



**BetaShares**

Exchange Traded Funds

28 September 2020

Market Announcements Office  
ASX Limited

**To be released for each of the ASX codes listed below**

**ANNUAL FINANCIAL REPORT 2020**

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 2020.

ASX Code	Fund
ASIA	BetaShares Asia Technology Tigers ETF
QUS	BetaShares FTSE RAFI U.S. 1000 ETF
NDQ	BetaShares Nasdaq 100 ETF
RBTZ	BetaShares Global Robotics and Artificial Intelligence ETF
INCM	BetaShares Global Income Leaders ETF
QLTY	BetaShares Global Quality Leaders ETF
HACK	BetaShares Global Cybersecurity ETF
ETHI	BetaShares Global Sustainability Leaders ETF
IIND	BetaShares India Quality ETF
F100	BetaShares FTSE 100 ETF

Further information about the Funds can be obtained at [www.betashares.com.au](http://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](http://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.

## **Booklet 5A**

**BetaShares Asia Technology Tigers ETF - ASX Code: ASIA** (ARSN 626 788 967)

**BetaShares FTSE 100 ETF - ASX Code: F100** (ARSN 624 896 608)

**BetaShares FTSE RAFI U.S. 1000 ETF - ASX Code: QUS** (ARSN 169 907 313)

**BetaShares Global Cybersecurity ETF - ASX Code: HACK** (ARSN 169 914 434)

**BetaShares Global Income Leaders ETF - ASX Code: INCM** (ARSN 624 896 742)

**BetaShares Global Quality Leaders ETF - ASX Code: QLTY** (ARSN 624 896 868)

**BetaShares Global Robotics and Artificial Intelligence ETF - ASX Code: RBTZ** (ARSN 624 898 157)

**BetaShares Global Sustainability Leaders ETF - ASX Code: ETHI** (ARSN 613 694 250)

**BetaShares India Quality ETF - ASX Code: IIND** (ARSN 631 806 132)

**BetaShares NASDAQ 100 ETF - ASX Code: NDQ** (ARSN 169 907 564)

## **Annual Financial Report**

**30 June 2020**

**Booklet 5A**  
**Annual Financial Report**  
**30 June 2020**

<b>Contents</b>	<b>Page</b>
Directors' report	2
Auditor's independence declaration	6
Statements of comprehensive income	7
Statements of financial position	10
Statements of changes in equity	13
Statements of cash flows	16
Notes to the financial statements	19
Directors' declaration	58
Independent auditor's report to the unitholders	59
Supplementary information	63

## 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 2020 and the auditor's report thereon.

<b>Fund name</b>	<b>Referred to in this document as</b>	<b>Financial reporting year</b>	<b>ARSN</b>
BetaShares Asia Technology Tigers ETF	Asia Technology Tigers ETF	1 July 2019 to 30 June 2020 (comparatives : 22 June 2018 to 30 June 2019)	626 788 967
BetaShares FTSE 100 ETF	FTSE 100 ETF	1 July 2019 to 30 June 2020 (comparatives : 21 March 2018 to 30 June 2019)	624 896 608
BetaShares FTSE RAFI U.S. 1000 ETF	FTSE RAFI U.S. 1000 ETF	1 July 2019 to 30 June 2020	169 907 313
BetaShares Global Cybersecurity ETF	Global Cybersecurity ETF	1 July 2019 to 30 June 2020	169 914 434
BetaShares Global Income Leaders ETF	Global Income Leaders ETF	1 July 2019 to 30 June 2020 (comparatives : 21 March 2018 to 30 June 2019)	624 896 742
BetaShares Global Quality Leaders ETF	Global Quality Leaders ETF	1 July 2019 to 30 June 2020 (comparatives : 21 March 2018 to 30 June 2019)	624 896 868
BetaShares Global Robotics and Artificial Intelligence ETF	Global Robotics and Artificial Intelligence ETF	1 July 2019 to 30 June 2020 (comparatives : 21 March 2018 to 30 June 2019)	624 898 157
BetaShares Global Sustainability Leaders ETF	Global Sustainability Leaders ETF	1 July 2019 to 30 June 2020	613 694 250
BetaShares India Quality ETF	India Quality ETF	1 July 2019 to 30 June 2020 (comparatives : 4 March 2019 to 30 June 2019)	631 806 132
BetaShares NASDAQ 100 ETF	NASDAQ 100 ETF	1 July 2019 to 30 June 2020	169 907 564

## 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 financial 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)  
 Jungho Rhee (appointed 1 September 2018)  
 Thomas Park (appointed 12 August 2015, resigned 6 February 2020)  
 Young Hwan Kim (appointed 7 February 2020)

## **Directors' report (continued)**

### **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.

Since the World Health Organisation declared COVID-19 a global pandemic in March 2020, there has been significant disruption to the economy and society. The Directors and management of the Responsible Entity have instigated a response plan to maintain business continuity and continue to deliver services to Fund investors. The Responsible Entity has been taking steps to ensure that the principle activities of the Fund align to PDSs and it continues to monitor and review valuations and the liquidity position of the Fund on a regular basis. Management have taken into account the impacts of the pandemic when preparing these 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.

### **Matters subsequent to the end of the financial year**

Since balance date, there continues to be uncertainty and volatility in the market due to the ongoing COVID-19 global pandemic. Management are closely monitoring and consider that there has been no material change in the assets & liabilities presented.

Since the end of reporting period Asia Technology Tigers ETF's net asset value has changed by more than 10% due to changes in the fair value of investments held. The movement is a result from implementation of the investment strategy as set out in the relevant Fund's product disclosure statement. More specifically the net asset value changed by an increase of 12.86%.

No other matter or circumstance has arisen since 30 June 2020 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.

