BetaShares
Exchange Traded Funds

11 March 2020

Market Announcements Office
ASX Limited

(TO BE RELEASED FOR EACH OF THE ASX CODES LISTED BELOW)

INTERIM FINANCIAL REPORT 2019

BetaShares Capital Ltd, the issuer of the following Funds, is pleased to provide the respective Interim Financial Report for the half-year ending 31 December 2019.

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

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 4

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

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

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

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

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

BetaShares Ex-20 Portfolio Diversifier ETF - ASX Code: Ex20 (ARSN 613 691 688)

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

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

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

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

Condensed Interim Financial Report

for the half-year ended 31 December 2019

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Booklet 4
Condensed Interim Financial Report
for the half-year ended 31 December 2019

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Directors' report

The directors of BetaShares Capital Ltd, the Responsible Entity of the following managed investment funds (the "Funds"), present their report together with the condensed interim financial report of the Funds for the half-year ended 31 December 2019 and the auditor's report thereon.

Fund name	Referred to in this document as	Financial reporting period	ARSN
BetaShares Active Australian Hybrids Fund (managed fund)	Active Australian Hybrids Fund	1 July 2019 to 31 December 2019	613 694 009
BetaShares Australia 200 ETF	Australia 200 ETF	1 July 2019 to 31 December 2019	623 014 326
BetaShares Australian Dividend Harvester Fund (managed fund)	Australian Dividend Harvester Fund	1 July 2019 to 31 December 2019	169 907 064
BetaShares Australian Small Companies Select Fund (managed fund)	Australian Small Companies Select Fund	1 July 2019 to 31 December 2019	613 693 431
BetaShares Australian Sustainability Leaders ETF	Australian Sustainability Leaders ETF	1 July 2019 to 31 December 2019	608 057 996
BetaShares Ex-20 Portfolio Diversifier ETF	Ex-20 Portfolio Diversifier ETF	1 July 2019 to 31 December 2019	613 691 688
BetaShares FTSE RAFI Australia 200 ETF	FTSE RAFI Australia 200 ETF	1 July 2019 to 31 December 2019	155 637 219
BetaShares Managed Risk Australian Share Fund (managed fund)	Managed Risk Australian Share Fund	1 July 2019 to 31 December 2019	602 666 384
BetaShares Australian Financials Sector ETF	Australian Financials Sector ETF	1 July 2019 to 31 December 2019	143 220 964
BetaShares Australian Resources Sector ETF	Australian Resources Sector ETF	1 July 2019 to 31 December 2019	143 220 795

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 half-year.

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

Directors

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

David Nathanson (appointed 21 September 2009)
Alex Vynokur (appointed 21 September 2009)
Jungho Rhee (appointed 1 September 2018)
Thomas Park (appointed 12 August 2015, resigned 6 February 2020)
Young Hwan Kim (appointed 7 February 2020)

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Directors' report (continued)

Review and results of operations

During the half-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'

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

Significant changes in state of affairs

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

Matters subsequent to the end of the financial half-year

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

Fund	Net asset value changed by:
Resources Sector ETF	(12.98%)

No other matter or circumstance has arisen since 31 December 2019 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.

Rounding of amounts to the nearest thousand dollars

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

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Directors' report (continued)

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
5 March 2020

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

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

BetaShares Active Australian Hybrids Fund (managed fund)

BetaShares Australia 200 ETF

BetaShares Australian Dividend Harvester Fund (managed fund)

BetaShares Australian Small Companies Select Fund (managed fund)

BetaShares Australian Sustainability Leaders ETF

BetaShares EX-20 Portfolio Diversifier ETF

BetaShares FTSE RAFI Australia 200 ETF

BetaShares Managed Risk Australian Share Fund (managed fund)

BetaShares Australian Financials Sector ETF

BetaShares Australian Resources Sector ETF

I declare that, to the best of my knowledge and belief, in relation to the review of the Schemes for the half-year ended 31 December 2019 there have been:

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

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

KPMG

KPMG

Nicholas Buchanan
Partner
Sydney
5 March 2020

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Condensed interim statements of comprehensive income	Active Australian Hybrids Fund		Australia 200 ETF		Australian Dividend Harvester Fund		Australian Small Companies Select Fund	
	31 December 2019 $'000	31 December 2018 $'000	**31 December 2019 $'000**	31 December 2018 $'000	**31 December 2019 $'000**	31 December 2018 $'000	**31 December 2019 $'000**	31 December 2018 $'000
Investment income								
Interest income	**67**	42	**-**	-	**20**	55	**4**	-
Dividend/distribution income	**114**	38	**14,361**	4,655	**7,369**	7,514	**550**	417
Net gains/(losses) on financial instruments at fair value through profit or loss	**(1,743)**	121	**2,585**	(19,708)	**(12,254)**	(16,980)	**313**	(3,459)
Income on convertible instruments	**8,461**	3,163	**-**	-	**-**	-	**-**	-
Other operating income	**64**	70	**1**	8	**-**	-	**-**	-
Total net investment income/(loss)	**6,963**	3,434	**16,947**	(15,045)	**(4,865)**	(9,411)	**867**	(3,042)
Expenses								
Management fees	**1,190**	361	**243**	69	**540**	578	**54**	38
Expense recoveries	**267**	80	**-**	-	**170**	141	**12**	8
Transaction costs	**115**	51	**9**	5	**5**	5	**1**	2
Other operating expenses	**59**	30	**4**	-	**3**	2	**8**	13
Total operating expenses	**1,631**	522	**256**	74	**718**	726	**75**	61
Profit/(loss) for the half-year	**5,332**	2,912	**16,691**	(15,119)	**(5,583)**	(10,137)	**792**	(3,103)
Other comprehensive income	**-**	-	**-**	-	**-**	-	**-**	-
Total comprehensive income for the half-year	**5,332**	2,912	**16,691**	(15,119)	**(5,583)**	(10,137)	**792**	(3,103)

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

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Condensed interim statements of comprehensive income	Australian Sustainability Leaders ETF		Ex-20 Portfolio Diversifier ETF		FTSE RAFI Australia 200 ETF	
	31 December 2019 $'000	31 December 2018 $'000	**31 December 2019 $'000**	31 December 2018 $'000	**31 December 2019 $'000**	31 December 2018 $'000
Investment income						
Interest income	**-**	-	**-**	-	**-**	1
Dividend/distribution income	**6,441**	3,267	**2,392**	1,449	**6,265**	5,374
Net gains/(losses) on financial instruments at fair value through profit or loss	**6,357**	(9,225)	**6,742**	(11,322)	**(3,013)**	(19,422)
Other operating income	**-**	-	**2**	-	**-**	-
Total net investment income/(loss)	**12,798**	(5,958)	**9,136**	(9,873)	**3,252**	(14,047)
Expenses						
Management fees	**717**	349	**137**	76	**411**	342
Expense recoveries	**184**	90	**34**	19	**137**	114
Transaction costs	**2**	5	**5**	2	**2**	3
Other operating expenses	**7**	4	**13**	11	**11**	10
Total operating expenses	**910**	448	**189**	108	**561**	469
Profit/(loss) for the half-year	**11,888**	(6,406)	**8,947**	(9,981)	**2,691**	(14,516)
Other comprehensive income	**-**	-	**-**	-	**-**	-
Total comprehensive income for the half-year	**11,888**	(6,406)	**8,947**	(9,981)	**2,691**	(14,516)

