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BetaShares
Exchange Traded Funds

27 September 2017

Market Announcements Office
ASX Limited

To be released for each of the ASX codes listed below

ANNUAL FINANCIAL REPORT 2017

BetaShares Capital Ltd, the issuer of each of the following Funds, is pleased to provide the Annual Financial Report in respect of the Funds for the period ending 30 June 2017.

ASX Code	Fund
QAU	BetaShares Gold Bullion ETF - Currency Hedged
OOO	BetaShares Crude Oil Index ETF - Currency Hedged (Synthetic)
QAG	BetaShares Agriculture ETF - Currency Hedged (Synthetic)
QCB	BetaShares Commodities Basket ETF - Currency Hedged (Synthetic)

Further information about the Funds can be obtained at www.betashares.com.au or by contacting BetaShares Client Services on 1300 487 577.

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

Units in BetaShares Funds trade on the ASX at market prices, not at NAV. An investment in any BetaShares Fund is subject to investment risk including possible delays in repayment and loss of income and principal invested. Neither BetaShares Capital Ltd nor BetaShares Holdings Pty Ltd guarantees the performance of any Fund or the repayment of capital or any particular rate of return. Past performance is not an indication of future performance. BetaShares® and Back Your View® are registered trademarks of BetaShares Holdings Pty Ltd.

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Booklet 2

BetaShares Agriculture ETF - Currency Hedged (Synthetic) - ASX Code: QAG (ARSN 150 080 176)

BetaShares Commodities Basket ETF - Currency Hedged (Synthetic) - ASX Code: QCB (ARSN 150 081 495)

BetaShares Crude Oil Index ETF - Currency Hedged (Synthetic) - ASX Code: OOO (ARSN 150 081 351)

BetaShares Gold Bullion ETF - Currency Hedged - ASX Code: QAU (ARSN 150 081 851)

Annual Financial Report

30 June 2017

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Booklet 2
Annual Financial Report
30 June 2017

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Directors' report

The directors of BetaShares Capital Ltd, the Responsible Entity of the following managed investment funds (the "Funds") present their report together with the annual financial report of the Funds for the year ended 30 June 2017 and the auditor's report thereon.

Fund name	Referred to in this document as	Financial reporting period	ARSN
BetaShares Agriculture ETF - Currency Hedged (Synthetic)	Agriculture ETF	1 July 2016 to 30 June 2017	150 080 176
BetaShares Commodities Basket ETF - Currency Hedged (Synthetic)	Commodities Basket ETF	1 July 2016 to 30 June 2017	150 081 495
BetaShares Crude Oil Index ETF - Currency Hedged (Synthetic)	Crude Oil Index ETF	1 July 2016 to 30 June 2017	150 081 351
BetaShares Gold Bullion ETF - Currency Hedged	Gold Bullion ETF	1 July 2016 to 30 June 2017	150 081 851

Responsible Entity

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

Principal activities

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

The Funds did not have any employees during the year.

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

Directors

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

David Nathanson (appointed 21 September 2009)
Alex Vynokur (appointed 21 September 2009)
Taeyong Lee (appointed 12 August 2015)
Thomas Park (appointed 12 August 2015)

Review and results of operations

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

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

Significant changes in state of affairs

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

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Directors' report (continued)

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly affect:

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

Likely developments and expected results of operations

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

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

Indemnification and insurance of officers and auditors

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

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

Fees paid to the Responsible Entity and its associates out of the Funds' property during the year are disclosed in Note 13 to the financial statements.

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

The number of interests in the Funds held by the Responsible Entity or its associates as at the end of the financial year are disclosed in Note 13 to the financial statements.

Interests in the Funds

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

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

Environmental regulation

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

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Directors' report (continued)

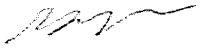
Rounding of amounts to the nearest thousand dollars

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

Auditor's independence declaration

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

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



David Nathanson
Director

Alex Vynokur
Director

Sydney
25 September 2017

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KPMG

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

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

I declare that, to the best of my knowledge and belief, in relation to the audit of the Schemes for the financial year ended 30 June 2017 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Tim Aman

Tim Aman
Partner
Sydney
25 September 2017

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Statements of comprehensive income		Agriculture ETF[2]		Commodities Basket ETF[2]		Crude Oil Index ETF[2]		Gold Bullion ETF[2]	
		30 June 2017	30 June 2016	**30 June 2017**	30 June 2016	**30 June 2017**	30 June 2016	**30 June 2017**	30 June 2016
	Notes	**$[1]**	$[1]	**$[1]**	$[1]	**$'000**	$'000	**$'000**	$'000
Investment income									
Interest income		**46,383**	75,537	**154,146**	233,504	**666**	956	**-**	-
Net gains/(losses) on financial instruments held at fair value through profit or loss	5	**(377,392)**	(308,761)	**(500,557)**	(1,733,976)	**(8,192)**	(11,128)	**383**	(25)
Net gains/(losses) on gold contract held at fair value through profit or loss		**-**	-	**-**	-	**-**	-	**(5,600)**	3,311
Net foreign exchange gains/(losses)		**-**	-	**-**	-	**-**	-	**853**	872
Total net investment income/(loss)		**(331,009)**	(233,224)	**(346,411)**	(1,500,472)	**(7,526)**	(10,172)	**(4,364)**	4,158
Expenses									
Management fees	13	**17,279**	17,920	**62,336**	55,710	**289**	256	**258**	126
Other expenses		**3,537**	6,552	**4,329**	14,285	**27**	71	**76**	44
Total operating expenses		**20,816**	24,472	**66,665**	69,995	**316**	327	**334**	170
Operating profit/(loss)		**(351,825)**	(257,696)	**(413,076)**	(1,570,467)	**(7,842)**	(10,499)	**(4,698)**	3,988
Finance costs attributable to unitholders									
Distributions to unitholders	4	**-**	(15,764)	**-**	(55,697)	**-**	-	**-**	-
Change in net assets attributable to unitholders (total comprehensive income)	3	**(351,825)**	(273,460)	**(413,076)**	(1,626,164)	**(7,842)**	(10,499)	**(4,698)**	3,988

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

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

[2] *Refer to Note 1 for the financial reporting period.*

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Statements of financial position	Notes	Agriculture ETF[2]		Commodities Basket ETF[2]		Crude Oil Index ETF[2]		Gold Bullion ETF[2]	
		30 June 2017 $[1]	30 June 2016 $[1]	**30 June 2017 $[1]**	30 June 2016 $[1]	**30 June 2017 $'000**	30 June 2016 $'000	**30 June 2017 $'000**	30 June 2016 $'000
Assets									
Cash and cash equivalents		**2,812,851**	3,853,925	**9,055,273**	12,062,004	**38,943**	57,948	**123**	62
Financial assets held at fair value through profit or loss	6	**73,973**	-	**242,469**	-	**937**	-	**983**	309
Gold contract held at fair value through profit or loss		**-**	-	**-**	-	**-**	-	**57,915**	45,020
Receivables		**4,350**	6,504	**13,631**	19,789	**57**	95	**8**	6
Total assets		**2,891,174**	3,860,429	**9,311,373**	12,081,793	**39,937**	58,043	**59,029**	45,397
Liabilities									
Financial liabilities held at fair value through profit or loss	6	**-**	1,026,247	**-**	3,737,628	**-**	7,984	**-**	-
Distributions payable	4	**-**	15,764	**-**	55,697	**-**	-	**-**	-
Other payables		**5,730**	8,379	**17,136**	19,798	**24**	46	**44**	34
Total liabilities (excluding net assets attributable to unitholders)		**5,730**	1,050,390	**17,136**	3,813,123	**24**	8,030	**44**	34
Net assets attributable to unitholders - liability	3	**2,885,444**	2,810,039	**9,294,237**	8,268,670	**39,913**	50,013	**58,985**	45,363

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

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

[2] *Refer to Note 1 for the financial reporting period.*

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Statements of changes in equity

The Funds' net assets attributable to unitholders are classified as a liability under AASB 132 *Financial Instruments: Presentation*. As such the Funds have no equity and no items of changes in equity have been presented for the current or comparative period.