## **Directors' report (continued)**

### **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.

### **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.

**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

Sydney  
22 September 2020



Alex Vynokur  
Director





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

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

BetaShares Asia Technology Tigers ETF

BetaShares FTSE 100 ETF

BetaShares FTSE RAFI U.S 1000 ETF

BetaShares Global Cybersecurity ETF

BetaShares Global Income Leaders ETF

BetaShares Global Quality Leaders ETF

BetaShares Global Robotics and Artificial Intelligence ETF

BetaShares Global Sustainability Leaders ETF

BetaShares India Quality ETF

BetaShares NASDAQ 100 ETF

I declare that as at the date of this declaration, both the Firm and I are independent in accordance with professional rules and statutory requirements on auditor independence. To the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2020, the only matter which requires disclosure in relation to the auditor independence requirements, as set out in the *Corporations Act 2001* or any applicable code of professional conduct, is the situation described below:

On 3 June 2020, an immediate family member of a Partner in the Sydney office of KPMG acquired financial interests in BetaShares NASDAQ 100 ETF and BetaShares Global Sustainability Leaders ETF. The Partner has provided no services to BetaShares NASDAQ 100 ETF or BetaShares Global Sustainability Leaders ETF, or any entity of the BetaShares Holdings Pty Ltd Group, on behalf of the Firm during this time, and operated from a different division to that of the audit engagement team. The partner disposed of this interest on 29 June 2020 as soon as it was identified.

KPMG

Nicholas Buchanan  
Partner  
Sydney

22 September 2020

**Booklet 5A**  
**Statements of comprehensive income**  
**For the year ended 30 June 2020**

Statements of comprehensive income		Asia Technology Tigers ETF <sup>1</sup>		FTSE 100 ETF <sup>2</sup>		FTSE RAFI U.S 1000 ETF	
		30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
	Notes						
<b>Investment income</b>							
Interest income		-	-	-	-	1	2
Dividend/distribution income		1,106	386	3,326	-	1,230	1,039
Net gains/(losses) on financial instruments at fair value through profit or loss		37,271	2,131	(22,079)	-	(3,021)	3,279
Net foreign exchange gains/(losses)		128	(91)	(11)	-	(25)	(8)
Other operating income		120	44	770	-	3	2
<b>Total net investment income/(loss)</b>		<b>38,625</b>	<b>2,470</b>	<b>(17,994)</b>	<b>-</b>	<b>(1,812)</b>	<b>4,314</b>
<b>Expenses</b>							
Management fees	13	527	161	350	-	144	122
Expense recoveries	13	93	28	65	-	48	41
Transaction costs		58	30	35	-	7	2
Other operating expenses		9	5	6	-	3	3
<b>Total operating expenses</b>		<b>687</b>	<b>224</b>	<b>456</b>	<b>-</b>	<b>202</b>	<b>168</b>
<b>Profit/(loss) for the year</b>		<b>37,938</b>	<b>2,246</b>	<b>(18,450)</b>	<b>-</b>	<b>(2,014)</b>	<b>4,146</b>
Other comprehensive income		-	-	-	-	-	-
<b>Total comprehensive income/(loss) for the year</b>		<b>37,938</b>	<b>2,246</b>	<b>(18,450)</b>	<b>-</b>	<b>(2,014)</b>	<b>4,146</b>

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

<sup>1</sup> The comparison period for BetaShares Asia Technology Tigers ETF was 22 June 2018 to 30 June 2019.

<sup>2</sup> There was no comparative for BetaShares FTSE 100 ETF. The Fund commenced trading on 12 July 2019.

**Booklet 5A**  
**Statements of comprehensive income**  
**For the year ended 30 June 2020**  
**(continued)**

Statements of comprehensive income		Global Cybersecurity ETF		Global Income Leaders ETF <sup>3</sup>		Global Quality Leaders ETF <sup>3</sup>	
		30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
	Notes						
<b>Investment income</b>							
Interest income		1	-	-	-	-	-
Dividend/distribution income		3,688	923	669	146	412	69
Net gains/(losses) on financial instruments at fair value through profit or loss		29,342	18,322	(4,503)	108	4,184	839
Net foreign exchange gains/(losses)		(77)	(26)	8	(1)	(146)	4
Other operating income		39	37	12	8	24	6
<b>Total net investment income/(loss)</b>		<b>32,993</b>	<b>19,256</b>	<b>(3,814)</b>	<b>261</b>	<b>4,474</b>	<b>918</b>
<b>Expenses</b>							
Management fees	13	1,006	719	59	9	96	12
Expense recoveries	13	176	126	9	1	20	2
Transaction costs		68	67	18	5	15	4
Other operating expenses		7	6	8	-	7	2
<b>Total operating expenses</b>		<b>1,257</b>	<b>918</b>	<b>94</b>	<b>15</b>	<b>138</b>	<b>20</b>
<b>Profit/(loss) for the year</b>		<b>31,736</b>	<b>18,338</b>	<b>(3,908)</b>	<b>246</b>	<b>4,336</b>	<b>898</b>
Other comprehensive income		-	-	-	-	-	-
<b>Total comprehensive income/(loss) for the year</b>		<b>31,736</b>	<b>18,338</b>	<b>(3,908)</b>	<b>246</b>	<b>4,336</b>	<b>898</b>

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

<sup>3</sup>The comparison period for the BetaShares Global Income Leaders ETF and BetaShares Global Quality Leaders ETF was 21 March 2018 to 30 June 2019.