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

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Condensed interim statements of comprehensive income	Managed Risk Australian Share Fund		Australian Financials Sector ETF		Australian Resources Sector ETF	
	31 December 2019 $'000	31 December 2018 $'000	**31 December 2019 $'000**	31 December 2018 $'000	**31 December 2019 $'000**	31 December 2018 $'000
Investment income						
Interest income	**3**	8	**-**	-	**-**	-
Dividend/distribution income	**955**	529	**1,292**	655	**680**	1,217
Net gains/(losses) on financial instruments at fair value through profit or loss	**(574)**	(2,249)	**(1,434)**	(2,735)	**1,737**	(6,775)
Total net investment income/(loss)	**384**	(1,712)	**(142)**	(2,080)	**2,417**	(5,558)
Expenses						
Management fees	**94**	52	**87**	45	**77**	118
Expense recoveries	**24**	13	**-**	-	**-**	-
Transaction costs	**2**	1	**-**	-	**-**	1
Other operating expenses	**4**	2	**2**	1	**3**	3
Total operating expenses	**124**	68	**89**	46	**80**	122
Profit/(loss) for the half-year	**260**	(1,780)	**(231)**	(2,126)	**2,337**	(5,680)
Other comprehensive income	**-**	-	**-**	-	**-**	-
Total comprehensive income for the half-year	**260**	(1,780)	**(231)**	(2,126)	**2,337**	(5,680)

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

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Condensed interim statements of financial position	Notes	Active Australian Hybrids Fund		Australia 200 ETF		Australian Dividend Harvester Fund		Australian Small Companies Select Fund	
		31 December 2019	30 June 2019	**31 December 2019**	30 June 2019	**31 December 2019**	30 June 2019	**31 December 2019**	30 June 2019
		$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Assets									
Cash and cash equivalents		**22,831**	8,249	**4,681**	1,633	**6,537**	6,567	**1,166**	1,218
Financial assets at fair value through profit or loss	5	**639,501**	356,743	**717,622**	511,509	**156,877**	156,536	**33,711**	29,257
Due from brokers - receivable for securities sold		**-**	139	**-**	-	**-**	-	**-**	-
Other receivables		**2,470**	4,060	**1,555**	19,949	**265**	1,263	**169**	157
Total assets		**664,802**	369,191	**723,858**	533,091	**163,679**	164,366	**35,046**	30,632
Liabilities									
Financial liabilities at fair value through profit or loss	5	**-**	-	**152**	-	**-**	-	**-**	-
Due to brokers - payable for securities purchased		**3,725**	5,288	**-**	16,878	**-**	-	**-**	-
Distributions payable	4	**1,778**	1,022	**7,336**	5,194	**1,112**	4,405	**467**	354
Other payables		**360**	186	**126**	71	**137**	118	**13**	10
Total liabilities (excluding net assets attributable to unitholders)		**5,863**	6,496	**7,614**	22,143	**1,249**	4,523	**480**	364
Net assets attributable to unitholders - equity	3	**658,939**	362,695	**716,244**	510,948	**162,430**	159,843	**34,566**	30,268

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

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Condensed interim statements of financial position	Notes	Australian Sustainability Leaders ETF		Ex-20 Portfolio Diversifier ETF		FTSE RAFI Australia 200 ETF	
		31 December 2019	30 June 2019	**31 December 2019**	30 June 2019	**31 December 2019**	30 June 2019
		$'000	$'000	**$'000**	$'000	**$'000**	$'000
Assets							
Cash and cash equivalents		**395**	23	**178**	397	**2,482**	1,114
Financial assets at fair value through profit or loss	5	**421,398**	306,015	**153,071**	123,839	**291,380**	267,855
Other receivables		**1,936**	5,060	**483**	463	**13,116**	14,370
Total assets		**423,729**	311,098	**153,732**	124,699	**306,978**	283,339
Liabilities							
Financial liabilities at fair value through profit or loss	5	**44**	-	**11**	-	**69**	-
Due to brokers - payable for securities purchased		**-**	3,602	**-**	-	**12,680**	12,763
Distributions payable	4	**5,393**	6,589	**2,204**	4,403	**6,858**	9,650
Other payables		**196**	120	**38**	27	**112**	84
Total liabilities (excluding net assets attributable to unitholders)		**5,633**	10,311	**2,253**	4,430	**19,719**	22,497
Net assets attributable to unitholders - equity	3	**418,096**	300,787	**151,479**	120,269	**287,259**	260,842

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

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Condensed interim statements of financial position	Notes	Managed Risk Australian Share Fund		Australian Financials Sector ETF		Australian Resources Sector ETF	
		31 December 2019	30 June 2019	**31 December 2019**	30 June 2019	**31 December 2019**	30 June 2019
		$'000	$'000	**$'000**	$'000	**$'000**	$'000
Assets							
Cash and cash equivalents		**2,001**	1,824	**531**	297	**47**	42
Financial assets at fair value through profit or loss	5	**46,196**	44,918	**33,011**	72,648	**69,758**	33,855
Other receivables		**103**	242	**3**	302	**4**	3
Total assets		**48,300**	46,984	**33,545**	73,247	**69,809**	33,900
Liabilities							
Financial liabilities at fair value through profit or loss	5	**-**	1	**12**	-	**-**	-
Due to brokers - payable for securities purchased		**-**	-	**-**	-	**-**	-
Distributions payable	4	**955**	740	**1,548**	377	**625**	1,273
Other payables		**23**	18	**12**	22	**23**	10
Total liabilities (excluding net assets attributable to unitholders)		**978**	759	**1,572**	399	**648**	1,283
Net assets attributable to unitholders - equity	3	**47,322**	46,225	**31,973**	72,848	**69,161**	32,617

