may commence at a later time during the Australian summer (ie while Australian Eastern Daylight Saving Time applies). If this occurs, the Responsible Entity will notify market participants of the adjusted trading hours for this Fund via the Company Announcements Platform. The table below shows the relative size of the anticipated average bid/offer spread (due to non-concurrent trading hours) for the stated period during an ASX trading day. The table should be applied to normal ASX trading hours, which are 10:00am to 4:00pm.

RELATIVE SIZE OF AVERAGE ANTICIPATED BID/OFFER SPREAD	ASX WINTER TRADING (AUSTRALIAN EASTERN STANDARD TIME)	ASX SUMMER TRADING (AUSTRALIAN EASTERN DAYLIGHT SAVING TIME)
<b>Higher</b>	n/a	Pre-11:00am
<b>Medium</b>	n/a	11:00am to 12:00pm
<b>Lower</b>	Pre-11:00am	12:00pm to 1:00pm
<b>Lowest</b>	11:00am onwards	1:00pm onwards



## PRODUCT SUPPLEMENT

# BETASHARES AGRICULTURE ETF – CURRENCY HEDGED (SYNTHETIC)

## INVESTMENT OBJECTIVE

The investment objective of the Fund is to track the performance of the S&P GSCI Agriculture Enhanced Select Index Excess Return (“Index”) hedged into Australian dollars, plus an interest component, before fees and expenses.

The S&P GSCI Agriculture Enhanced Select Index comprises four commodities from the agricultural sector: corn, wheat, sugar and soybeans and applies certain seasonal rolling rules, as outlined below. This range of constituents provides diversification across the agricultural commodity sector. Agricultural commodities included in the Index are primarily used in the production of foodstuff and drinks, and more recently in the production of bio-fuel.

The interest component is based on the interest earned by the Fund on its cash holdings and will accrue into the Fund’s Net Asset Value for the benefit of Unitholders.

Although the underlying futures contracts (and the Index) are priced in U.S. dollars, the Fund offers an exposure to the performance of the Index that is substantially hedged back to the Australian dollar, with the aim of reducing currency risk for Australian investors.

## ABOUT THE S&P GSCI INDEX SERIES

The S&P GSCI Index Series provides investors with reliable and publicly available benchmarks for investment performance in the commodity markets. The indices are designed to be tradable, readily accessible to market participants, and cost efficient to implement.

The S&P GSCI (the main index of the S&P GSCI Index Series) is widely recognized as a leading measure of general commodity price movements and inflation in the world economy.

The S&P GSCI is calculated primarily on a world production weighted basis, and is comprised of the principal physical commodities that are the subject of active, liquid futures markets.

To be included in the S&P GSCI for a given year, contracts must satisfy several sets of eligibility criteria. First, Standard & Poor’s identifies those contracts that meet the general criteria for eligibility (namely, contracts denominated in U.S. dollars that are traded on a trading facility with its principal place of business in an OECD country and that have at least two years of available daily contract reference prices and three months of available volume data.) Second, contracts must meet certain contract volume and weight requirements. Lastly, the number of contracts is determined. At that point, the list of designated contracts for the relevant S&P GSCI year is complete and production weights can be determined. There is no limit on the number of contracts that may be included in the S&P GSCI.

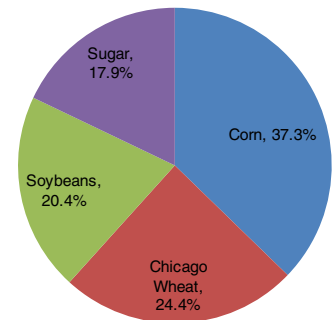
## FURTHER INFORMATION ABOUT THE INDEX

The Index is the S&P GSCI Agriculture Enhanced Select Index Excess Return. The Index is part of a series of sub-indices calculated by Standard & Poor’s that represent components of the S&P GSCI from across a number of commodity sectors.

The Index is intended to reflect the performance of a diversified group of four agricultural commodities as measured by the price of futures contracts. The Index is comprised as follows (as at 30 June 2011):

### Agriculture

Corn	37.3%
Chicago Wheat	24.4%
Soybeans	20.4%
Sugar	17.9%
	<hr/>
	100.0%



The contracts currently used to calculate the Index are futures contracts traded on the Chicago Board of Trade and InterContinental Exchange.