**Booklet 5A**  
**Statements of comprehensive income**  
**For the year ended 30 June 2020**  
**(continued)**

Statements of comprehensive income		Global Robotics and Artificial Intelligence ETF <sup>4</sup>		Global Sustainability Leaders ETF		India Quality ETF <sup>5</sup>		NASDAQ 100 ETF	
		30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Investment income</b>									
Interest income		-	-	-	-	-	-	13	10
Dividend/distribution income		311	191	6,419	3,764	229	-	6,049	4,154
Net gains/(losses) on financial instruments at fair value through profit or loss		4,893	(26)	105,236	42,826	(2,814)	-	202,024	61,738
Net foreign exchange gains/(losses)		(48)	(12)	(110)	18	(82)	-	(64)	10
Other operating income		10	16	121	36	93	-	67	27
<b>Total net investment income/(loss)</b>		<b>5,166</b>	<b>169</b>	<b>111,666</b>	<b>46,644</b>	<b>(2,574)</b>	<b>-</b>	<b>208,089</b>	<b>65,939</b>
<b>Expenses</b>									
Management fees	13	136	60	2,438	1,292	117	-	2,598	1,646
Expense recoveries	13	29	13	498	264	13	-	684	433
Transaction costs		11	8	188	44	19	-	33	23
Other operating expenses		2	2	3	5	3	-	11	8
<b>Total operating expenses</b>		<b>178</b>	<b>83</b>	<b>3,127</b>	<b>1,605</b>	<b>152</b>	<b>-</b>	<b>3,326</b>	<b>2,110</b>
<b>Operating profit/(loss) before income tax</b>		<b>4,988</b>	<b>86</b>	<b>108,539</b>	<b>45,039</b>	<b>(2,726)</b>	<b>-</b>	<b>204,763</b>	<b>63,829</b>
Income tax expense	10	-	-	-	-	1	-	-	-
<b>Profit/(loss) for the year</b>		<b>4,988</b>	<b>86</b>	<b>108,539</b>	<b>45,039</b>	<b>(2,727)</b>	<b>-</b>	<b>204,763</b>	<b>63,829</b>
Other comprehensive income		-	-	-	-	-	-	-	-
<b>Total comprehensive income/(loss) for the year</b>		<b>4,988</b>	<b>86</b>	<b>108,539</b>	<b>45,039</b>	<b>(2,727)</b>	<b>-</b>	<b>204,763</b>	<b>63,829</b>

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

<sup>4</sup> The comparison period for the BetaShares Global Robotics and Artificial Intelligence ETF was 21 March 2018 to 30 June 2019.

<sup>5</sup> There was no comparative for BetaShares India Quality ETF. The Fund commenced trading on 2 August 2019.

**Booklet 5A**  
**Statements of financial position**  
**As at 30 June 2020**

**Statements of financial position**

		<b>Asia Technology Tigers ETF<sup>1</sup></b>		<b>FTSE 100 ETF<sup>2</sup></b>		<b>FTSE RAFI U.S 1000 ETF</b>	
	Notes	<b>30 June 2020 \$'000</b>	<b>30 June 2019 \$'000</b>	<b>30 June 2020 \$'000</b>	<b>30 June 2019 \$'000</b>	<b>30 June 2020 \$'000</b>	<b>30 June 2019 \$'000</b>
<b>Assets</b>							
Cash and cash equivalents		115	63	582	-	218	31
Financial assets at fair value through profit or loss	5	165,611	57,474	131,348	-	46,563	43,047
Other receivables		3,736	197	318	-	78	45
<b>Total assets</b>		<b>169,462</b>	<b>57,734</b>	<b>132,248</b>	<b>-</b>	<b>46,859</b>	<b>43,123</b>
<b>Liabilities</b>							
Distributions payable	4	2,228	-	1,954	-	1,536	1,435
Due to brokers - payables for securities purchased		3,417	-	-	-	-	26
Other payables		116	30	58	-	20	16
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>5,761</b>	<b>30</b>	<b>2,012</b>	<b>-</b>	<b>1,556</b>	<b>1,477</b>
<b>Net assets attributable to unitholders - equity</b>	3	<b>163,701</b>	<b>57,704</b>	<b>130,236</b>	<b>-</b>	<b>45,303</b>	<b>41,646</b>

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

<sup>1</sup> The comparison period for BetaShares Asia Technology Tigers ETF was 22 June 2018 to 30 June 2019.

<sup>2</sup> There was no comparative for BetaShares FTSE 100 ETF. The Fund commenced trading on 12 July 2019.

**Booklet 5A**  
**Statements of financial position**  
**As at 30 June 2020**  
**(continued)**

**Statements of financial position**

Statements of financial position		Global Cybersecurity ETF		Global Income Leaders ETF <sup>3</sup>		Global Quality Leaders ETF <sup>3</sup>		
		30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Assets		Notes						
Cash and cash equivalents			286	188	53	38	18	36
Financial assets at fair value through profit or loss		5	192,636	152,803	15,586	8,346	59,088	12,737
Due from brokers - receivables for securities sold			22,954	-	5	1	-	-
Other receivables			1,688	34	56	30	2,963	5
Total assets			217,564	153,025	15,700	8,415	62,069	12,778
Liabilities								
Distributions payable		4	24,166	14,041	218	162	1,333	243
Due to brokers - payables for securities purchased			-	-	-	-	2,762	-
Other payables			137	84	7	3	31	4
Total liabilities (excluding net assets attributable to unitholders)			24,303	14,125	225	165	4,126	247
Net assets attributable to unitholders - equity		3	193,261	138,900	15,475	8,250	57,943	12,531

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

<sup>3</sup>The comparison period for the BetaShares Global Income Leaders ETF and BetaShares Global Quality Leaders ETF was 21 March 2018 to 30 June 2019.

**Booklet 5A**  
**Statements of financial position**  
**As at 30 June 2020**  
**(continued)**

Statements of financial position		Global Robotics and Artificial Intelligence ETF <sup>4</sup>		Global Sustainability Leaders ETF		India Quality ETF <sup>5</sup>		NASDAQ 100 ETF	
		30 June 2020 \$'000	30 June 2019	30 June 2020 \$'000	30 June 2019	30 June 2020 \$'000	30 June 2019	30 June 2020 \$'000	30 June 2019
	Notes								
<b>Assets</b>									
Cash and cash equivalents		57	36	1,306	485	98	-	1,526	751
Financial assets at fair value through profit or loss	5	37,794	25,038	633,035	339,833	21,472	-	930,090	520,656
Due from brokers - receivables for securities sold		7,542	-	68,416	-	-	-	-	-
Other receivables		49	17	5,153	3,891	40	-	293	201
<b>Total assets</b>		<b>45,442</b>	<b>25,091</b>	<b>707,910</b>	<b>344,209</b>	<b>21,610</b>	<b>-</b>	<b>931,909</b>	<b>521,608</b>
<b>Liabilities</b>									
Distributions payable	4	1,799	137	71,828	13,836	-	-	24,128	12,061
Due to brokers - payables for securities purchased		5,771	-	-	3,535	-	-	-	-
Other payables		23	11	387	164	16	-	456	222
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>7,593</b>	<b>148</b>	<b>72,215</b>	<b>17,535</b>	<b>16</b>	<b>-</b>	<b>24,584</b>	<b>12,283</b>
<b>Net assets attributable to unitholders - equity</b>	3	<b>37,849</b>	<b>24,943</b>	<b>635,695</b>	<b>326,674</b>	<b>21,594</b>	<b>-</b>	<b>907,325</b>	<b>509,325</b>

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

<sup>4</sup>The comparison period for the BetaShares Global Robotics and Artificial Intelligence ETF was 21 March 2018 to 30 June 2019.