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

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Condensed interim statements of changes in equity	Notes	Active Australian Hybrids Fund		Australia 200 ETF		Australian Dividend Harvester Fund		Australian Small Companies Select Fund	
		31 December 2019	31 December 2018	**31 December 2019**	31 December 2018	**31 December 2019**	31 December 2018	**31 December 2019**	31 December 2018
		$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Total equity at the beginning of the half-year	3	**362,695**	-	**510,948**	-	**159,843**	-	**30,268**	-
Reclassification as equity due to AMIT tax regime implementation*	3	**-**	99,434	**-**	49,343	**-**	197,128	**-**	21,460
Comprehensive income for the half-year									
Profit/(loss) for the half-year		**5,332**	2,911	**16,691**	(15,119)	**(5,583)**	(10,137)	**792**	(3,103)
Other comprehensive income		**-**	-	**-**	-	**-**	-	**-**	-
Total comprehensive income for the half-year		**5,332**	2,911	**16,691**	(15,119)	**(5,583)**	(10,137)	**792**	(3,103)
Transactions with unitholders									
Applications	3	**299,067**	107,845	**477,407**	438,668	**13,892**	-	**4,452**	5,987
Redemptions	3	**-**	(1,263)	**(273,577)**	(72,439)	**-**	(24,668)	**(491)**	(318)
Units issued upon reinvestment of distributions	3	**233**	118	**893**	1,305	**833**	683	**12**	18
Distributions to unitholders	3,4	**(8,388)**	(3,280)	**(16,118)**	(4,657)	**(6,555)**	(7,640)	**(467)**	(345)
Total transactions with unitholders		**290,912**	103,420	**188,605**	362,877	**8,170**	(31,625)	**3,506**	5,342
Total equity at the end of the half-year	3	**658,939**	205,765	**716,244**	397,101	**162,430**	155,366	**34,566**	23,699

** Effective from 1 July 2018, Funds that had a prior financial reporting half-year had their units reclassified from financial liability to equity. As a result, equity transactions including distributions have been disclosed in the above statements for the half-year ended 31 December 2019 and 31 December 2018.*

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

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Condensed interim statements of changes in equity	Notes	Australian Sustainability Leaders ETF		Ex-20 Portfolio Diversifier ETF		FTSE RAFI Australia 200 ETF	
		31 December 2019	31 December 2018	**31 December 2019**	31 December 2018	**31 December 2019**	31 December 2018
		$'000	$'000	**$'000**	$'000	**$'000**	$'000
Total equity at the beginning of the half-year	3	**300,787**	-	**120,269**	-	**260,842**	-
Reclassification as equity due to AMIT tax regime implementation*	3	**-**	162,178	**-**	35,104	**-**	276,116
Comprehensive income for the half-year							
Profit/(loss) for the half-year		**11,888**	(6,406)	**8,947**	(9,981)	**2,691**	(14,516)
Other comprehensive income		**-**	-	**-**	-	**-**	-
Total comprehensive income for the half-year		**11,888**	(6,406)	**8,947**	(9,981)	**2,691**	(14,516)
Transactions with unitholders							
Applications	3	**110,733**	39,188	**24,323**	71,547	**46,475**	22,515
Redemptions	3	**-**	-	**-**	-	**(16,466)**	(69,366)
Units issued upon reinvestment of distributions	3	**81**	8	**144**	73	**575**	2,927
Distributions to unitholders	3,4	**(5,393)**	(2,831)	**(2,204)**	(1,293)	**(6,858)**	(6,889)
Total transactions with unitholders		**105,421**	36,365	**22,263**	70,327	**23,726**	(50,813)
Total equity at the end of the half-year	3	**418,096**	192,137	**151,479**	95,450	**287,259**	210,787

** Effective from 1 July 2018, Funds that had a prior financial reporting half-year had their units reclassified from financial liability to equity. As a result, equity transactions including distributions have been disclosed in the above statements for the half-year ended 31 December 2019 and 31 December 2018.*

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

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Condensed interim statements of changes in equity	Notes	Managed Risk Australian Share Fund		Australian Financials Sector ETF		Australian Resources Sector ETF	
		31 December 2019 $'000	31 December 2018 $'000	**31 December 2019 $'000**	31 December 2018 $'000	**31 December 2019 $'000**	31 December 2018 $'000
Total equity at the beginning of the half-year	3	**46,225**	-	**72,848**	-	**32,617**	-
Reclassification as equity due to AMIT tax regime implementation*	3	**-**	21,319	**-**	21,910	**-**	145,614
Comprehensive income for the half-year							
Profit/(loss) for the half-year		**260**	(1,780)	**(231)**	(2,126)	**2,337**	(5,680)
Other comprehensive income		**-**	-	**-**	-	**-**	-
Total comprehensive income for the half-year		**260**	(1,780)	**(231)**	(2,126)	**2,337**	(5,680)
Transactions with unitholders							
Applications	3	**1,696**	17,433	**10,477**	16,405	**34,778**	8,522
Redemptions	3	**-**	-	**(49,813)**	(5,683)	**-**	(115,274)
Units issued upon reinvestment of distributions	3	**96**	25	**240**	25	**54**	1,071
Distributions to unitholders	3,4	**(955)**	(605)	**(1,548)**	(978)	**(625)**	(1,096)
Total transactions with unitholders		**837**	16,853	**(40,644)**	9,769	**34,207**	(106,777)
Total equity at the end of the half-year	3	**47,322**	36,392	**31,973**	29,553	**69,161**	33,157

** Effective from 1 July 2018, Funds that had a prior financial reporting half-year had their units reclassified from financial liability to equity. As a result, equity transactions including distributions have been disclosed in the above statements for the half-year ended 31 December 2019 and 31 December 2018.*

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

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Condensed interim statements of cash flows	Active Australian Hybrids Fund		Australia 200 ETF		Australian Dividend Harvester Fund		Australian Small Companies Select Fund	
	31 December 2019 $'000	31 December 2018 $'000	**31 December 2019 $'000**	31 December 2018 $'000	**31 December 2019 $'000**	31 December 2018 $'000	**31 December 2019 $'000**	31 December 2018 $'000
Cash flows from operating activities								
Proceeds from sale of financial instruments at fair value through profit or loss	**74,103**	42,120	**295,908**	77,924	**295,393**	421,170	**1,069**	1,238
Payments for purchase of financial instruments at fair value through	**(360,028)**	(146,630)	**(516,162)**	(447,519)	**(307,988)**	(395,260)	**(5,209)**	(6,262)
Interest income received	**60**	37	**-**	-	**24**	54	**4**	-
Dividends/distributions received	**114**	38	**15,878**	4,117	**8,366**	10,969	**540**	406
Income on convertible instruments	**8,510**	3,144	**-**	-	**-**	-	**-**	-
Other operating income received	**64**	70	**33**	21	**-**	-	**-**	-
Management fees paid	**(1,046)**	(359)	**(228)**	(55)	**(528)**	(715)	**(52)**	(43)
Expense recoveries paid	**(235)**	(80)	**-**	-	**(166)**	(184)	**(11)**	(9)
Transaction costs paid	**(115)**	(51)	**(9)**	(5)	**(5)**	(5)	**(1)**	(2)
Other operating expenses paid	**(27)**	(22)	**-**	-	**(3)**	(2)	**(8)**	(13)
Net cash inflow/(outflow) from operating activities	**(278,600)**	(101,733)	**(204,580)**	(365,517)	**(4,907)**	36,027	**(3,668)**	(4,685)
Cash flows from financing activities								
Proceeds from applications by unitholders	**300,615**	109,372	**494,287**	438,668	**13,892**	-	**4,449**	6,060
Payments for redemptions by unitholders	**-**	(1,263)	**(273,577)**	(72,439)	**-**	(24,668)	**(491)**	(318)
Distributions paid	**(7,433)**	(2,806)	**(13,082)**	(652)	**(9,015)**	(7,097)	**(342)**	(778)
Net cash inflow/(outflow) from financing activities	**293,182**	105,303	**207,628**	365,577	**4,877**	(31,765)	**3,616**	4,964
Net increase/(decrease) in cash and cash equivalents	**14,582**	3,570	**3,048**	60	**(30)**	4,262	**(52)**	279
Cash and cash equivalents at the beginning of the half-year	**8,249**	2,904	**1,633**	35	**6,567**	7,300	**1,218**	766
Cash and cash equivalents at the end of the half-year	**22,831**	6,474	**4,681**	95	**6,537**	11,562	**1,166**	1,045
Non-cash financing activities								
Units issued upon reinvestment of distributions	**233**	118	**893**	1,305	**833**	683	**12**	18