In relation to each commodity, the specific contract included in the Index is determined in accordance with the following schedule:

- Chicago Wheat is rolled only to the December contract annually (during the November roll)
- Corn is rolled only to the July contract annually (during the May roll period)
- Soybeans follow the regular S&P GSCI roll schedule
- Sugar is rolled only to the March contract annually (during the February roll period)

The Index gradually reduces the weighting of the nearest contract and increases the weighting of the next-nearest contract over a five business day period (commencing on the first S&P GSCI Business Day of the month) so that on the first day of the roll-over period the nearest contract represents 80% and the next-nearest contract represents 20% of the Index, and on the fifth day of the roll-over period (i.e., the fifth S&P GSCI Business Day of the month) the next-nearest contract represents 100% of the Index.

The Index referenced by the Fund is an “excess return” (and not a “total return”) index and therefore reflects the return of the underlying commodity futures price movements only (and not any notional interest earnings).

Standard & Poor’s has established an Index Committee to oversee the daily management and operations of the S&P GSCI (and all related sub-indices), and is responsible for all analytical methods and calculation in the indices, as well as the index rules that govern the S&P GSCI and the annual rebalancing of the S&P GSCI. Standard & Poor’s liability is limited as set out in section 6.10.

Further information on the Index is available on the S&P website at [www.spgsci.standardandpoors.com](http://www.spgsci.standardandpoors.com)

The nature and method of calculation of the Index may change from time to time.

Neither the Responsible Entity nor any other company in the BetaShares group has any control over, or responsibility for, the composition, calculation or availability of the Index.

Past performance information about the Index is available from various sources, including stockbrokers, financial information websites and major data providers such as Bloomberg or Reuters. Any past performance information about the Index does not take into account fees or taxes that may be incurred as a result of investing in the Fund. Past performance of the Index is not a reliable guide to future performance of the Index or the Fund.

## SPECIFIC RISK FACTORS

*In addition to the Risk Factors set out in section 4 of this PDS, there are a number of additional risks that are relevant to the Fund.*

### Concentration risk and commodity volatility

The Fund is concentrated in commodities within the agricultural sector. Generally, such concentration may result in a greater degree of volatility in the Index and, as a result, in the net asset value of the Fund, relative to more diversified investments.

Historically over the period between 1995 and 2011, the Index has exhibited an annualised volatility of approximately 21%. Volatility is a statistical measure of the magnitude of fluctuations in the returns of a benchmark. By comparison, the volatility of the S&P/ASX 200 Index has been approximately 16% over this same period. This indicates that the Index has historically been more volatile than the Australian sharemarket as a whole, and thus has the potential for greater losses.

Agricultural prices may be influenced by a range of factors including variations in domestic supply and demand, seasonal fluctuations, global population changes, international prices, exchange rates, changing levels of price support and farm subsidies, weather conditions, the demand for alternative energies such as bio-fuels as well as economic and political conditions.

### Increased bid/offer spreads due to non-concurrent trading hours

As discussed in section 4.15, the trading price of Units on the ASX may be influenced by the non-concurrent trading hours between the ASX and the applicable futures exchanges on which the futures contracts, reflected in the Index, are traded. Certain futures contracts may not be able to be traded, or may trade with reduced liquidity, during all or some of the time when the ASX is open. As a result, during times when the ASX is open but the underlying futures contracts are not able to be traded, or trade with reduced liquidity, trading spreads (the difference between bid prices and the offer prices on the ASX) may widen significantly and increase the difference between the trading price of Units and the Net Asset Value per Unit. This difference may be significant at times and therefore investors are advised to carefully consider this impact before trading on the ASX. Please note that daily trading of Units in the Fund on the ASX may commence at a later time during the Australian summer (ie while Australian Eastern Daylight Saving Time applies). If this occurs, the Responsible Entity will notify market participants of the adjusted trading hours for this Fund via the Company Announcements Platform. The table below shows the relative size of the anticipated average bid/offer spread (due to non-concurrent trading hours) for the stated period during an ASX trading day. The table should be applied to normal ASX trading hours, which are 10:00am to 4:00pm.

