BetaShares
Exchange Traded Funds

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27 April 2020

Market Announcements Office
ASX Limited

TO BE RELEASED FOR EACH OF THE ASX CODES LISTED BELOW

SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT

BetaShares Capital Ltd (BetaShares), the issuer of the following exchange traded funds quoted on the AQUA market of ASX (the Funds):

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

announces that it has today issued a supplementary product disclosure statement (SPDS) in respect of the Funds.

The purpose of the SPDS is to update the PDS dated 29 September 2017 to:

- include additional disclosure regarding the risks associated with the Funds, particularly in light of recent developments in the global oil market, including the potential for negative futures contract prices, and the risk that a Fund's value could reduce to zero in certain situations of extreme market volatility; and

- incorporate changes in relation to the BetaShares Crude Oil Index ETF – Currency Hedged (Synthetic), which were made by way of market announcement and website update on 23 April 2020, to reflect the possibility for the Responsible Entity to obtain investment exposure on a temporary basis to longer-dated WTI oil futures contracts where the Responsible Entity considers there to be heightened risk of permanent loss to the Fund's capital value under one-month futures contracts.

A copy of the SPDS is attached and is also available at www.betashares.com.au.

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

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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.

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BETASHARES CRUDE OIL INDEX ETF-CURRENCY HEDGED (SYNTHETIC)

ARSN: 150 081 351 | ASX CODE: OOO

BETASHARES COMMODITIES BASKET ETF-CURRENCY HEDGED (SYNTHETIC)

ARSN: 150 081 495 | ASX CODE: QCB

BETASHARES AGRICULTURE ETF-CURRENCY HEDGED (SYNTHETIC)

ARSN: 150 080 176 | ASX CODE: QAG

SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT

DATED: 27 APRIL 2020
ISSUER: BETASHARES CAPITAL LTD
ABN: 78 139 566 868
AFS LICENCE: 341181

This supplementary product disclosure statement ("SPDS") is supplemental to the product disclosure statement dated 29 September 2017 (as amended) in respect of BetaShares Crude Oil Index ETF-Currency Hedged (Synthetic), BetaShares Commodities Basket ETF-Currency Hedged (Synthetic) and BetaShares Agriculture ETF-Currency Hedged (Synthetic) ("PDS"). The PDS and this SPDS should be read together.

A copy of this SPDS has been lodged with the Australian Securities and Investments Commission (ASIC) on 27 April 2020. Neither ASIC nor ASX Limited takes any responsibility for the contents of this SPDS.

Terms defined in the PDS have the same meanings when used in this SPDS.

The purpose of this SPDS is to update the PDS to:

- include additional disclosure regarding the risks associated with the Funds in light of recent market developments in the global oil market and recent regulatory developments, including the potential for negative futures contract prices, and the risk that a Fund's value could reduce to zero in certain situations of extreme market volatility; and

- incorporate changes in relation to the BetaShares Crude Oil Index ETF – Currency Hedged (Synthetic), which were made by way of market announcement and website update on 23 April 2020, to reflect, as a consequence of the recent market developments, the possibility for the Responsible Entity to obtain investment exposure on a temporary basis to longer-dated WTI oil futures contracts where the Responsible Entity considers there to be heightened risk of permanent loss to the Fund's capital value under one-month futures contracts.

The amendments to the PDS pursuant to this SPDS are as follows:

Section 4.2 COMMODITY VOLATILITY

Insert the following new paragraph at the end of this section:

"In some circumstances, during times of increased market volatility, the price of the commodities futures contracts may reduce to zero or less than zero (negative). If the Fund has exposure to such zero or negatively-priced futures contracts, the value of the Units will also decrease and may permanently reduce to zero, with no ability for Unitholders to participate in any future recovery in the values of the relevant futures contracts. In such circumstances the Responsible Entity may need to consider whether the Fund should be terminated."

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Section 4.6 COUNTERPARTY AND SWAP TERMINATION RISK

Replace the last paragraph with the following:

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

Product Supplement for the BetaShares Crude Oil Index ETF – Currency Hedged (Synthetic)

The following changes are made in the Product Supplement for the BetaShares Crude Oil Index ETF – Currency Hedged (Synthetic):

At the end of the section "Investment Objective", the following new paragraph is inserted:

"Although the Index includes WTI crude oil futures contracts with maturities of one month (see the "Further Information About the Index" section below), for risk management purposes the Responsible Entity may, by arrangement with the Swap provider, obtain investment exposure on a temporary basis to longer-dated WTI crude oil futures contracts (e.g. with maturities of three months), where the Responsible Entity considers it prudent and in the best interests of unitholders to do. This may occur where the Responsible Entity considers there to be heightened risk of permanent loss of the Fund's capital value due to the relatively greater volatility of the one-month futures contracts and risk of such contracts trading at negative prices. During any such periods, the Fund may experience higher tracking error relative to the Index than would otherwise be the case and this could adversely affect the Fund's ability to achieve its investment objective."

At the end of the section "Concentration risk and commodity volatility", the following new paragraphs are inserted:

"In some circumstances, during times of increased market volatility, the price of WTI crude oil futures contracts may reduce to zero or less than zero (negative). If the Fund has exposure to such zero or negatively-priced futures contracts, the value of the Units will also decrease and may permanently reduce to zero, with no ability for Unitholders to participate in any future recovery in the values of the futures contracts. In such circumstances the Responsible Entity may need to consider whether the Fund should be terminated.

The factors which may cause the prices of futures contracts to drop rapidly and to trade at negative prices include circumstances where there is a lack of sufficient storage facilities for oil, such that traders may be forced to sell futures contracts to avoid taking physical delivery of the commodity."

A new section "Regulatory risk" is inserted after the section "Concentration risk and commodity volatility", as follows:

"**Regulatory risk**

Regulatory bodies, including futures exchange operators, may impose restrictions on the Fund or on counterparties trading with the Fund, such as futures trading limits, or require the Fund or its counterparties to unwind futures positions, which could adversely affect the Fund's ability to achieve its investment objective.. In such circumstances the Responsible Entity may need to consider whether the Fund should be terminated."

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