<sup>5</sup>There was no comparative for BetaShares India Quality ETF. The Fund commenced trading on 2 August 2019.

**Booklet 5A**  
**Statements of changes in equity**  
**For the year ended 30 June 2020**

**Statements of changes in equity**

	Notes	Asia Technology Tigers ETF <sup>1</sup>		FTSE 100 ETF <sup>2</sup>		FTSE RAFI U.S 1000 ETF	
		30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
<b>Total equity at the beginning of the year</b>	3	<b>57,704</b>	-	-	-	<b>41,646</b>	-
Reclassification as equity due to AMIT tax regime implementation*	3	-	-	-	-	-	40,110
<b>Comprehensive income for the year</b>							
Profit/(loss) for the year		<b>37,938</b>	2,246	<b>(18,450)</b>	-	<b>(2,014)</b>	4,146
Other comprehensive income		-	-	-	-	-	-
<b>Total comprehensive income/(loss) for the year</b>		<b>37,938</b>	2,246	<b>(18,450)</b>	-	<b>(2,014)</b>	4,146
<b>Transactions with unitholders</b>							
Applications	3	<b>91,157</b>	55,458	<b>151,461</b>	-	<b>9,837</b>	2,105
Redemptions	3	<b>(20,501)</b>	-	-	-	<b>(2,368)</b>	(2,966)
Units issued upon reinvestment of distributions	3	<b>32</b>	-	<b>11</b>	-	<b>143</b>	93
Distributions to unitholders	3,4	<b>(2,629)</b>	-	<b>(2,786)</b>	-	<b>(1,941)</b>	(1,842)
<b>Total transactions with unitholders</b>		<b>68,059</b>	55,458	<b>148,686</b>	-	<b>5,671</b>	(2,610)
<b>Total equity at the end of the year</b>	3	<b>163,701</b>	57,704	<b>130,236</b>	-	<b>45,303</b>	41,646

\* Effective from 1 July 2018, Funds that had a prior financial reporting 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 year ended 30 June 2020 and 30 June 2019.

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

<sup>1</sup> The comparison period for BetaShares Asia Technology Tigers ETF was 22 June 2018 to 30 June 2019.

<sup>2</sup> There was no comparative for BetaShares FTSE 100 ETF. The Fund commenced trading on 12 July 2019.



**Booklet 5A**  
**Statements of changes in equity**  
**For the year ended 30 June 2020**  
**(continued)**

**Statements of changes in equity**

	Notes	Global Cybersecurity ETF		Global Income Leaders ETF <sup>3</sup>		Global Quality Leaders ETF <sup>3</sup>	
		30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total equity at the beginning of the year</b>	3	<b>138,900</b>	-	<b>8,250</b>	-	<b>12,531</b>	-
Reclassification as equity due to AMIT tax regime implementation*	3	-	81,948	-	-	-	-
<b>Comprehensive income for the year</b>							
Profit/(loss) for the year		<b>31,736</b>	18,338	<b>(3,908)</b>	246	<b>4,336</b>	898
Other comprehensive income		-	-	-	-	-	-
<b>Total comprehensive income/(loss) for the year</b>		<b>31,736</b>	18,338	<b>(3,908)</b>	246	<b>4,336</b>	898
<b>Transactions with unitholders</b>							
Applications	3	<b>51,232</b>	53,845	<b>11,677</b>	8,182	<b>46,241</b>	11,876
Redemptions	3	<b>(5,679)</b>	(1,436)	-	-	<b>(3,780)</b>	-
Units issued upon reinvestment of distributions	3	<b>1,238</b>	246	<b>16</b>	1	<b>18</b>	-
Distributions to unitholders	3,4	<b>(24,166)</b>	(14,041)	<b>(560)</b>	(179)	<b>(1,403)</b>	(243)
<b>Total transactions with unitholders</b>		<b>22,625</b>	38,614	<b>11,133</b>	8,004	<b>41,076</b>	11,633
<b>Total equity at the end of the year</b>	3	<b>193,261</b>	138,900	<b>15,475</b>	8,250	<b>57,943</b>	12,531

\*Effective from 1 July 2018, Funds that had a prior financial reporting 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 year ended 30 June 2020 and 30 June 2019.

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

<sup>3</sup> The comparison period for the BetaShares Global Income Leaders ETF and BetaShares Global Quality Leaders ETF was 21 March 2018 to 30 June 2019.

**Booklet 5A**  
**Statements of changes in equity**  
**For the year ended 30 June 2020**  
**(continued)**

Statements of changes in equity		Global Robotics and Artificial Intelligence ETF <sup>4</sup>		Global Sustainability Leaders ETF		India Quality ETF <sup>5</sup>		NASDAQ 100 ETF	
		30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Notes		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total equity at the beginning of the year</b>	3	<b>24,943</b>	-	<b>326,674</b>	-	-	-	<b>509,325</b>	-
Reclassification as equity due to AMIT tax regime implementation*	3	-	-	-	205,638	-	-	-	336,560
<b>Comprehensive income for the year</b>									
Profit/(loss) for the year		<b>4,988</b>	86	<b>108,539</b>	45,039	<b>(2,727)</b>	-	<b>204,763</b>	63,829
Other comprehensive income		-	-	-	-	-	-	-	-
<b>Total comprehensive income/(loss) for the year</b>		<b>4,988</b>	86	<b>108,539</b>	45,039	<b>(2,727)</b>	-	<b>204,763</b>	63,829
<b>Transactions with unitholders</b>									
Applications	3	<b>13,687</b>	25,787	<b>281,310</b>	90,034	<b>26,901</b>	-	<b>255,925</b>	135,216
Redemptions	3	<b>(3,981)</b>	(793)	<b>(9,589)</b>	-	<b>(2,580)</b>	-	<b>(38,852)</b>	(13,558)
Units issued upon reinvestment of distributions	3	<b>11</b>	-	<b>1,285</b>	361	-	-	<b>1,381</b>	158
Distributions to unitholders	3,4	<b>(1,799)</b>	(137)	<b>(72,524)</b>	(14,398)	-	-	<b>(25,217)</b>	(12,880)
<b>Total transactions with unitholders</b>		<b>7,918</b>	24,857	<b>200,482</b>	75,997	<b>24,321</b>	-	<b>193,237</b>	108,936
<b>Total equity at the end of the year</b>	3	<b>37,849</b>	24,943	<b>635,695</b>	326,674	<b>21,594</b>	-	<b>907,325</b>	509,325