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

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Condensed interim statements of cash flows	Australian Sustainability Leaders ETF		Ex-20 Portfolio Diversifier ETF		FTSE RAFI Australia 200 ETF	
	31 December 2019 $'000	31 December 2018 $'000	**31 December 2019 $'000**	31 December 2018 $'000	**31 December 2019 $'000**	31 December 2018 $'000
Cash flows from operating activities						
Proceeds from sale of financial instruments at fair value through profit or loss	**33,888**	13,521	**10,175**	6,227	**25,513**	79,739
Payments for purchase of financial instruments at fair value through profit or loss	**(146,473)**	(64,714)	**(32,654)**	(79,553)	**(52,065)**	(20,690)
Interest income received	**-**	-	**-**	-	**-**	1
Dividends/distributions received	**5,963**	3,073	**2,374**	1,233	**7,442**	7,521
Other operating income received	**-**	-	**2**	-	**-**	-
Management fees paid	**(667)**	(372)	**(130)**	(73)	**(394)**	(498)
Expense recoveries paid	**(171)**	(95)	**(33)**	(18)	**(131)**	(166)
Transaction costs paid	**(2)**	(5)	**(5)**	(2)	**(2)**	(3)
Other operating expenses paid	**(7)**	(4)	**(12)**	(11)	**(10)**	(12)
Net cash inflow/(outflow) from operating activities	**(107,469)**	(48,596)	**(20,283)**	(72,197)	**(19,647)**	65,892
Cash flows from financing activities						
Proceeds from applications by unitholders	**114,349**	50,370	**24,323**	73,364	**46,556**	11,332
Payments for redemptions by unitholders	**-**	-	**-**	-	**(16,466)**	(69,366)
Distributions paid	**(6,508)**	(1,569)	**(4,259)**	(1,173)	**(9,075)**	(8,155)
Net cash inflow/(outflow) from financing activities	**107,841**	48,801	**20,064**	72,191	**21,015**	(66,189)
Net increase/(decrease) in cash and cash equivalents	**372**	205	**(219)**	(6)	**1,368**	(297)
Cash and cash equivalents at the beginning of the half-year	**23**	195	**397**	55	**1,114**	322
Cash and cash equivalents at the end of the half-year	**395**	400	**178**	49	**2,482**	25
Non-cash financing activities						
Units issued upon reinvestment of distributions	**81**	8	**144**	73	**575**	2,927

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

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Condensed interim statements of cash flows	Managed Risk Australian Share Fund		Australian Financials Sector ETF		Australian Resources Sector ETF	
	31 December 2019 $'000	31 December 2018 $'000	**31 December 2019 $'000**	31 December 2018 $'000	**31 December 2019 $'000**	31 December 2018 $'000
Cash flows from operating activities						
Proceeds from sale of financial instruments at fair value through profit or loss	**572**	846	**50,448**	5,695	**1,701**	118,046
Payments for purchase of financial instruments at fair value through profit or loss	**(2,426)**	(16,856)	**(12,233)**	(17,128)	**(35,867)**	(12,159)
Interest income received	**4**	7	**-**	-	**-**	-
Dividends/distributions received	**1,094**	641	**1,591**	1,023	**680**	1,217
Management fees paid	**(90)**	(57)	**(97)**	(49)	**(65)**	(201)
Expense recoveries paid	**(23)**	(14)	**-**	-	**-**	-
Transaction costs paid	**(2)**	(1)	**-**	-	**-**	(1)
Other operating expenses paid	**(4)**	(2)	**(2)**	(1)	**(3)**	(3)
Net cash inflow/(outflow) from operating activities	**(875)**	(15,436)	**39,707**	(10,460)	**(33,554)**	106,899
Cash flows from financing activities						
Proceeds from applications by unitholders	**1,696**	17,433	**10,477**	16,405	**34,778**	8,522
Payments for redemptions by unitholders	**-**	-	**(49,813)**	(5,683)	**-**	(115,274)
Distributions paid	**(644)**	(298)	**(137)**	(277)	**(1,219)**	(215)
Net cash inflow/(outflow) from financing activities	**1,052**	17,135	**(39,473)**	10,445	**33,559**	(106,967)
Net increase/(decrease) in cash and cash equivalents	**177**	1,699	**234**	(15)	**5**	(68)
Cash and cash equivalents at the beginning of the half-year	**1,824**	1,089	**297**	35	**42**	75
Cash and cash equivalents at the end of the half-year	**2,001**	2,788	**531**	20	**47**	7
Non-cash financing activities						
Units issued upon reinvestment of distributions	**96**	25	**240**	25	**54**	1,071

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

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1 General information

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

Abbreviated Fund name	Registered date	Commenced date	Financial reporting period
Active Australian Hybrids Fund	26 July 2016	13 November 2017	1 July 2019 to 31 December 2019
Australia 200 ETF	28 November 2017	7 May 2018	1 July 2019 to 31 December 2019
Australian Dividend Harvester Fund	16 June 2014	29 October 2014	1 July 2019 to 31 December 2019
Australian Small Companies Select Fund	26 July 2016	7 April 2017	1 July 2019 to 31 December 2019
Australian Sustainability Leaders ETF	11 September 2015	27 November 2017	1 July 2019 to 31 December 2019
Ex-20 Portfolio Diversifier ETF	26 July 2016	5 October 2016	1 July 2019 to 31 December 2019
FTSE RAFI Australia 200 ETF	22 February 2012	10 July 2013	1 July 2019 to 31 December 2019
Managed Risk Australian Share Fund	16 June 2014	10 November 2015	1 July 2019 to 31 December 2019
Australian Financials Sector ETF	3 May 2010	10 December 2010	1 July 2019 to 31 December 2019
Australian Resources Sector ETF	3 May 2010	10 December 2010	1 July 2019 to 31 December 2019

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

The condensed interim financial statements were authorised for issue by the directors of the Responsible Entity on 5 March 2020. The directors of the Responsible Entity have the power to amend and reissue the condensed interim financial statements.