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Statements of cash flows	Notes	Agriculture ETF[2]		Commodities Basket ETF[2]		Crude Oil Index ETF[2]		Gold Bullion ETF[2]	
		30 June 2017 $[1]	30 June 2016 $[1]	**30 June 2017 $[1]**	30 June 2016 $[1]	**30 June 2017 $'000**	30 June 2016 $'000	**30 June 2017 $'000**	30 June 2016 $'000
Cash flows from operating activities									
Proceeds from sale of gold contract held at fair value through profit or loss		**-**	-	**-**	-	**-**	-	**16,785**	4,607
Payments for purchases of financial instruments held at fair value through profit or loss		**(1,477,612)**	(35,927)	**(4,480,654)**	(109,294)	**(17,113)**	(1,816)	**(291)**	(446)
Payments for purchases of gold contract held at fair value through profit or loss		**-**	-	**-**	-	**-**	-	**(34,427)**	(26,901)
Interest received		**48,358**	79,773	**160,215**	241,710	**701**	916	**-**	-
Management fees paid		**(19,928)**	(20,309)	**(64,998)**	(60,197)	**(310)**	(251)	**(251)**	(116)
Other expenses paid		**(3,358)**	(6,818)	**(4,240)**	(15,226)	**(25)**	(77)	**(75)**	(37)
Net cash inflow/(outflow) from operating activities	7	**(1,452,540)**	16,719	**(4,389,677)**	56,993	**(16,747)**	(1,228)	**(18,259)**	(22,893)
Cash flows from financing activities									
Proceeds from applications by unitholders		**999,997**	-	**2,499,993**	1,001,115	**5,500**	38,749	**30,355**	22,899
Payments for redemptions by unitholders		**(572,767)**	-	**(1,061,350)**	-	**(7,758)**	(8,668)	**(12,035)**	-
Distributions paid		**(15,764)**	(36,471)	**(55,697)**	(101,163)	**-**	(114)	**-**	-
Net cash inflow/(outflow) from financing activities		**411,466**	(36,471)	**1,382,946**	899,952	**(2,258)**	29,967	**18,320**	22,899
Net increase/(decrease) in cash and cash equivalents		**(1,041,074)**	(19,752)	**(3,006,731)**	956,945	**(19,005)**	28,739	**61**	6
Cash and cash equivalents at the beginning of the financial year		**3,853,925**	3,873,677	**12,062,004**	11,105,059	**57,948**	29,209	**62**	56
Cash and cash equivalents at the end of the financial year		**2,812,851**	3,853,925	**9,055,273**	12,062,004	**38,943**	57,948	**123**	62

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

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

[2] Refer to Note 1 for the financial reporting period.

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1 General information

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

Abbreviated Fund name	Registered date	Commenced date	Financial reporting period
Agriculture ETF	8 April 2011	30 November 2011	1 July 2016 to 30 June 2017
Commodities Basket ETF	8 April 2011	13 December 2011	1 July 2016 to 30 June 2017
Crude Oil Index ETF	8 April 2011	11 November 2011	1 July 2016 to 30 June 2017
Gold Bullion ETF	8 April 2011	3 May 2011	1 July 2016 to 30 June 2017

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

The financial statements were authorised for issue by the directors of the Responsible Entity on 25 September 2017. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

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

2 Summary of significant accounting policies

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

(a) Basis of preparation

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

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

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

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

Compliance with International Financial Reporting Standards

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

Use of estimates and judgement

The Funds make estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Funds' financial instruments, that are not traded in an active market, fair value is determined using valuation techniques. However, certain financial instruments are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and regularly reviewed by experienced personnel of the Responsible Entity, independent of the area that created them.

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

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2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Gold contract

The AASB do not have specific recognition and measurement requirements for investments in gold bullion. The Fund considers that measuring its investment in the Gold Contract at fair value through profit or loss is consistent with the determination that the Fund is an investment entity, and is consistent with how the performance of the fund is evaluated in accordance with the Fund's investment strategy.

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

Investment entity exception

The Funds meet the definition of an investment entity and therefore apply the investment entity amendments to AASB 10 *Consolidated Financial Statements,* AASB 12 *Disclosure of Interest in Other Entities* and AASB 27 *Separate Financial Statement*. AASB 127 is applicable to all investees; among other things, it requires the consolidation of an investee if the Funds control the investee on the basis of de facto circumstances. An exception however exists where an entity meets the definition of an investment entity.

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

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

In making the above assessments, the Funds have multiple investments and multiple investors. Their investors are generally unrelated parties of the Funds. Although all units attributable to unitholders are recognized as debt rather than equity, unitholders invest for returns from capital appreciation, investment income, or both. Directors of the responsible entity have concluded that the Funds meet the definition of investment entity.

Assessment of the Funds' investments as structured entities

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

(b) Changes in accounting policy and transition

There were no changes in the accounting policies of the Funds during the financial year.

(c) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2017 reporting periods and have not been early adopted by the Funds. The directors' assessment of the impact of these new standards (to the extent relevant to the Funds) and interpretations is set out below:

(i) AASB 9 *Financial instruments* (and applicable amendments), (effective from 1 January 2018)

AASB9: Financial instruments and applicable amendments (effective from 1 January 2018) was available for early adoption but has not been applied in these financial statements. AASB 9 replaces existing guidance on classification and measurements of financial assets and introduces additions relating to the classification and measurement of financial liabilities as part of the project to replace AASB 139: Financial instruments. It has also introduced new hedge accounting requirements and revised certain requirements of financial assets. AASB 9 becomes mandatory for the Fund's 30 June 2019 financial statements. Retrospective application of the standard is required.

The Responsible entity does not expect the standard to have a significant impact on the recognition and measurement of the Fund's financial instruments as they are held at fair value through profit and loss. The de-recognition rules have not been changed from previous requirements and the Fund does not apply hedge accounting.

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2 Summary of significant accounting policies (continued)

(c) New accounting standards and interpretations (continued)

(ii) AASB 15 *Revenue from Contracts with Customers,* (effective from 1 January 2018)

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 Revenue which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

The Funds' main sources of income are interest and gains on financial instruments held at fair value. All of these are outside the scope of the new revenue standard. As consequence, the directors do not expect the adoption of the new revenue recognition rules to have a significant impact on the Funds' accounting policies or the amounts recognised in the financial statements.