\* Effective from 1 July 2018, Funds that had a prior financial reporting 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 year ended 30 June 2020 and 30 June 2019.

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

<sup>4</sup> The comparison period for the BetaShares Global Robotics and Artificial Intelligence ETF was 21 March 2018 to 30 June 2019.

<sup>5</sup> There was no comparative for BetaShares India Quality ETF. The Fund commenced trading on 2 August 2019.

**Booklet 5A**  
**Statements of cash flows**  
For the year ended 30 June 2020

**Statements of cash flows**

	Notes	Asia Technology Tigers ETF <sup>1</sup>		FTSE 100 ETF <sup>2</sup>		FTSE RAFI U.S 1000 ETF	
		30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
<b>Cash flows from operating activities</b>							
Proceeds from sale of financial instruments at fair value through profit or loss		29,616	6,446	4,342	-	5,019	6,207
Payments for purchase of financial instruments at fair value through profit or loss		(96,936)	(61,879)	(157,753)	-	(11,607)	(4,893)
Distributions/dividends received		1,034	198	3,025	-	1,197	1,035
Interest income received		-	-	-	-	1	2
Other operating income received		141	44	770	-	3	2
Management fees paid		(482)	(144)	(309)	-	(142)	(133)
Expense recoveries paid		(86)	(25)	(57)	-	(47)	(45)
Transaction costs paid		(58)	(30)	(35)	-	(7)	(2)
Other operating expenses paid		(9)	(5)	(13)	-	(2)	(3)
<b>Net cash inflow/(outflow) from operating activities</b>	6	<b>(66,780)</b>	<b>(55,395)</b>	<b>(150,030)</b>	<b>-</b>	<b>(5,585)</b>	<b>2,170</b>
<b>Cash flows from financing activities</b>							
Proceeds from applications by unitholders		87,703	55,458	151,461	-	9,837	2,105
Payments for redemptions by unitholders		(20,501)	-	-	-	(2,368)	(2,966)
Distributions paid		(369)	-	(821)	-	(1,697)	(1,299)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>66,833</b>	<b>55,458</b>	<b>150,640</b>	<b>-</b>	<b>5,772</b>	<b>(2,160)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>53</b>	<b>63</b>	<b>610</b>	<b>-</b>	<b>187</b>	<b>10</b>
Cash and cash equivalents at the beginning of the financial year		63	-	-	-	31	21
Effects of foreign currency exchange rate changes on cash and cash equivalents		(1)	-	(28)	-	-	-
<b>Cash and cash equivalents at the end of the financial year</b>		<b>115</b>	<b>63</b>	<b>582</b>	<b>-</b>	<b>218</b>	<b>31</b>
<b>Non-cash financing activities</b>							
Units issued upon reinvestment of distributions		32	-	11	-	143	93

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

<sup>1</sup> The comparison period for BetaShares Asia Technology Tigers ETF was 22 June 2018 to 30 June 2019.

<sup>2</sup> There was no comparative for BetaShares FTSE 100 ETF. The Fund commenced trading on 12 July 2019.

**Booklet 5A**  
**Statements of cash flows**  
**For the year ended 30 June 2020**  
**(continued)**

**Statements of cash flows**

	Notes	Global Cybersecurity ETF		Global Income Leaders ETF <sup>3</sup>		Global Quality Leaders ETF <sup>3</sup>	
		30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>							
Proceeds from sale of financial instruments at fair value through profit or loss		111,973	93,066	15,418	927	16,889	3,387
Payments for purchase of financial instruments at fair value through profit or loss		(145,494)	(141,749)	(27,157)	(9,166)	(56,440)	(15,281)
Distributions/dividends received		3,688	949	644	116	397	65
Interest income received		1	-	-	-	-	-
Other operating income received		39	37	12	8	24	6
Management fees paid		(971)	(742)	(57)	(7)	(88)	(10)
Expense recoveries paid		(169)	(130)	(8)	(1)	(18)	(1)
Transaction costs paid		(68)	(67)	(18)	(5)	(15)	(4)
Other operating expenses paid		(4)	(4)	(8)	-	7	(2)
<b>Net cash inflow/(outflow) from operating activities</b>	6	<b>(31,005)</b>	<b>(48,640)</b>	<b>(11,174)</b>	<b>(8,128)</b>	<b>(39,244)</b>	<b>(11,840)</b>
<b>Cash flows from financing activities</b>							
Proceeds from applications by unitholders		49,586	53,845	11,677	8,182	43,302	11,876
Payments for redemptions by unitholders		(5,679)	(1,436)	-	-	(3,780)	-
Distributions paid		(12,803)	(3,746)	(488)	(16)	(296)	-
<b>Net cash inflow/(outflow) from financing activities</b>		<b>31,104</b>	<b>48,663</b>	<b>11,189</b>	<b>8,166</b>	<b>39,226</b>	<b>11,876</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>99</b>	<b>23</b>	<b>15</b>	<b>38</b>	<b>(18)</b>	<b>36</b>
Cash and cash equivalents at the beginning of the financial year		188	166	38	-	36	-
Effects of foreign currency exchange rate changes on cash and cash equivalents		(1)	(1)	-	-	-	-
<b>Cash and cash equivalents at the end of the financial year</b>		<b>286</b>	<b>188</b>	<b>53</b>	<b>38</b>	<b>18</b>	<b>36</b>
<b>Non-cash financing activities</b>							
Units issued upon reinvestment of distributions		1,238	246	16	1	18	-

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

<sup>3</sup> The comparison period for the BetaShares Global Income Leaders ETF and BetaShares Global Quality Leaders ETF was 21 March 2018 to 30 June 2019.