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

2 Summary of significant accounting policies

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

(a) Basis of preparation

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

These condensed interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2019 and any continuous disclosure requirements of the *Corporations Act 2001.*

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

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2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

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

The condensed interim 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.

Use of estimates and judgement

Management make estimates and assumptions that affect the reported amounts in the condensed interim financial statements. These estimates and assumptions are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

For the majority of the Funds' financial instruments, quoted market prices are readily available. However, certain financial instruments are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and regularly reviewed by experienced personnel of the Responsible Entity, independent of the area that created them.

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

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

(b) Australian accounting standards and interpretations

The accounting policies in these condensed interim financial statements are the same as those applied in the Funds' financial statements for the year ended 30 June 2019.

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 half-year and on foreseeable future transactions.

(c) 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.

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3 Net assets attributable to unitholders

Under AASB 132 *Financial Instrument: Presentation,* puttable financial instruments meet the definition of a financial liability to be classified as equity where certain strict criteria are met. The Funds shall classify a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions.

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

	Active Australian Hybrids Fund				Australia 200 ETF			
	31 December 2019 Units '000	31 December 2018 Units '000	**31 December 2019 $'000**	31 December 2018 $'000	**31 December 2019 Units '000**	31 December 2018 Units '000	**31 December 2019 $'000**	31 December 2018 $'000
Net assets attributable to unitholders								
Opening balance	**35,549**	10,020	**362,695**	99,434	**4,619**	480	**510,948**	49,343
Applications	**29,219**	10,753	**299,067**	107,845	**4,261**	4,470	**477,407**	438,668
Redemptions	**-**	(126)	**-**	(1,263)	**(2,460)**	(750)	**(273,577)**	(72,439)
Units issued upon reinvestment of distributions	**23**	12	**233**	118	**8**	13	**893**	1,305
Distribution to unitholders	**-**	-	**(8,388)**	(3,280)	**-**	-	**(16,118)**	(4,657)
Profit/(loss) for the half-year	**-**	-	**5,332**	2,912	**-**	-	**16,691**	(15,119)
Closing balance	**64,791**	20,659	**658,939**	205,766	**6,428**	4,213	**716,244**	397,101

	Australian Dividend Harvester Fund				Australian Small Companies Select Fund			
	31 December 2019 Units '000	31 December 2018 Units '000	**31 December 2019 $'000**	31 December 2018 $'000	**31 December 2019 Units '000**	31 December 2018 Units '000	**31 December 2019 $'000**	31 December 2018 $'000
Net assets attributable to unitholders								
Opening balance	**10,090**	12,404	**159,843**	197,128	**8,995**	6,400	**30,268**	21,460
Applications	**900**	-	**13,892**	-	**1,285**	1,862	**4,452**	5,987
Redemptions	**-**	(1,600)	**-**	(24,668)	**(143)**	(99)	**(491)**	(318)
Units issued upon reinvestment of distributions	**53**	44	**833**	683	**4**	6	**12**	18
Distribution to unitholders	**-**	-	**(6,555)**	(7,640)	**-**	-	**(467)**	(345)
Profit/(loss) for the half-year	**-**	-	**(5,583)**	(10,137)	**-**	-	**792**	(3,103)
Closing balance	**11,043**	10,848	**162,430**	155,366	**10,141**	8,169	**34,566**	23,699

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3 Net assets attributable to unitholders (continued)

	Australian Sustainability Leaders ETF				Ex-20 Portfolio Diversifier ETF			
	31 December 2019 Units '000	31 December 2018 Units '000	**31 December 2019 $'000**	31 December 2018 $'000	**31 December 2019 Units '000**	31 December 2018 Units '000	**31 December 2019 $'000**	31 December 2018 $'000
Net assets attributable to unitholders								
Opening balance	**17,002**	10,300	**300,787**	162,178	**6,709**	2,001	**120,269**	35,104
Applications	**6,100**	2,500	**110,733**	39,188	**1,300**	4,100	**24,323**	71,547
Units issued upon reinvestment of distributions	**5**	-	**81**	8	**8**	4	**144**	73
Distributions to unitholders	**-**	-	**(5,393)**	(2,831)	**-**	-	**(2,204)**	(1,293)
Profit/(loss) for the half-year	**-**	-	**11,888**	(6,406)	**-**	-	**8,947**	(9,981)
Closing balance	**23,107**	12,800	**418,096**	192,137	**8,017**	6,105	**151,479**	95,450

	FTSE RAFI Australia 200 ETF				Managed Risk Australian Share Fund			
	31 December 2019 Units '000	31 December 2018 Units '000	**31 December 2019 $'000**	31 December 2018 $'000	**31 December 2019 Units '000**	31 December 2018 Units '000	**31 December 2019 $'000**	31 December 2018 $'000
Net assets attributable to unitholders								
Opening balance	**19,072**	20,611	**260,842**	276,116	**2,722**	1,312	**46,225**	21,319
Applications	**3,300**	1,800	**46,475**	22,515	**100**	1,100	**1,696**	17,433
Redemptions	**(1,200)**	(5,100)	**(16,466)**	(69,366)	**-**	-	**-**	-
Units issued upon reinvestment of distributions	**42**	218	**575**	2,927	**5**	1	**96**	25
Distributions to unitholders	**-**	-	**(6,858)**	(6,889)	**-**	-	**(955)**	(605)
Profit/(loss) for the half-year	**-**	-	**2,691**	(14,516)	**-**	-	**260**	(1,780)
Closing balance	**21,214**	17,529	**287,259**	210,787	**2,827**	2,413	**47,322**	36,392

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3 Net assets attributable to unitholders (continued)

	Australian Financials Sector ETF				Australian Resources Sector ETF			
	31 December 2019 Units '000	31 December 2018 Units '000	**31 December 2019 $'000**	31 December 2018 $'000	**31 December 2019 Units '000**	31 December 2018 Units '000	**31 December 2019 $'000**	31 December 2018 $'000
Net assets attributable to unitholders								
Opening balance	**6,268**	1,961	**72,848**	21,910	**4,922**	23,642	**32,617**	145,614
Applications	**900**	1,500	**10,477**	16,405	**5,600**	1,400	**34,778**	8,522
Redemptions	**(4,200)**	(500)	**(49,813)**	(5,683)	**-**	(19,200)	**-**	(115,274)
Units issued upon reinvestment of distributions	**21**	2	**240**	25	**8**	174	**54**	1,071
Distributions to unitholders	**-**	-	**(1,548)**	(978)	**-**	-	**(625)**	(1,096)
Profit/(loss) for the half-year	**-**	-	**(231)**	(2,126)	**-**	-	**2,337**	(5,680)
Closing balance	**2,989**	2,963	**31,973**	29,553	**10,530**	6,016	**69,161**	33,157

Capital risk management

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

The daily issues and withdrawals of units 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' governing rules, the Responsible Entity may suspend the issue or withdrawal of units in certain circumstances.