RELATIVE SIZE OF AVERAGE ANTICIPATED BID/OFFER SPREAD	ASX WINTER TRADING (AUSTRALIAN EASTERN STANDARD TIME)	ASX SUMMER TRADING (AUSTRALIAN EASTERN DAYLIGHT SAVING TIME)
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<b>Higher</b>	n/a	Pre-11:00am
<b>Medium</b>	Pre-11:00am	11:00am to 1:00pm
<b>Lower</b>	11:00am onwards	1:00pm onwards

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## FORMS

# APPLICATION FORM

BetaShares Exchange Traded Funds Product  
Disclosure Statement dated 18 October 2011 ('PDS')  
issued by BetaShares Capital Ltd, ABN 78 139 566  
868, AFSL 341181 as Responsible Entity.

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

*It is important to read the PDS carefully. If the PDS was obtained electronically, a paper copy of the PDS and this Application Form will be provided free of charge upon request. Capitalised terms have the same meaning as in the PDS.*

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

### APPLICANT DETAILS

Name \_\_\_\_\_

ACN/ABN \_\_\_\_\_

Postal address \_\_\_\_\_

Suburb \_\_\_\_\_

State \_\_\_\_\_ Postcode \_\_\_\_\_

Telephone (\_\_\_\_) \_\_\_\_\_

Fax (\_\_\_\_) \_\_\_\_\_

### APPLICATION AMOUNT

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

**Please note:** *The minimum application is \$1,000,000, payable in cash, unless the Responsible Entity agrees otherwise*

Fund: \_\_\_\_\_

ASX code: \_\_\_\_\_

Application amount (\$): \_\_\_\_\_

### ACKNOWLEDGEMENTS

By signing this Application Form:

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

### Applicant signatures

\_\_\_\_\_  
Signature of Authorised Person

\_\_\_\_\_  
Name of Authorised Person (block letters)

\_\_\_\_\_  
Position (block letters)

\_\_\_\_\_  
Signature of Authorised Person

\_\_\_\_\_  
Name of Authorised Person (block letters)

\_\_\_\_\_  
Position (block letters)

Date: \_\_\_\_\_

# FORMS

## REDEMPTION FORM

BetaShares Exchange Traded Funds Product Disclosure Statement dated 18 October 2011 ('PDS') 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 PDS carefully. If the PDS was obtained electronically, a paper copy of the PDS and this Redemption Form will be provided free of charge upon request. Capitalised terms have the same meaning as in the PDS.*

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

### UNITHOLDER DETAILS

Name \_\_\_\_\_

ACN/ABN \_\_\_\_\_

Postal address \_\_\_\_\_

Suburb \_\_\_\_\_

State \_\_\_\_\_ Postcode \_\_\_\_\_

Telephone (\_\_\_\_) \_\_\_\_\_

Fax (\_\_\_\_) \_\_\_\_\_

### NUMBER OF UNITS TO BE REDEEMED

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

**Please note:** *The minimum redemption for BetaShares Crude Oil Index ETF – Currency Hedged (Synthetic) and BetaShares Copper Index ETF – Currency Hedged (Synthetic) is 50,000 Units, unless the Responsible Entity agrees otherwise. The minimum redemption for BetaShares Commodities Basket ETF – Currency Hedged (Synthetic) and BetaShares Agriculture ETF – Currency Hedged (Synthetic) is 100,000 Units, unless the Responsible Entity agrees otherwise.*

Fund: \_\_\_\_\_

ASX code: \_\_\_\_\_

Number of Units: \_\_\_\_\_

### SIGNATURE BY REDEEMING UNITHOLDER

By signing this Redemption Form:

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

### 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 9  
50 Margaret Street  
Sydney NSW 2000  
Telephone: (02) 9290 6888

## **Custodian**

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

## **Registrar**

Link Market Services  
Level 12  
680 George Street  
Sydney NSW 2000

## **Solicitors to BetaShares**

Minter Ellison  
Aurora Place  
88 Phillip Street  
Sydney NSW 2000

## **Auditor**

PricewaterhouseCoopers  
Darling Park Tower 2  
201 Sussex Street  
Sydney NSW 1171

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