**Booklet 5A**  
**Statements of cash flows**  
**For the year ended 30 June 2020**  
**(continued)**

Statements of cash flows		Global Robotics and Artificial Intelligence ETF <sup>4</sup>		Global Sustainability Leaders ETF		India Quality ETF <sup>5</sup>		NASDAQ 100 ETF	
		30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>									
Proceeds from sale of financial instruments at fair value through profit or loss		7,606	1,461	279,779	82,987	7,585	-	94,166	54,565
Payments for purchase of financial instruments at fair value through profit or loss		(17,288)	(26,537)	(539,806)	(172,507)	(31,953)	-	(301,626)	(175,761)
Distributions/dividends received		280	177	5,954	3,640	194	-	5,999	4,076
Interest income received		-	-	-	-	-	-	13	10
Other operating income received		10	16	126	36	93	-	95	40
Management fees paid		(129)	(54)	(2,302)	(1,343)	(107)	-	(2,469)	(1,716)
Expense recoveries paid		(27)	(11)	(469)	(274)	(12)	-	(649)	(451)
Transaction costs paid		(11)	(8)	(188)	(44)	(19)	-	(33)	(23)
Other operating expenses paid		-	(2)	(1)	(26)	(4)	-	(11)	(8)
<b>Net cash inflow/(outflow) from operating activities</b>	6	<b>(9,559)</b>	<b>(24,958)</b>	<b>(256,907)</b>	<b>(87,531)</b>	<b>(24,223)</b>	<b>-</b>	<b>(204,515)</b>	<b>(119,268)</b>
<b>Cash flows from financing activities</b>									
Proceeds from applications by unitholders		13,687	25,787	280,564	91,118	26,901	-	255,925	135,216
Payments for redemptions by unitholders		(3,981)	(793)	(9,589)	-	(2,580)	-	(38,852)	(13,558)
Distributions paid		(126)	-	(13,247)	(3,594)	-	-	(11,769)	(1,854)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>9,580</b>	<b>24,994</b>	<b>257,728</b>	<b>87,524</b>	<b>24,321</b>	<b>-</b>	<b>205,304</b>	<b>119,804</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>21</b>	<b>36</b>	<b>821</b>	<b>(7)</b>	<b>98</b>	<b>-</b>	<b>789</b>	<b>536</b>
Cash and cash equivalents at the beginning of the financial year		36	-	485	495	-	-	751	218
Effects of foreign currency exchange rate changes on cash and cash equivalents		-	-	-	(3)	-	-	(14)	(3)
<b>Cash and cash equivalents at the end of the financial year</b>		<b>57</b>	<b>36</b>	<b>1,306</b>	<b>485</b>	<b>98</b>	<b>-</b>	<b>1,526</b>	<b>751</b>
<b>Non-cash financing activities</b>									
Units issued upon reinvestment of distributions		11	-	1,285	361	-	-	1,381	158

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

<sup>4</sup> The comparison period for the BetaShares Global Robotics and Artificial Intelligence ETF was 21 March 2018 to 30 June 2019.

<sup>5</sup> There was no comparative for BetaShares India Quality ETF. The Fund commenced trading on 2 August 2019.

**Contents of the notes to the financial statements**

	Page
1 General information	20
2 Summary of significant accounting policies	20
3 Net assets attributable to unitholders	26
4 Distributions to unitholders	29
5 Financial assets at fair value through profit or loss	30
6 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities	32
7 Financial risk management	34
8 Offsetting financial assets and financial liabilities	45
9 Fair value measurements	46
10 Current and deferred income taxes	51
11 Derivative financial instruments	52
12 Auditor's remuneration	53
13 Related party transactions	54
14 Events occurring after the reporting period	57
15 Contingent assets and liabilities and commitments	57

## 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 year
Asia Technology Tigers ETF	22 June 2018	18 September 2018	1 July 2019 to 30 June 2020 (comparatives : 22 June 2018 to 30 June 2019)
FTSE 100 ETF	21 March 2018	12 July 2019	1 July 2019 to 30 June 2020 (comparatives : 21 March 2018 to 30 June 2019)
FTSE RAFI U.S. 1000 ETF	16 June 2014	17 December 2014	1 July 2019 to 30 June 2020
Global Cybersecurity ETF	18 June 2014	30 August 2016	1 July 2019 to 30 June 2020
Global Income Leaders ETF	21 March 2018	18 October 2018	1 July 2019 to 30 June 2020 (comparatives : 21 March 2018 to 30 June 2019)
Global Quality Leaders ETF	21 March 2018	5 November 2018	1 July 2019 to 30 June 2020 (comparatives : 21 March 2018 to 30 June 2019)
Global Robotics and Artificial Intelligence ETF	21 March 2018	12 September 2018	1 July 2019 to 30 June 2020 (comparatives : 21 March 2018 to 30 June 2019)
Global Sustainability Leaders ETF	26 July 2016	5 January 2017	1 July 2019 to 30 June 2020
India Quality ETF	4 March 2019	2 August 2019	1 July 2019 to 30 June 2020 (comparatives : 4 March 2019 to 30 June 2019)
NASDAQ 100 ETF	16 June 2014	26 May 2015	1 July 2019 to 30 June 2020

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 22 September 2020. 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 are 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 unless otherwise stated.

### (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.

## 2 Summary of significant accounting policies (continued)

### (a) Basis of preparation (continued)

Management have taken into account the impacts of the COVID-19 pandemic on the valuation and presentation of the Funds' investments and its operating environment when preparing this financial report.

#### *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*

Management make estimates and assumptions that affect the reported amounts in the 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.

While the COVID-19 pandemic has caused uncertainty and market volatility during the period, the Responsible Entity has continued to follow its established policies and process (as set out in the Financial Risk Management note 7) for managing risk, determining fair values and classifying assets and liabilities in the fair value hierarchy for disclosure purposes as at the reporting date.