There are no other standards that are not yet effective and that are expected to have a material impact on the Funds in the current or future reporting periods and on foreseeable future transactions.

(d) Financial instruments and gold contract

(i) Classification

The Funds' financial instruments are classified as financial assets or financial liabilities, and are recognised at fair value through profit or loss. They comprise:

- Financial instruments held for trading

Derivative financial instruments such as foreign currency forward contracts and index swaps are included under this classification. The Funds do not designate any derivatives as hedges in a hedging relationship.

- Financial instruments designated at fair value through profit or loss upon initial recognition

These include financial assets and financial liabilities that are classified as not held for trading purposes and which may be sold.

Financial assets designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Funds' documented investment strategy. The Funds' policy is for the Responsible Entity to evaluate the information about these financial instruments on a fair value basis together with other related financial information.

(ii) Recognition/derecognition

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

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

(iii) Measurement

- Financial assets and liabilities held at fair value through profit or loss

At initial recognition, the Funds measure a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statements of comprehensive income.

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

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

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2 Summary of significant accounting policies (continued)

(d) Financial instruments and gold contract (continued)

(iii) Measurement (continued)

- Fair value in an active market

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

- Fair value in an inactive or unquoted market

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. The Funds use a variety of methods and make assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent arms transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models or any other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

(iv) Offsetting financial instruments

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

(v) Gold contract

The Fund invests in gold bullion through a deferred purchase and sale contract. Investments in gold bullion are carried at fair value through profit and loss based on the gold bullion price as at 10.30am London time (being the time of the London AM gold fix).

(e) Net assets attributable to unitholders

Units are normally redeemable only by unitholders being Authorised Participants at the unitholders' option (other unitholders only have a right to redeem units in special circumstances) and are accordingly therefore classified as financial liabilities. The units can be put back to the Funds at any time (subject to the *Corporations Act 2001* and the Funds' Constitutions) for cash based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the end of the reporting period if unitholders exercised their right to redeem units in the Funds.

(f) Cash and cash equivalents

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

(g) Investment income

Interest income is recognised in the statements of comprehensive income for all financial instruments that are not held at fair value through profit or loss using the effective interest method. Other changes in fair value for such instruments are recorded in accordance with the policies described in Note 2(d).

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2 Summary of significant accounting policies (continued)

(h) Expenses

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

(i) Income tax

Under current legislation, the Funds are not subject to income tax as unitholders are presently entitled to the taxable income (including assessable realised capital gains) of the Funds.

(j) Distributions

In accordance with the Funds' Constitutions, the Funds distribute income adjusted for amounts determined by the Responsible Entity, to unitholders by cash payment.

The distributions are recognised in the statements of comprehensive income as finance costs attributable to unitholders.

(k) Change in net assets attributable to unitholders

Income not distributed is included in net assets attributable to unitholders. Movements in net assets attributable to unitholders are recognised in the statements of comprehensive income.

(l) Foreign currency translation

Transactions and balances

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

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

(m) Due from/to brokers

Amounts due from/to brokers (if applicable) represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the year. Trades are recorded on trade date, and for equities normally settled within two to three business days. A provision for impairment of amounts due from brokers is established when there is objective evidence that the Funds will not be able to collect all amounts due from the relevant broker. Indicators that the amount due from brokers is impaired include significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation and default in payments.

(n) Receivables

Receivables may include amounts for interest and trust distributions. Interest is accrued at the end of each reporting period from the time of last payment in accordance with the policy set out in Note 2(g) above. Amounts are generally received within 30 days of being recorded as receivables. The carrying amount of receivables approximates fair value.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Funds will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial.

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2 Summary of significant accounting policies (continued)

(o) Payables

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

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

(p) Applications and redemptions

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

(q) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Funds by third parties such as custodial services and investment management fees have been passed onto the Funds. The Funds qualify for Reduced Input Tax Credits (RITC) at a rate of 55% to 85%; hence investment management fees, custodial fees and other expenses have been recognised in the statements of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the statements of financial position. Cash flows relating to GST are included in the statements of cash flows on a gross basis.

(r) Rounding of amounts

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

3 Net assets attributable to unitholders

As stipulated within the Constitution of each Fund, each unit represents a right to an individual share in the relevant Fund and does not extend to a right to the underlying assets of the Fund. There are no separate classes of units and each unit of a Fund has the same rights attaching to it as all other units of the Fund (subject to applicable ASIC relief).

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

	Agriculture ETF				Commodities Basket ETF			
	30 June 2017 Units[1]	30 June 2016 Units[1]	**30 June 2017 $[1]**	30 June 2016 $[1]	**30 June 2017 Units[1]**	30 June 2016 Units[1]	**30 June 2017 $[1]**	30 June 2016 $[1]
Net assets attributable to unitholders								
Opening balance	**344,692**	344,692	**2,810,039**	3,083,499	**856,750**	754,509	**8,268,670**	8,893,819
Applications	**134,431**	-	**999,997**	-	**276,408**	102,241	**2,499,993**	1,001,115
Redemptions	**(77,996)**	-	**(572,767)**	-	**(114,650)**	-	**(1,061,350)**	-
Change in net assets attributable to unitholders	**-**	-	**(351,825)**	(273,460)	**-**	-	**(413,076)**	(1,626,264)
Closing balance	**401,127**	344,692	**2,885,444**	2,810,039	**1,018,508**	856,750	**9,294,237**	8,268,670

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

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3 Net assets attributable to unitholders (continued)

	Crude Oil Index ETF				Gold Bullion ETF			
	30 June 2017 Units '000	30 June 2016 Units '000	**30 June 2017 $'000**	30 June 2016 $'000	**30 June 2017 Units '000**	30 June 2016 Units '000	**30 June 2017 $'000**	30 June 2016 $'000
Net assets attributable to unitholders								
Opening balance	**3,124**	1,091	**50,013**	30,431	**3,284**	1,498	**45,363**	18,476
Applications	**399**	2,548	**5,500**	38,749	**2,255**	1,786	**30,355**	22,899
Redemptions	**(481)**	(515)	**(7,758)**	(8,668)	**(1,000)**	-	**(12,035)**	-
Change in net assets attributable to unitholders	**-**	-	**(7,842)**	(10,499)	**-**	-	**(4,698)**	3,988
Closing balance	**3,042**	3,124	**39,913**	50,013	**4,539**	3,284	**58,985**	45,363

Capital risk management

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

Daily applications and redemptions are reviewed relative to the liquidity of the Funds' underlying assets on a daily basis by the Responsible Entity. Under the terms of the Funds' Constitutions, the Responsible Entity has the discretion to reject an application for units and to extend the period allowed for satisfaction of redemption of units or reject or spread redemptions in specified circumstances.