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4 Distributions to unitholders

The distributions for the half-year were as follows:

	Active Australian Hybrids Fund				Australia 200 ETF[1]			
	31 December 2019 $'000	**31 December 2019 CPU**	31 December 2018 $'000	31 December 2018 CPU	**31 December 2019 $'000**	**31 December 2019 CPU**	31 December 2018 $'000	31 December 2018 CPU
Distributions paid - July	**1,168**	**2.79**	405	3.50	**-**	**-**	-	-
Distributions paid - August	**1,261**	**2.65**	462	3.31	**-**	**-**	-	-
Distributions paid - September	**1,344**	**2.61**	484	3.02	**8,782**	**136.83**	1,860	112.77
Distributions paid - October	**1,382**	**2.45**	625	3.50	**-**	**-**	-	-
Distributions paid - November	**1,455**	**2.46**	620	3.14	**-**	**-**	-	-
Distributions payable - December	**1,778**	**2.74**	684	3.31	**7,336**	**114.14**	2,797	66.39
Total distributions	**8,388**		3,280		**16,118**		4,657	

	Australian Dividend Harvester Fund				Australian Small Companies Select Fund[2]			
	31 December 2019 $'000	**31 December 2019 CPU**	31 December 2018 $'000	31 December 2018 CPU	**31 December 2019 $'000**	**31 December 2019 CPU**	31 December 2018 $'000	31 December 2018 CPU
Distributions paid - July	**1,153**	**11.18**	1,357	11.21	**-**	**-**	-	-
Distributions paid - August	**1,049**	**10.07**	1,313	11.21	**-**	**-**	-	-
Distributions paid - September	**1,070**	**10.07**	1,292	11.21	**-**	**-**	-	-
Distributions paid - October	**1,080**	**10.07**	1,236	11.21	**-**	**-**	-	-
Distributions paid - November	**1,091**	**10.07**	1,226	11.21	**-**	**-**	-	-
Distributions payable - December	**1,112**	**10.07**	1,216	11.21	**467**	**4.60**	345	4.22
Total distributions	**6,555**		7,640		**467**		345	

[1] *BetaShares Australia 200 ETF is a quarterly distributing fund.*

[2] *BetaShares Australian Small Companies Select Fund (managed fund) is a half-yearly distributing fund.*

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4 Distributions to unitholders (continued)

	Australian Sustainability Leaders ETF				Ex-20 Portfolio Diversifier ETF			
	31 December 2019 $'000	**31 December 2019 CPU**	31 December 2018 $'000	31 December 2018 CPU	**31 December 2019 $'000**	**31 December 2019 CPU**	31 December 2018 $'000	31 December 2018 CPU
Distributions payable - December	**5,393**	**23.34**	2,831	22.11	**2,204**	**27.49**	1,293	21.17
Total distributions	**5,393**		2,831		**2,204**		1,293	

	FTSE RAFI Australia 200 ETF				Managed Risk Australian Share Fund			
	31 December 2019 $'000	**31 December 2019 CPU**	31 December 2018 $'000	31 December 2018 CPU	**31 December 2019 $'000**	**31 December 2019 CPU**	31 December 2018 $'000	31 December 2018 CPU
Distributions payable - December	**6,858**	**32.33**	6,889	39.30	**955**	**33.79**	605	25.07
Total distributions	**6,858**		6,889		**955**		605	

	Australian Financials Sector ETF				Australian Resources Sector ETF			
	31 December 2019 $'000	**31 December 2019 CPU**	31 December 2018 $'000	31 December 2018 CPU	**31 December 2019 $'000**	**31 December 2019 CPU**	31 December 2018 $'000	31 December 2018 CPU
Distributions payable - December	**1,548**	**51.80**	978	33.01	**625**	**5.94**	1,096	18.23
Total distributions	**1,548**		978		**625**		1,096	

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5 Financial assets and liabilities at fair value through profit or loss

	Active Australian Hybrids Fund		Australia 200 ETF		Australian Dividend Harvester Fund		Australian Small Companies Select Fund	
	31 December 2019 $'000	30 June 2019 $'000	31 December 2019 $'000	30 June 2019 $'000	31 December 2019 $'000	30 June 2019 $'000	31 December 2019 $'000	30 June 2019 $'000
Financial assets at fair value through profit or loss								
Index futures	-	-	-	28	621	-	-	-
Listed securities	9,848	13,558	717,622	511,481	156,256	156,536	33,711	29,257
Listed & unlisted hybrid and debt securities	629,653	343,185	-	-	-	-	-	-
Total financial assets at fair value through profit or loss	639,501	356,743	717,622	511,509	156,877	156,536	33,711	29,257
Financial liabilities at fair value through profit or loss								
Index futures	-	-	152	-	-	-	-	-
Total financial liabilities at fair value through profit or loss	-	-	152	-	-	-	-	-

	Australian Sustainability Leaders ETF		Ex-20 Portfolio Diversifier ETF		FTSE RAFI Australia 200 ETF		Managed Risk Australian Share Fund	
	31 December 2019 $'000	30 June 2019 $'000	31 December 2019 $'000	30 June 2019 $'000	31 December 2019 $'000	30 June 2019 $'000	31 December 2019 $'000	30 June 2019 $'000
Financial assets at fair value through profit or loss								
Index futures	-	-	-	2	-	16	191	-
Listed securities	421,398	306,015	153,071	123,837	291,380	267,839	46,005	44,918
Total financial assets at fair value through profit or loss	421,398	306,015	153,071	123,839	291,380	267,855	46,196	44,918
Financial liabilities at fair value through profit or loss								
Index futures	44	-	11	-	69	-	-	1
Total financial liabilities at fair value through profit or loss	44	-	11	-	69	-	-	1

	Australian Financials Sector ETF		Australian Resources Sector ETF	
	31 December 2019 $'000	30 June 2019 $'000	31 December 2019 $'000	30 June 2019 $'000
Financial assets at fair value through profit or loss				
Index futures	-	7	-	-
Listed securities	33,011	72,641	69,758	33,855
Total financial assets at fair value through profit or loss	33,011	72,648	69,758	33,855
Financial liabilities at fair value through profit or loss				
Index futures	12	-	-	-
Total financial liabilities at fair value through profit or loss	12	-	-	-

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

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

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

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

The quoted market price used for financial assets and liabilities is the last traded price. Where the last traded price does not fall within the bid-ask spread, an assessment is performed by management to determine the appropriate valuation price to use that is most representative of fair value.