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.

#### *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 10"), AASB 12 *Disclosure of Interests in Other Entities* and AASB 127 *Separate Financial Statements*. AASB 10 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. 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.



## **2 Summary of significant accounting policies (continued)**

### **(a) Basis of preparation (continued)**

#### *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) Australian accounting standards and interpretations**

There are no new accounting standards that are not yet effective and that are expected to have a material impact on the Funds in the prior periods, or will affect the current or future reporting periods, or will have an impact on foreseeable future transactions.

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2020, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Funds.

### **(c) Financial instruments**

#### *(i) Classification*

The Funds classify their investments based on their business model for managing those financial assets and their contractual cash flow characteristics. The Funds' portfolios of financial assets are managed and their performance is evaluated on a fair value basis in accordance with the Funds' documented investment strategy. The Funds evaluate the information about their investments on a fair value basis together with other related financial information.

Equity securities and derivatives are measured at fair value through profit or loss.

For debt securities, the contractual cash flows are solely payments of principal and interest, however, they are neither held for collecting contractual cash flows nor held for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Funds' business model objective. Consequently, the debt securities are measured at fair value through profit or loss.

## 2 Summary of significant accounting policies (continued)

### (c) Financial instruments (continued)

#### *(ii) Recognition/derecognition*

The Funds recognise financial assets and financial liabilities on the date they become party to the contractual agreement (trade date) and recognises 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*

At initial recognition, the Funds measure a financial asset or liability at its fair value. Transaction costs are expensed in the statements of comprehensive income as incurred.

Subsequent to initial recognition, all financial assets and financial liabilities are measured at fair value. Gains and losses arising from changes in the fair value measurement are presented in the statements of comprehensive income within net gains/(losses) on financial instruments 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.

- 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 year 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 makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used may include the use of comparable recent arms length 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.

## **2 Summary of significant accounting policies (continued)**

### **(d) Net assets attributable to unitholders**

The Schemes consider their net assets attributable to unitholders as equity as each Scheme had made an irrevocable choice to be an Attribution Managed Investment Trust ("AMIT"). 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). 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 year if unitholders exercised their right to redeem units in the Funds.

### **(e) 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.

### **(f) Investment income**

Interest income earned on cash balances is recognised on an accrual basis in the statements of comprehensive income using the nominated interest rates available on the bank accounts held.

Dividend income is recognised on the ex-dividend date with any related foreign withholding tax recorded as an expense. The Funds currently incur withholding tax imposed by certain countries on investment income. Such income is recorded net of withholding tax in the statements of comprehensive income.

Trust distributions are recognised on an entitlements basis and stated net of foreign withholding tax.

### **(g) Expenses**

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

### **(h) Income tax**

The income tax expenses or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

Under current legislation, the Fund is not subject to Australian Income Tax provided they attribute the entirety of their taxable income to their unitholders. Foreign income taxes are calculated on the basis of tax laws enacted or substantively enacted at the balance sheet date. Deferred income tax is recognised for temporary differences using tax rates that are expected to apply when the temporary difference reverses, based on the manner in which the Fund expect to recover or settle the assets and liabilities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised, and deferred tax assets are offset against deferred tax liabilities when there is a legally enforceable right to set off and when the deferred income tax assets relate to the same taxation authority.

## **2 Summary of significant accounting policies (continued)**

### **(i) Distributions**

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

The distributions are recognised in the statements of changes in equity as transactions with unitholders.

### **(j) Foreign currency translation**

#### *(i) Functional and presentation currency*

Items included in the Funds' financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Funds compete for funds and is regulated. The Australian dollar is also the Funds' presentation currency.

#### *(ii) 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 at fair value through profit or loss.

### **(k) 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 between one 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.

### **(l) Receivables**

Receivables may include amounts for dividends, interest and trust distributions. Dividends and trust distributions are accrued when the right to receive payment is established. 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(f) above. The Funds' receivables are measured at amortised cost under AASB 9 and the impact of any expected credit losses (ECL) is not material as amounts are generally received within 30 days of being recorded as receivables. The carrying amount of receivables approximates fair value.

### **(m) Payables**

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

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

## 2 Summary of significant accounting policies (continued)

### (n) 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.

### (o) 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.

### (p) 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 indicated.

## 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 year were as follows:

	Asia Technology Tigers ETF				FTSE 100 ETF			
	30 June 2020 Units '000	30 June 2019 Units '000	30 June 2020 Units '000	30 June 2019 Units '000	30 June 2020 Units '000	30 June 2019 Units '000	30 June 2020 Units '000	30 June 2019 Units '000
<b>Net assets attributable to unitholders</b>								
Opening balance	9,800	-	57,704	-	-	-	-	-
Applications	12,200	9,800	91,157	55,458	15,700	-	151,461	-
Redemptions	(2,800)	-	(20,501)	-	-	-	-	-
Units issued upon reinvestment of distributions	5	-	32	-	1	-	11	-
Distributions to unitholders	-	-	(2,629)	-	-	-	(2,786)	-
Profit/(loss) for the year	-	-	37,938	2,246	-	-	(18,450)	-
<b>Closing balance</b>	<b>19,205</b>	<b>9,800</b>	<b>163,701</b>	<b>57,704</b>	<b>15,701</b>	<b>-</b>	<b>130,236</b>	<b>-</b>

**3 Net assets attributable to unitholders (continued)**

	FTSE RAFI U.S 1000 ETF				Global Cybersecurity ETF			
	30 June 2020 Units '000	30 June 2019 Units '000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 Units '000	30 June 2019 Units '000	30 June 2020 \$'000	30 June 2019 \$'000
<b>Net assets attributable to unitholders</b>								
Opening balance	1,175	1,202	41,646	40,110	20,241	12,604	138,900	81,948
Applications	270	60	9,837	2,105	6,800	7,800	51,232	53,845
Redemptions	(60)	(90)	(2,368)	(2,966)	(800)	(200)	(5,679)	(1,436)
Units issued upon reinvestment of distributions	4	3	143	93	181	37	1,238	246
Distributions to unitholders	-	-	(1,941)	(1,842)	-	-	(24,166)	(14,041)
Profit/(loss) for the year	-	-	(2,014)	4,146	-	-	31,736	18,338
<b>Closing balance</b>	<b>1,389</b>	<b>1,175</b>	<b>45,303</b>	<b>41,646</b>	<b>26,422</b>	<b>20,241</b>	<b>193,261</b>	<b>138,900</b>