4 Distributions to unitholders

The distributions for the year were as follows:

	Agriculture ETF				Commodities Basket ETF			
	30 June 2017 $[1]	**30 June 2017 CPU**	30 June 2016 $[1]	30 June 2016 CPU	**30 June 2017 $[1]**	**30 June 2017 CPU**	30 June 2016 $[1]	30 June 2016 CPU
Distributions payable - June	**-**	**-**	15,764	4.57	**-**	**-**	55,697	6.50
Total distributions	**-**		15,764		**-**		55,697	

	Crude Oil Index ETF				Gold Bullion ETF			
	30 June 2017 $'000	**30 June 2017 CPU**	30 June 2016 $'000	30 June 2016 CPU	**30 June 2017 $'000**	**30 June 2017 CPU**	30 June 2016 $'000	30 June 2016 CPU
Distributions payable - June	**-**	**-**	-	-	**-**	**-**	-	-
Total distributions	**-**		-		**-**		-	

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

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5 Net gains/(losses) on financial instruments held at fair value through profit or loss

Net gains/(losses) recognised in relation to financial assets and financial liabilities held at fair value through profit or loss:

	Agriculture ETF		Commodities Basket ETF		Crude Oil Index ETF		Gold Bullion ETF	
	30 June 2017 $[1]	30 June 2016 $[1]	**30 June 2017 $[1]**	30 June 2016 $[1]	**30 June 2017 $'000**	30 June 2016 $'000	**30 June 2017 $'000**	30 June 2016 $'000
Net gain/(loss) on financial instruments held for trading	**(377,392)**	(308,761)	**(500,557)**	(1,733,976)	**(8,192)**	(11,128)	**383**	(25)
Net gains/(losses) on financial instruments held at fair value through profit or loss	**(377,392)**	(308,761)	**(500,557)**	(1,733,976)	**(8,192)**	(11,128)	**383**	(25)

6 Financial instruments held at fair value through profit or loss

	Agriculture ETF		Commodities Basket ETF		Crude Oil Index ETF		Gold Bullion ETF	
	30 June 2017 $[1]	30 June 2016 $[1]	**30 June 2017 $[1]**	30 June 2016 $[1]	**30 June 2017 $'000**	30 June 2016 $'000	**30 June 2017 $'000**	30 June 2016 $'000
Financial assets								
Held for trading								
Foreign currency forward contracts	**-**	-	**-**	-	**-**	-	**983**	309
Index swaps	**73,973**	-	**242,469**	-	**937**	-	**-**	-
Total financial assets held at fair value through profit or loss	**73,973**	-	**242,469**	-	**937**	-	**983**	309
Financial liabilities								
Held for trading								
Index swaps	**-**	1,026,247	**-**	3,737,628	**-**	7,984	**-**	-
Total financial liabilities held at fair value through profit or loss	**-**	1,026,247	**-**	3,737,628	**-**	7,984	**-**	-

An overview of the risk exposures relating to financial assets and financial liabilities at fair value through profit or loss is included in Note 8.

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

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

	Agriculture ETF		Commodities Basket ETF		Crude Oil Index ETF		Gold Bullion ETF	
	30 June 2017 $[1]	30 June 2016 $[1]	**30 June 2017 $[1]**	30 June 2016 $[1]	**30 June 2017 $'000**	30 June 2016 $'000	**30 June 2017 $'000**	30 June 2016 $'000
Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities								
Operating profit/(loss) for the year	**(351,825)**	(257,696)	**(413,076)**	(1,570,567)	**(7,842)**	(10,499)	**(4,698)**	3,988
Payments for the purchase of financial instruments held at fair value through profit or loss	**(1,477,612)**	(35,927)	**(4,480,654)**	(109,294)	**(17,113)**	(1,816)	**(291)**	(446)
Proceeds from sale of gold contract held at fair value through profit or loss	**-**	-	**-**	-	**-**	-	**16,785**	4,607
Payments for the purchase of gold contract instruments held at fair value through profit or loss	**-**	-	**-**	-	**-**	-	**(34,427)**	(26,901)
Net (gains)/losses on financial instruments held at fair value through profit or loss	**377,392**	308,761	**500,557**	1,733,976	**8,192**	11,128	**(383)**	25
Net (gains)/losses on gold contract held at fair value through profit or loss	**-**	-	**-**	-	**-**	-	**5,600**	(4,183)
Net change in interest receivable	**1,975**	4,236	**6,069**	8,456	**35**	-	**-**	-
Net change in receivables and other assets	**179**	121	**89**	(45)	**3**	(42)	**(2)**	(3)
Net change in payables and other liabilities	**(2,649)**	(2,776)	**(2,662)**	(5,533)	**(22)**	1	**10**	20
Net cash inflow/(outflow) from operating activities	**(1,452,540)**	16,719	**(4,389,677)**	56,993	**(16,747)**	(1,228)	**(17,406)**	(22,893)

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

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8 Financial risk management

The Funds are exchange traded managed funds that primarily invest in index swaps, cash and cash equivalents and Gold contract for gold bullion (as relevant for each Fund).

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

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

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

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

(a) Market risk

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

(i) Price risk

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

Sensitivity analysis - price risk

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

	Agriculture ETF		Commodities Basket ETF		Crude Oil Index ETF		Gold Bullion ETF	
	30 June 2017 $[1]	30 June 2016 $[1]	**30 June 2017 $[1]**	30 June 2016 $[1]	**30 June 2017 $'000**	30 June 2016 $'000	**30 June 2017 $'000**	30 June 2016 $'000
+10% Price movement - impact on the Fund's operating profit/(loss) and net assets attributable to unitholders	**288,544**	(281,004)	**929,424**	(826,867)	**3,991**	(5,001)	**5,899**	(4,536)
-10% Price movement - impact on the Fund's operating profit/(loss) and net assets attributable to unitholders	**(288,544)**	281,004	**(929,424)**	826,867	**(3,991)**	5,001	**(5,899)**	4,536

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

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8 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk

Agriculture ETF
Commodities Basket ETF
Crude Oil Index ETF

In accordance with the PDS each of the Agriculture ETF, Commodities Basket ETF and the Crude Oil Index ETF has exposure to international assets as a result of its investment strategy which involves seeking to track the performance of a market index that is denominated in foreign currency but which is hedged to Australian dollars. These Funds are not significantly exposed to foreign currency risk.

Gold Bullion ETF

The Fund may hold both monetary and non-monetary assets denominated in currencies other than the Australian dollar. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk not foreign exchange risk. Foreign exchange risk arises as the value of monetary assets denominated in other currencies fluctuates due to changes in exchange rates. The risk is measured using sensitivity analysis.

The Fund's policy seeks to hedge substantially all of the direct foreign currency exposure on both monetary and non-monetary financial assets and liabilities. However, for accounting purposes, the Fund does not designate any derivatives as hedges in a hedging relationship.

The net fair value of the foreign currency contracts at 30 June 2017 was $0.98m (2016: $0.31m).

The table below summarises the Fund's assets and liabilities, monetary and non-monetary, that are denominated in a currency other than the Australian dollar.

	U.S. Dollars 30 June 2017 $'000	**Total 30 June 2017 $'000**	U.S. Dollars 30 June 2016 $'000	Total 30 June 2016 $'000
Net assets attributable to unitholders	**(1,024)**	**(1,024)**	1,038	1,038
Net foreign currency exposure	**(1,024)**	**(1,024)**	1,038	1,038

Sensitivity analysis - Foreign exchange risk

The Gold Bullion ETF is substantially hedged against movements in the value of the U.S. Dollar relative to the Australian Dollar, so movements in the exchange rate would be expected to have a minimal impact on net assets attributable to unitholders.