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

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

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

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

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6 Fair value measurements (continued)

Fair value estimation (continued)

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

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

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

(iii) Recognised fair value measurements

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

	Active Australian Hybrids Fund							
	Level 1	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
	31 December 2019	**31 December 2019**	**31 December 2019**	**31 December 2019**	30 June 2019	30 June 2019	30 June 2019	30 June 2019
	$'000	**$'000**	**$'000**	**$'000**	$'000	$'000	$'000	$'000
Financial assets								
Financial assets at fair value through profit or loss:								
Listed securities	**9,848**	**-**	**-**	**9,848**	13,558	-	-	13,558
Listed & unlisted hybrid and debt securities	**565,304**	**64,349**	**-**	**629,653**	301,587	41,598	-	343,185
Total	**575,152**	**64,349**	**-**	**639,501**	315,145	41,598	-	356,743

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6 Fair value measurements (continued)

Fair value estimation (continued)

(iii) Recognised fair value measurements (continued)

	Australia 200 ETF							
	Level 1 31 December 2019 $'000	**Level 2 31 December 2019 $'000**	**Level 3 31 December 2019 $'000**	**Total 31 December 2019 $'000**	Level 1 30 June 2019 $'000	Level 2 30 June 2019 $'000	Level 3 30 June 2019 $'000	Total 30 June 2019 $'000
Financial assets								
Financial assets at fair value through profit or loss:								
Index futures	-	-	-	-	28	-	-	28
Listed securities	717,622	-	-	717,622	511,481	-	-	511,481
Total	717,622	-	-	717,622	511,509	-	-	511,509
Financial liabilities								
Financial liabilities at fair value through profit or loss:								
Index futures	152	-	-	152	-	-	-	-
Total	152	-	-	152	-	-	-	-

	Australian Dividend Harvester Fund							
	Level 1 31 December 2019 $'000	**Level 2 31 December 2019 $'000**	**Level 3 31 December 2019 $'000**	**Total 31 December 2019 $'000**	Level 1 30 June 2019 $'000	Level 2 30 June 2019 $'000	Level 3 30 June 2019 $'000	Total 30 June 2019 $'000
Financial assets								
Financial assets at fair value through profit or loss:								
Index futures	621	-	-	621	-	-	-	-
Listed securities	156,256	-	-	156,256	156,536	-	-	156,536
Total	156,877	-	-	156,877	156,536	-	-	156,536

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6 Fair value measurements (continued)

Fair value estimation (continued)

(iii) Recognised fair value measurements (continued)

	Australian Small Companies Select Fund							
	Level 1 31 December 2019 $'000	**Level 2 31 December 2019 $'000**	**Level 3 31 December 2019 $'000**	**Total 31 December 2019 $'000**	Level 1 30 June 2019 $'000	Level 2 30 June 2019 $'000	Level 3 30 June 2019 $'000	Total 30 June 2019 $'000
Financial assets								
Financial assets at fair value through profit or loss:								
Listed securities	**33,711**	**-**	**-**	**33,711**	29,257	-	-	29,257
Total	**33,711**	**-**	**-**	**33,711**	29,257	-	-	29,257

	Australian Sustainability Leaders ETF							
	Level 1 31 December 2019 $'000	**Level 2 31 December 2019 $'000**	**Level 3 31 December 2019 $'000**	**Total 31 December 2019 $'000**	Level 1 30 June 2019 $'000	Level 2 30 June 2019 $'000	Level 3 30 June 2019 $'000	Total 30 June 2019 $'000
Financial assets								
Financial assets at fair value through profit or loss:								
Listed securities	**421,398**	**-**	**-**	**421,398**	306,015	-	-	306,015
Total	**421,398**	**-**	**-**	**421,398**	306,015	-	-	306,015
Financial liabilities								
Financial liabilities at fair value through profit or loss:								
Index futures	**44**	**-**	**-**	**44**	-	-	-	-
Total	**44**	**-**	**-**	**44**	-	-	-	-

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6 Fair value measurements (continued)

Fair value estimation (continued)

(iii) Recognised fair value measurements (continued)

	Ex-20 Portfolio Diversifier ETF							
	Level 1 31 December 2019 $'000	**Level 2 31 December 2019 $'000**	**Level 3 31 December 2019 $'000**	**Total 31 December 2019 $'000**	Level 1 30 June 2019 $'000	Level 2 30 June 2019 $'000	Level 3 30 June 2019 $'000	Total 30 June 2019 $'000
Financial assets								
Financial assets at fair value through profit or loss:								
Index futures	-	-	-	-	2	-	-	2
Listed securities	153,071	-	-	153,071	123,837	-	-	123,837
Total	153,071	-	-	153,071	123,839	-	-	123,839
Financial liabilities								
Financial liabilities at fair value through profit or loss:								
Index futures	11	-	-	11	-	-	-	-
Total	11	-	-	11	-	-	-	-

	FTSE RAFI Australia 200 ETF							
	Level 1 31 December 2019 $'000	**Level 2 31 December 2019 $'000**	**Level 3 31 December 2019 $'000**	**Total 31 December 2019 $'000**	Level 1 30 June 2019 $'000	Level 2 30 June 2019 $'000	Level 3 30 June 2019 $'000	Total 30 June 2019 $'000
Financial assets								
Financial assets at fair value through profit or loss:								
Index futures	-	-	-	-	16	-	-	16
Listed securities	291,380	-	-	291,380	267,820	-	19	267,839
Total	291,380	-	-	291,380	267,836	-	19	267,855
Financial liabilities								
Financial liabilities at fair value through profit or loss:								
Index futures	69	-	-	69	-	-	-	-
Total	69	-	-	69	-	-	-	-

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6 Fair value measurements (continued)

Fair value estimation (continued)

(iii) Recognised fair value measurements (continued)

	Managed Risk Australian Share Fund							
	Level 1 31 December 2019 $'000	**Level 2 31 December 2019 $'000**	**Level 3 31 December 2019 $'000**	**Total 31 December 2019 $'000**	Level 1 30 June 2019 $'000	Level 2 30 June 2019 $'000	Level 3 30 June 2019 $'000	Total 30 June 2019 $'000
Financial assets								
Financial assets at fair value through profit or loss:								
Index futures	**191**	**-**	**-**	**191**	-	-	-	-
Listed securities	**46,005**	**-**	**-**	**46,005**	44,918	-	-	44,918
Total	**46,196**	**-**	**-**	**46,196**	44,918	-	-	44,918
Financial liabilities								
Financial liabilities at fair value through profit or loss:								
Index futures	**-**	**-**	**-**	**-**	1	-	-	1
Total	**-**	**-**	**-**	**-**	1	-	-	1

	Australian Financials Sector ETF							
	Level 1 31 December 2019 $'000	**Level 2 31 December 2019 $'000**	**Level 3 31 December 2019 $'000**	**Total 31 December 2019 $'000**	Level 1 30 June 2019 $'000	Level 2 30 June 2019 $'000	Level 3 30 June 2019 $'000	Total 30 June 2019 $'000
Financial assets								
Financial assets at fair value through profit or loss:								
Index futures	**-**	**-**	**-**	**-**	7	-	-	7
Listed securities	**33,011**	**-**	**-**	**33,011**	72,641	-	-	72,641
Total	**33,011**	**-**	**-**	**33,011**	72,648	-	-	72,648
Financial liabilities								
Financial liabilities at fair value through profit or loss:								
Index futures	**12**	**-**	**-**	**12**	-	-	-	-
Total	**12**	**-**	**-**	**12**	-	-	-	-