(iii) Cash flow and fair value interest rate risk

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

The Funds are exposed to interest rate risk on their holdings of cash and cash equivalents. Income from holdings of cash and cash equivalents is based on variable interest rates. Investments in holdings of cash and cash equivalents are at call or otherwise are generally able to be liquidated on a daily basis.

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8 Financial risk management (continued)

(a) Market risk (continued)

(iii) Cash flow and fair value interest rate risk (continued)

Sensitivity analysis - interest rate risk

		Impact on net assets attributable to unitholders and operating profit/(loss)			
	Sensitivity rate	**Strengthened 30 June 2017**	**Weakened 30 June 2017**	Strengthened 30 June 2016	Weakened 30 June 2016
Agriculture ETF ($[1])	**100bps**	**281,285**	**(281,285)**	385,393	(385,393)
Commodities Basket ETF ($[1])	**100bps**	**905,527**	**(905,527)**	1,206,200	(1,206,200)
Crude Oil Index ETF ($'000)	**100bps**	**3,894**	**(3,894)**	5,795	(5,795)
Gold Bullion ETF ($'000)	**100bps**	**12**	**(12)**	6	(6)

(b) Credit risk

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

The Agriculture ETF, Commodities Basket ETF and Crude Oil Index ETF invest in derivative financial instruments in the form of a swap agreement with Credit Suisse International. At 30 June 2017, Credit Suisse International had a credit rating of A (S&P) and A1 (Moody's) (30 June 2016: A (S&P) and A1 (Moody's)). As such, in terms of counterparty credit risk that may be borne by the Funds, unitholders may have some exposure to the creditworthiness of Credit Suisse International. The Responsible Entity manages the use of derivatives with the objective that the exposure of the Funds do not exceed 5% in aggregate of the net asset value of the Funds.

The Gold Bullion ETF is exposed to counterparty credit risk on financial assets, Gold contracts and derivative financial instruments.

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

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8 Financial risk management (continued)

(b) Credit risk (continued)

(i) Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a rating of AA- or higher (as determined by Standard & Poor's or equivalent rating agency).

The custody of the Funds' assets is mainly concentrated with one counterparty, namely RBC Investor Services Trust. RBC Investor Services Trust is a member of a major securities exchange, and at 30 June 2017 had a credit rating of AA- (S&P) and A1 (Moody's). At 30 June 2017, substantially all cash and cash equivalents, balances due from brokers and investments are held in custody by RBC investor Services Trust.

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

(ii) Settlement of gold transactions

The Gold Bullion ETF invests in gold bullion via a Gold Contract with the Gold Vendor on a deferred delivery basis under which the Gold Vendor retains legal ownership of the gold pending delivery. The Gold Vendor's obligations are secured by a registered charge held by the Fund over the gold. In addition, the Responsible Entity monitors the credit rating of the Gold Vendor on a regular basis. At 30 June 2017, the Fund's Gold Vendor, being National Bank of Canada, had a credit rating of A (S&P) and A1 (Moody's) (2016: A (S&P) and Aa3 (Moody's)).

(iii) Other

The Funds are not materially exposed to credit risks on other financial assets.

(c) Liquidity risk

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

The Funds are exposed to daily cash redemptions of redeemable units. They primarily hold cash and cash equivalents and investments that are traded in an active market and can be readily disposed of.

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

The majority of the Gold Bullion ETF's financial assets are considered readily realisable as the Gold Bullion backing the Gold Contract is traded on the London Bullion market.

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

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8 Financial risk management (continued)

(c) Liquidity risk (continued)

	Agriculture ETF				Agriculture ETF			
	On demand 30 June 2017 $[1]	**Less than 6 months 30 June 2017 $[1]**	**Greater than 6 months 30 June 2017 $[1]**	**Total 30 June 2017 $[1]**	On demand 30 June 2016 $[1]	Less than 6 months 30 June 2016 $[1]	Greater than 6 months 30 June 2016 $[1]	Total 30 June 2016 $[1]
Distributions payable	-	-	-	-	-	15,764	-	15,764
Other payables	-	5,730	-	5,730	-	8,379	-	8,379
Net assets attributable to unitholders	2,885,444	-	-	2,885,444	2,810,039	-	-	2,810,039
Contractual cash flows (excluding net settled derivatives)	2,885,444	5,730	-	2,891,174	2,810,039	24,143	-	2,834,182
Net settled derivatives								
Index swaps	-	-	-	-	-	1,026,247	-	1,026,247
	-	-	-	-	-	1,026,247	-	1,026,247

	Commodities Basket ETF				Commodities Basket ETF			
	On demand 30 June 2017 $[1]	**Less than 6 months 30 June 2017 $[1]**	**Greater than 6 months 30 June 2017 $[1]**	**Total 30 June 2017 $[1]**	On demand 30 June 2016 $[1]	Less than 6 months 30 June 2016 $[1]	Greater than 6 months 30 June 2016 $[1]	Total 30 June 2016 $[1]
Distributions payable	-	-	-	-	-	55,697	-	55,697
Other payables	-	17,136	-	17,136	-	19,798	-	19,798
Net assets attributable to unitholders	9,294,237	-	-	9,294,237	8,268,670	-	-	8,268,670
Contractual cash flows (excluding net settled derivatives)	9,294,237	17,136	-	9,311,373	8,268,670	75,495	-	8,344,165
Net settled derivatives								
Index swaps	-	-	-	-	-	3,737,628	-	3,737,628
	-	-	-	-	-	3,737,628	-	3,737,628

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

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8 Financial risk management (continued)

(c) Liquidity risk (continued)

	Crude Oil Index ETF				Crude Oil Index ETF			
	On demand 30 June 2017 $'000	**Less than 6 months 30 June 2017 $'000**	**Greater than 6 months 30 June 2017 $'000**	**Total 30 June 2017 $'000**	On demand 30 June 2016 $'000	Less than 6 months 30 June 2016 $'000	Greater than 6 months 30 June 2016 $'000	Total 30 June 2016 $'000
Other payables	-	24	-	24	-	46	-	46
Net assets attributable to unitholders	39,913	-	-	39,913	50,013	-	-	50,013
Contractual cash flows (excluding net settled derivatives)	39,913	24	-	39,937	50,013	46	-	50,059
Net settled derivatives								
Index swaps	-	-	-	-	-	7,984	-	7,984
	-	-	-	-	-	7,984	-	7,984

	Gold Bullion ETF				Gold Bullion ETF			
	On demand 30 June 2017 $'000	**Less than 6 months 30 June 2017 $'000**	**Greater than 6 months 30 June 2017 $'000**	**Total 30 June 2017 $'000**	On demand 30 June 2016 $'000	Less than 6 months 30 June 2016 $'000	Greater than 6 months 30 June 2016 $'000	Total 30 June 2016 $'000
Other payables	-	44	-	44	-	34	-	34
Net assets attributable to unitholders	58,985	-	-	58,985	45,363	-	-	45,363
Contractual cash flows (excluding net settled derivatives)	58,985	44	-	59,029	45,363	34	-	45,397

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9 Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The gross and net positions of financial assets and liabilities that have been offset in the statements of financial position are disclosed in the first three columns of the tables below.

The Agriculture ETF, Commodities Basket ETF and Crude Oil Index ETF have agreements with derivative counterparties that are based on the ISDA Master Agreement. Under the terms of these arrangements, only where certain credit events occur (such as default), the net position owing/receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated. As the Funds do not presently have a legally enforceable right of set-off, these amounts have not been offset in the statements of financial position, but have been presented separately in the tables below.

Agriculture ETF	**Effects of offsetting on the statements of financial position**			**Related amounts not offset in the statements of financial position**			Effects of offsetting on the statements of financial position			Related amounts not offset in the statements of financial position		
	Gross amounts of financial assets/ liabilities 30 June 2017 $[1]	**Gross amounts set off in the statements of financial position 30 June 2017 $[1]**	**Net amount of financial assets/liabilities presented in the statements of financial position 30 June 2017 $[1]**	**Financial instruments (including non-cash collateral) 30 June 2017 $[1]**	**Stock and cash collateral pledged 30 June 2017 $[1]**	**Net amounts 30 June 2017 $[1]**	Gross amounts of financial assets/ liabilities 30 June 2016 $[1]	Gross amounts set off in the statements of financial position 30 June 2016 $[1]	Net amount of financial assets/liabilities presented in the statements of financial position 30 June 2017 $[1]	Financial instruments (including non-cash collateral) 30 June 2016 $[1]	Stock and cash collateral pledged 30 June 2016 $[1]	Net amounts 30 June 2016 $[1]
Financial assets												
Index swaps	73,973	-	73,973	-	-	73,973	-	-	-	-	-	-
Total	73,973	-	73,973	-	-	73,973	-	-	-	-	-	-
Financial liabilities												
Index swaps	-	-	-	-	-	-	(1,026,247)	-	(1,026,247)	-	1,026,247	-
Total	-	-	-	-	-	-	(1,026,247)	-	(1,026,247)	-	1,026,247	-

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

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9 Offsetting financial assets and financial liabilities (continued)

Commodities Basket ETF

	Effects of offsetting on the statements of financial position			Related amounts not offset in the statements of financial position			Effects of offsetting on the statements of financial position			Related amounts not offset in the statements of financial position		
	Gross amounts of financial assets/ liabilities 30 June 2017 $'000	**Gross amounts set off in the statements of financial position 30 June 2017 $'000**	**Net amount of financial assets/liabilities presented in the statements of financial position 30 June 2017 $'000**	**Financial instruments (including non-cash collateral) 30 June 2017 $'000**	**Stock and cash collateral pledged 30 June 2017 $'000**	**Net amounts 30 June 2017 $'000**	Gross amounts of financial assets/ liabilities 30 June 2016 $'000	Gross amounts set off in the statements of financial position 30 June 2016 $'000	Net amount of financial assets/liabilities presented in the statements of financial position 30 June 2017 $'000	Financial instruments (including non-cash collateral) 30 June 2016 $'000	Stock and cash collateral pledged 30 June 2016 $'000	Net amounts 30 June 2016 $'000
Financial assets												
Index swaps	242,469	-	242,469	-	-	242,469	-	-	-	-	-	-
Total	242,469	-	242,469	-	-	242,469	-	-	-	-	-	-
Financial liabilities												
Index swaps	-	-	-	-	-	-	(3,737,628)	-	(3,737,628)	-	3,737,628	-
Total	-	-	-	-	-	-	(3,737,628)	-	(3,737,628)	-	3,737,628	-

Crude Oil Index ETF

	Effects of offsetting on the statements of financial position			Related amounts not offset in the statements of financial position			Effects of offsetting on the statements of financial position			Related amounts not offset in the statements of financial position		
	Gross amounts of financial assets/ liabilities 30 June 2017 $'000	**Gross amounts set off in the statements of financial position 30 June 2017 $'000**	**Net amount of financial assets/liabilities presented in the statements of financial position 30 June 2017 $'000**	**Financial instruments (including non-cash collateral) 30 June 2017 $'000**	**Stock and cash collateral pledged 30 June 2017 $'000**	**Net amounts 30 June 2017 $'000**	Gross amounts of financial assets/ liabilities 30 June 2016 $'000	Gross amounts set off in the statements of financial position 30 June 2016 $'000	Net amount of financial assets/liabilities presented in the statements of financial position 30 June 2017 $'000	Financial instruments (including non-cash collateral) 30 June 2016 $'000	Stock and cash collateral pledged 30 June 2016 $'000	Net amounts 30 June 2016 $'000
Financial assets												
Index swaps	937	-	937	-	-	937	-	-	-	-	-	-
Total	937	-	937	-	-	937	-	-	-	-	-	-
Financial liabilities												
Index swaps	-	-	-	-	-	-	(7,984)	-	(7,984)	-	7,984	-
Total	-	-	-	-	-	-	(7,984)	-	(7,984)	-	7,984	-

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9 Offsetting financial assets and financial liabilities (continued)

Gold Bullion ETF	**Effects of offsetting on the statements of financial position**			**Related amounts not offset in the statements of financial position**			Effects of offsetting on the statements of financial position			Related amounts not offset in the statements of financial position		
	Gross amounts of financial assets 30 June 2017 $'000	**Gross amounts set off in the statements of financial position 30 June 2017 $'000**	**Net amount of financial assets presented in the statements of financial position 30 June 2017 $'000**	**Financial instruments (including non-cash collateral) 30 June 2017 $'000**	**Stock and cash collateral pledged 30 June 2017 $'000**	**Net amounts 30 June 2017 $'000**	Gross amounts of financial assets 30 June 2016 $'000	Gross amounts set off in the statements of financial position 30 June 2016 $'000	Net amount of financial assets presented in the statements of financial position 30 June 2016 $'000	Financial instruments (including non-cash collateral) 30 June 2016 $'000	Stock and cash collateral pledged 30 June 2016 $'000	Net amounts 30 June 2016 $'000
Financial assets												
Foreign currency forward contracts	**983**	**-**	**983**	**-**	**-**	**983**	309	-	309	-	-	309
Total	**983**	**-**	**983**	**-**	**-**	**983**	309	-	309	-	-	309

10 Fair value measurements

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

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

Fair value estimation

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

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

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10 Fair value measurements (continued)

Fair value estimation (continued)

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

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

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

The quoted market price used for financial assets held by the Funds is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price. When the Funds hold derivatives with offsetting market risks, they use mid-market prices as a basis for establishing fair values for the offsetting risk positions and apply this bid or asking price to the net open position, as appropriate.

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

The gold contract is valued by JP Morgan based on spot gold prices from the gold bullion market.

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

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

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

For other pricing models, inputs are based on market data at the end of the reporting period.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Funds for similar financial instruments.

Index swaps are measured by assessing the fair value of both the equity or index leg and the cash leg of the swaps by calculating the present value of any amounts payable at balance sheet date. The net resultant payable or receivable to or from the counterparty best reflects the fair value of the swap contract.