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6 Fair value measurements (continued)

Fair value estimation (continued)

(iii) Recognised fair value measurements (continued)

	Australian Resources Sector ETF							
	Level 1 31 December 2019 $'000	**Level 2 31 December 2019 $'000**	**Level 3 31 December 2019 $'000**	**Total 31 December 2019 $'000**	Level 1 30 June 2019 $'000	Level 2 30 June 2019 $'000	Level 3 30 June 2019 $'000	Total 30 June 2019 $'000
Financial assets								
Financial assets at fair value through profit or loss:								
Listed securities	**69,758**	**-**	**-**	**69,758**	33,855	-	-	33,855
Total	**69,758**	**-**	**-**	**69,758**	33,855	-	-	33,855

(iv) Transfers between levels

There were no transfers between levels during the half-year ended 31 December 2019. The Funds listed below had transfers between levels during the year ended 30 June 2019.

	Level 1 31 December 2019 $'000	**Level 2 31 December 2019 $'000**	**Level 3 31 December 2019 $'000**	Level 1 30 June 2019 $'000	Level 2 30 June 2019 $'000	Level 3 30 June 2019 $'000
Australian Small Companies Select Fund						
Transfers between levels 1 and 3:						
Listed securities	**-**	**-**	**-**	(84)	-	84
Ex-20 Portfolio Diversifier ETF						
Transfers between levels 1 and 3:						
Listed securities	**-**	**-**	**-**	(24)	-	24

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6 Fair value measurements (continued)

Fair value estimation (continued)

(v) Movement in level 3 instruments

The following table presents the Funds that had movement in level 3 instruments for the half-year ended 31 December 2019 and 30 June 2019 by class of financial instrument:

	Listed securities Australian Small Companies Select Fund		Listed securities Ex-20 Portfolio Diversifier ETF		Listed securities FTSE RAFI Australia 200 ETF	
	31 December 2019 $'000	30 June 2019 $'000	**31 December 2019 $'000**	30 June 2019 $'000	**31 December 2019 $'000**	30 June 2019 $'000
Opening balance	**-**	-	**-**	-	**19**	19
Purchases	**-**	17	**-**	51	**-**	31
Sales	**-**	-	**-**	(13)	**(158)**	(102)
Transfers into/(out) from level 3	**-**	84	**-**	24	**-**	128
Gains/(losses) recognised in profit or loss	**-**	(101)	**-**	(62)	**139**	(57)
Closing balance	**-**	-	**-**	-	**-**	19
Total gains/(losses) for the half-year included in the condensed interim statements of comprehensive income for financial assets and liabilities held at the end of the half-year	**-**	(101)	**-**	(62)	**139**	(57)

7 Related party transactions

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

	Active Australian Hybrids Fund		Australia 200 ETF		Australian Resources Sector ETF		Australian High Interest Cash ETF	
	31 December 2019 Units	31 December 2018 Units	**31 December 2019 Units**	31 December 2018 Units	**31 December 2019 Units**	31 December 2018 Units	**31 December 2019 Units**	31 December 2018 Units
Number of units held by								
BetaShares Active Australian Hybrids Fund	**-**	-	**32,400**	-	**-**	-	**196,494**	99,831
BetaShares Australian Dividend Harvester Fund	**-**	-	**1,289,817**	320,818	**-**	-	**-**	-
BetaShares Diversified Balanced ETF	**-**	-	**2,494**	-	**-**	-	**-**	-
BetaShares Diversified Growth ETF	**-**	-	**7,090**	-	**-**	-	**-**	-
BetaShares Diversified High Growth ETF	**-**	-	**8,778**	-	**-**	-	**-**	-
AMP Capital Dynamic Markets Fund (Hedge Fund)	**-**	-	**-**	32,400	**178,647**	-	**46,907**	-
BetaShares Capital Ltd	**100,000**	100,000	**-**	-	**-**	-	**-**	-

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7 Related party transactions (continued)

There have been no other significant changes to the related party transactions disclosed in the previous annual financial report.

All transactions with related parties are conducted on normal terms and conditions. From time to time the Responsible Entity or its director-related entities may invest or withdraw from the Funds. These investments or withdrawals are on the same terms and conditions as those entered into by other fund investors and are not material in nature.

8 Events occurring after the reporting period

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

Fund	Net asset value changed by:
Resources Sector ETF	(12.98%)

No other significant events have occurred since the end of the reporting period which would impact on the financial position of the Funds disclosed in the condensed interim statements of financial position as at 31 December 2019 or on the results and cash flows of the Funds for the period ended on that date.

9 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 31 December 2019 and 30 June 2019.

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Directors' declaration

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

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

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

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

(i) complying with Australian Accounting Standards, and interpretations issued by the Australian Accounting Standards Board and the *Corporations Regulations 2001;* and

(ii) giving a true and fair view of the Funds' financial positions as at 31 December 2019 and of their performance for the half-year ended on that date; and

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

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

D. Nathanson

David Nathanson
Director

Alex Vynokur
Director

Sydney
5 March 2020

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Independent Auditor's Review Report

To the respective unitholders of the following Schemes (the "Schemes"):

BetaShares Active Australian Hybrids Fund (managed fund)

BetaShares Australia 200 ETF

BetaShares Australian Dividend Harvester Fund (managed fund)

BetaShares Australian Small Companies Select Fund (managed fund)

BetaShares Australian Sustainability Leaders ETF

BetaShares EX-20 Portfolio Diversifier ETF

BetaShares FTSE RAFI Australia 200 ETF

BetaShares Managed Risk Australian Share Fund (managed fund)

BetaShares Australian Financials Sector ETF

BetaShares Australian Resources Sector ETF

Conclusion

We have reviewed the accompanying ***Condensed Interim Financial Reports*** of the Schemes.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Condensed Interim Financial Reports of the Schemes are not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Schemes' financial position as at 31 December 2019 and of their performance for the half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Condensed Interim Financial Reports*** comprise:

- Condensed interim statements of financial position as at 31 December 2019.
- Condensed interim statements of comprehensive income, Condensed interim statements of changes in equity and Condensed interim statements of cash flows for the half-year ended on that date
- Notes 1 to 9 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

Responsibilities of the Directors for the Condensed Interim Financial Reports

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

- the preparation of the Condensed Interim Financial Reports that give a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Condensed Interim Financial Reports that are free from material misstatement, whether due to fraud or error.

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Auditor's responsibility for the review of the Condensed Interim Financial Reports

Our responsibility is to express a conclusion on the Condensed Interim Financial Reports based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Condensed Interim Financial Reports are not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Schemes financial position as at 31 December 2019 and their performance for the half-year ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of the Schemes, *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a Condensed Interim Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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Nicholas Buchanan
Partner
Sydney
5 March 2020