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10 Fair value measurements (continued)

Fair value estimation (continued)

(iii) Recognised fair value measurements

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

	Agriculture ETF							
	Level 1 30 June 2017 $[1]	**Level 2 30 June 2017 $[1]**	**Level 3 30 June 2017 $[1]**	**Total 30 June 2017 $[1]**	Level 1 30 June 2016 $[1]	Level 2 30 June 2016 $[1]	Level 3 30 June 2016 $[1]	Total 30 June 2016 $[1]
Financial assets								
Financial assets held for trading								
Index swaps	-	73,973	-	73,973	-	-	-	-
Total	-	73,973	-	73,973	-	-	-	-
Financial liabilities								
Financial liabilities held for trading								
Index swaps	-	-	-	-	-	1,026,247	-	1,026,247
Total	-	-	-	-	-	1,026,247	-	1,026,247

	Commodities Basket ETF							
	Level 1 30 June 2017 $[1]	**Level 2 30 June 2017 $[1]**	**Level 3 30 June 2017 $[1]**	**Total 30 June 2017 $[1]**	Level 1 30 June 2016 $[1]	Level 2 30 June 2016 $[1]	Level 3 30 June 2016 $[1]	Total 30 June 2016 $[1]
Financial assets								
Financial assets held for trading								
Index swaps	-	242,469	-	242,469	-	-	-	-
Total	-	242,469	-	242,469	-	-	-	-
Financial liabilities								
Financial liabilities held for trading								
Index swaps	-	-	-	-	-	3,737,628	-	3,737,628
Total	-	-	-	-	-	3,737,628	-	3,737,628

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

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10 Fair value measurements (continued)

Fair value estimation (continued)

(iii) Recognised fair value measurements (continued)

	Crude Oil Index ETF							
	Level 1 30 June 2017 $'000	**Level 2 30 June 2017 $'000**	**Level 3 30 June 2017 $'000**	**Total 30 June 2017 $'000**	Level 1 30 June 2016 $'000	Level 2 30 June 2016 $'000	Level 3 30 June 2016 $'000	Total 30 June 2016 $'000
Financial assets								
Financial assets held for trading								
Index swaps	-	937	-	937	-	-	-	-
Total	-	937	-	937	-	-	-	-
Financial liabilities								
Financial assets held for trading								
Index swaps	-	-	-	-	-	7,984	-	7,984
Total	-	-	-	-	-	7,984	-	7,984

	Gold Bullion ETF							
	Level 1 30 June 2017 $'000	**Level 2 30 June 2017 $'000**	**Level 3 30 June 2017 $'000**	**Total 30 June 2017 $'000**	Level 1 30 June 2016 $'000	Level 2 30 June 2016 $'000	Level 3 30 June 2016 $'000	Total 30 June 2016 $'000
Financial assets								
Financial assets held for trading								
Foreign currency forward contracts	-	983	-	983	-	309	-	309
Gold contract held at fair value through profit or loss								
Gold bullion	57,915	-	-	57,915	45,020	-	-	45,020
Total	57,915	983	-	58,898	45,020	309	-	45,329

(iv) Transfers between levels

There were no transfers between levels during the year ended 30 June 2017 and 30 June 2016.

(v) Movement in level 3 instruments

There were no investments classified as Level 3 within the Funds as at 30 June 2017 and 30 June 2016.

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10 Fair value measurements (continued)

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

The carrying value of trade receivables and trade payables approximate their fair values.

Net assets attributable to unit holders' carrying value differs from its fair value (deemed to be redemption price for individual units) due to differences in valuation inputs. This difference is not material in the current year.

11 Derivative financial instruments

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

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

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

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

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

Certain Funds hold the following derivative instruments:

Index Swaps

An index swap is an agreement between two parties to exchange their obligations (payments) or receipts at set intervals on a notional principal amount over an agreed time period.

Total return commodities index swaps are measured by assessing the fair value of both legs of the swaps by calculating the present value of any amounts payable or receivable at balance sheet date. The net resultant payable or receivable to or from the counterparty best reflects the fair value of the swap contract.

Under the terms of the swap agreement, the swap provider requires initial collateral from the Funds being a percentage of the notional amount of the swap contracts, in order to provide credit protection to the swap provider. Such initial collateral is held by the Funds' custodian and the Funds have granted to the swap provider a security interest in the assets held. The Funds retain ownership of the initial collateral provided. Subsequent movements in the price of the underlying security will result in additional collateral transferable from the holder to the swap provider or vice versa.

Foreign currency forward contracts

Foreign currency forward contracts are primarily used by Funds to hedge against foreign currency exchange rate risks on non-Australian Dollar denominated assets. The Funds agree to receive or deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. Foreign currency contracts are valued at the prevailing bid price at the end of each reporting period. The Funds recognise a gain or loss equal to the change in fair value at the end of each reporting period.

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11 Derivative financial instruments (continued)

The following Funds held derivative instruments:

Agriculture ETF	Fair values			Fair values		
	Contract/ notional 30 June 2017 $[1]	**Assets 30 June 2017 $[1]**	**Liabilities 30 June 2017 $[1]**	Contract/ notional 30 June 2016 $[1]	Assets 30 June 2016 $[1]	Liabilities 30 June 2016 $[1]
Index swaps	**2,819,056**	**73,973**	**-**	3,525,189	-	1,026,247
	2,819,056	**73,973**	**-**	3,525,189	-	1,026,247

Commodities Basket ETF	Fair values			Fair values		
	Contract/ notional 30 June 2017 $[1]	**Assets 30 June 2017 $[1]**	**Liabilities 30 June 2017 $[1]**	Contract/ notional 30 June 2016 $[1]	Assets 30 June 2016 $[1]	Liabilities 30 June 2016 $[1]
Index swaps	**9,069,891**	**242,469**	**-**	11,347,896	-	3,737,628
	9,069,891	**242,469**	**-**	11,347,896	-	3,737,628

Crude Oil Index ETF	Fair values			Fair values		
	Contract/ notional 30 June 2017 $'000	**Assets 30 June 2017 $'000**	**Liabilities 30 June 2017 $'000**	Contract/ notional 30 June 2016 $'000	Assets 30 June 2016 $'000	Liabilities 30 June 2016 $'000
Index swaps	**38,999**	**937**	**-**	56,473	-	7,984
	38,999	**937**	**-**	56,473	-	7,984

Gold Bullion ETF	Fair values			Fair values		
	Contract/ notional 30 June 2017 $'000	**Assets 30 June 2017 $'000**	**Liabilities 30 June 2017 $'000**	Contract/ notional 30 June 2016 $'000	Assets 30 June 2016 $'000	Liabilities 30 June 2016 $'000
Foreign currency forward contracts	**59,961**	**983**	**-**	44,314	309	-
	59,961	**983**	**-**	44,314	309	-

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

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12 Auditor's remuneration

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

	Agriculture ETF		Commodities Basket ETF		Crude Oil Index ETF		Gold Bullion ETF	
	30 June 2017	30 June 2016	**30 June 2017**	30 June 2016	**30 June 2017**	30 June 2016	**30 June 2017**	30 June 2016
KPMG	**$**	$	**$**	$	**$**	$	**$**	$
Audit and other assurance service								
Audit and review of financial reports	**7,345**	7,625	**7,345**	7,625	**7,345**	7,625	**7,345**	7,625
Audit of compliance plan	**1,200**	1,200	**1,200**	1,200	**1,200**	1,200	**1,200**	1,200
Total remuneration of audit and other assurance services	**8,545**	8,825	**8,545**	8,825	**8,545**	8,825	**8,545**	8,825

13 Related party transactions

Responsible entity

The Responsible Entity of the Funds is BetaShares Capital Ltd.

Key management personnel

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

(a) Directors

Executive Directors:

David Nathanson (appointed 21 September 2009)
Alex Vynokur (appointed 21 September 2009)

Non-Executive Directors:

Taeyong Lee (appointed 12 August 2015)
Thomas Park (appointed 12 August 2015)

(b) Other key management personnel

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

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13 Related party transactions (continued)

(b) Other key management personnel (continued)

Responsible Entity's management fees and other transactions

The Responsible Entity's fees are calculated in accordance with the Funds' constitutions. The Responsible Entity's fees comprise a management fee and (if applicable) expense recoveries (after taking account of GST and reduced input tax credits), which are calculated as a percentage of the net asset value of the Funds and are disclosed in the statements of comprehensive income. The following table discloses the Responsible Entity's fees for 30 June 2017 and 30 June 2016 as there has been no change in the fees during the year:

Funds	Management fee %
Agriculture ETF	0.69
Commodities Basket ETF	0.69
Crude Oil Index ETF	0.69
Gold Bullion ETF	0.49

The transactions during the year and amounts payable at year end between the Funds and the Responsible entity were as follows:

	Agriculture ETF		Commodities Basket ETF		Crude Oil Index ETF		Gold Bullion ETF	
	30 June 2017	30 June 2016	**30 June 2017**	30 June 2016	**30 June 2017**	30 June 2016	**30 June 2017**	30 June 2016
	$	$	**$**	$	**$**	$	**$**	$
Management fees expensed to the Responsible Entity	**17,279**	17,920	**62,336**	55,710	**288,666**	256,485	**258,307**	126,454
Management fees payable to the Responsible Entity at reporting date	**5,730**	8,379	**17,136**	19,798	**23,852**	45,560	**26,429**	19,256

Related party unitholdings

Parties related to the Funds (including BetaShares Capital Ltd and other schemes managed by BetaShares Capital Ltd), held no units in the Funds during the financial year.

14 Events occurring after the reporting period

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Funds disclosed in the statements of financial position as at 30 June 2017 or on the results and cash flows of the Funds for the period ended on that date.

15 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2017 and 30 June 2016.

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Directors' declaration

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

BetaShares Agriculture ETF - Currency Hedged (Synthetic)
BetaShares Commodities Basket ETF - Currency Hedged (Synthetic)
BetaShares Crude Oil Index ETF - Currency Hedged (Synthetic)
BetaShares Gold Bullion ETF - Currency Hedged

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

(a) the financial statements and notes set out on pages 6 to 35 are in accordance with the *Corporations Act 2001,* including:

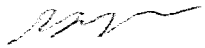
(i) complying with Accounting Standards, the *Corporations Regulations 2001*; and

(ii) giving a true and fair view of the Funds' financial positions as at 30 June 2017 and of their performance for the financial year ended on that date; and

(b) there are reasonable grounds to believe that the Funds will be able to pay their debts as and when they become due and payable.

The directors draw attention to Note 2(a) of the financial report which contains a statement of compliance with International Financial Reporting Standards.

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



David Nathanson
Director

Alex Vynokur
Director

Sydney
25 September 2017

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Independent Auditor's Report

To the respective unitholders of the following Schemes:

BetaShares Agriculture ETF – Currency Hedged (Synthetic)

BetaShares Commodities Basket ETF – Currency Hedged (Synthetic)

BetaShares Crude Oil Index ETF – Currency Hedged (Synthetic)

BetaShares Gold Bullion ETF – Currency Hedged

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

Opinions

We have audited each of the ***Financial Reports*** of the Schemes.

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

- giving a true and fair view of the that Scheme's financial position as at 30 June 2017 and of its financial performance for the year ended on that date; and
- complying with Australian Accounting Standards and the Corporations Regulations 2001.

The respective ***Financial Reports*** of the individual Schemes comprise:

- Statements of financial position as at 30 June 2017
- Statements of comprehensive income, Statements of changes in equity, and Statements of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration made by the Directors' of BetaShares Capital Limited (the Responsible Entity).

Basis for opinions

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

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

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

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our respective audits of the Financial Reports of each Scheme in the current period.

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

The ***Key Audit Matter*** we identified for BetaShares Agriculture ETF, BetaShares Commodities Basket ETF and BetaShares Crude Oil Index ETF is:

- Valuation of financial instruments

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The ***Key Audit Matter*** we identified for BetaShares Gold Bullion ETF is:

- Existence and valuation of Gold Bullion held at fair value through profit or loss

Valuation of financial instruments ($'000) - (BetaShares Agriculture ETF $74, BetaShares Commodities Basket ETF $242, BetaShares Crude Oil Index ETF $937)	
Refer to Note 6 of the Financial Reports	
The key audit matter	**How the matter was addressed in our audits**
Valuation of financial instruments is a key audit matter due to: • The significance of the balance to the financial statements and as the key driver of operations and performance results. • The volume and type of transactions had the greatest effect on our overall audit strategy and procedures.	Our audit procedures included: • Read the Responsible Entity's custodian's ASAE 3402 Assurance Reports on Controls at a Service Organisation (ASAE 3402) report to assess the control environment at the custodian and its impact on our procedures. • Assessed the scope, competence and objectivity of the auditors of the ASAE 3402 reports. • Checked the valuation of financial instruments, as recorded in the general ledger, to externally quoted market prices. • Checked the Responsible Entity's external custody reports to assess the ownership of the financial instruments.

Existence and valuation of Gold Bullion held at fair value through profit or loss ($'000) - (BetaShares Gold Bullion ETF $57,915)	
Refer to Note 6 of the Financial Reports	
The key audit matter	**How the matter was addressed in our audit**
Valuation and existence of Gold Bullion is a key audit matter due to: • The significance of the balance to the financial statements and as a key driver of operations and performance results. • The volume and type of transactions had greatest effect on our overall audit strategy and procedures.	Our audit procedures included: • Checked the valuation of the investment in Gold Bullion to externally quoted gold prices. • Checked the ownership of the investments in Gold Bullion to the Responsible Entity's external custody reports and external inspection expert reports, to test the existence of the asset. • Assessed the scope, competence and objectivity of the Responsible Entity's external inspection expert used to inspect the Gold Bullion.

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Other Information

Other Information is financial and non-financial information in the issuer of the respective Schemes' annual reporting which is provided in addition to the Financial Reports and the Auditor's Report. The Directors of the Responsible Entity are responsible for the Other Information.

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

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

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

Responsibilities of the Directors for the Financial Reports

The Directors of the Responsible Entity are responsible for:

- preparing the Financial Reports that give a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal controls to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing each Scheme's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the respective Scheme or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audits of the Financial Reports

Our objective is:

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

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

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

A further description of our responsibilities for the audits of the Financial Reports is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar1.pdf. This description forms part of our Auditor's Report.

KPMG

KPMG

Tim Aman

Partner

Sydney

25 September 2017