  

	Global Income Leaders ETF				Global Quality Leaders ETF			
	30 June 2020 Units '000	30 June 2019 Units '000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 Units '000	30 June 2019 Units '000	30 June 2020 \$'000	30 June 2019 \$'000
<b>Net assets attributable to unitholders</b>								
Opening balance	525	-	8,250	-	750	-	12,531	-
Applications	750	525	11,677	8,182	2,475	750	46,241	11,876
Redemptions	-	-	-	-	(225)	-	(3,780)	-
Units issued upon reinvestment of distributions	1	-	16	1	1	-	18	-
Distributions to unitholders	-	-	(560)	(179)	-	-	(1,403)	(243)
Profit/(loss) for the year	-	-	(3,908)	246	-	-	4,336	898
<b>Closing balance</b>	<b>1,276</b>	<b>525</b>	<b>15,475</b>	<b>8,250</b>	<b>3,001</b>	<b>750</b>	<b>57,943</b>	<b>12,531</b>

### 3 Net assets attributable to unitholders (continued)

	Global Robotics and Artificial Intelligence ETF				Global Sustainability Leaders ETF			
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	Units '000	Units '000	\$'000	\$'000	Units '000	Units '000	\$'000	\$'000
<b>Net assets attributable to unitholders</b>								
Opening balance	2,600	-	24,943	-	38,453	27,205	326,674	205,638
Applications	1,300	2,700	13,687	25,787	28,400	11,200	281,310	90,034
Redemptions	(400)	(100)	(3,981)	(793)	(1,000)	-	(9,589)	-
Units issued upon reinvestment of distributions	1	-	11	-	150	48	1,285	361
Distributions to unitholders	-	-	(1,799)	(137)	-	-	(72,524)	(14,398)
Profit/(loss) for the year	-	-	4,988	86	-	-	108,539	45,039
<b>Closing balance</b>	<b>3,501</b>	<b>2,600</b>	<b>37,849</b>	<b>24,943</b>	<b>66,003</b>	<b>38,453</b>	<b>635,695</b>	<b>326,674</b>

  

	India Quality ETF				NASDAQ 100 ETF			
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	Units '000	Units '000	\$'000	\$'000	Units '000	Units '000	\$'000	\$'000
<b>Net assets attributable to unitholders</b>								
Opening balance	-	-	-	-	27,516	20,506	509,325	336,560
Applications	3,240	-	26,901	-	11,400	7,800	255,925	135,216
Redemptions	(360)	-	(2,580)	-	(1,800)	(800)	(38,852)	(13,558)
Units issued upon reinvestment of distributions	-	-	-	-	74	10	1,381	158
Distributions to unitholders	-	-	-	-	-	-	(25,217)	(12,880)
Profit/(loss) for the year	-	-	(2,727)	-	-	-	204,763	63,829
<b>Closing balance</b>	<b>2,880</b>	<b>-</b>	<b>21,594</b>	<b>-</b>	<b>37,190</b>	<b>27,516</b>	<b>907,325</b>	<b>509,325</b>

#### 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.

#### 4 Distributions to unitholders

The distributions for the year were as follows:

	Asia Technology Tigers ETF				FTSE 100 ETF			
	30 June 2020 \$'000	30 June 2020 CPU	30 June 2019 \$'000	30 June 2019 CPU	30 June 2020 \$'000	30 June 2020 CPU	30 June 2019 \$'000	30 June 2019 CPU
Distributions paid - December	401	2.99	-	-	832	8.76	-	-
Distributions payable - June	2,228	11.60	-	-	1,954	12.45	-	-
<b>Total distributions</b>	<b>2,629</b>		<b>-</b>		<b>2,786</b>		<b>-</b>	

  

	FTSE RAFI U.S 1000 ETF				Global Cybersecurity ETF			
	30 June 2020 \$'000	30 June 2020 CPU	30 June 2019 \$'000	30 June 2019 CPU	30 June 2020 \$'000	30 June 2020 CPU	30 June 2019 \$'000	30 June 2019 CPU
Distributions paid - December	405	30.52	407	36.60	-	-	-	-
Distributions payable - June	1,536	110.54	1,435	122.06	24,166	91.46	14,041	69.37
<b>Total distributions</b>	<b>1,941</b>		<b>1,842</b>		<b>24,166</b>		<b>14,041</b>	

  

	Global Income Leaders ETF				Global Quality Leaders ETF			
	30 June 2020 \$'000	30 June 2020 CPU	30 June 2019 \$'000	30 June 2019 CPU	30 June 2020 \$'000	30 June 2020 CPU	30 June 2019 \$'000	30 June 2019 CPU
Distributions paid - September	94	11.37	-	-	-	-	-	-
Distributions paid - December	96	9.18	5	6.45	70	3.73	-	-
Distributions paid - March	152	11.90	12	5.50	-	-	-	-
Distributions payable - June	218	17.12	162	30.86	1,333	44.41	243	32.51
<b>Total distributions</b>	<b>560</b>		<b>179</b>		<b>1,403</b>		<b>243</b>	



#### 4 Distributions to unitholders (continued)

	Global Robotics and Artificial Intelligence ETF				Global Sustainability Leaders ETF			
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2020	2020	2019	2019	2020	2020	2019	2019
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid - December	-	-	-	-	696	1.40	562	1.70
Distributions payable - June	1,799	51.37	137	5.26	71,828	108.83	13,836	35.98
<b>Total distributions</b>	<b>1,799</b>		<b>137</b>		<b>72,524</b>		<b>14,398</b>	
	India Quality ETF				NASDAQ 100 ETF			
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2020	2020	2019	2019	2020	2020	2019	2019
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid - December	-	-	-	-	1,089	3.48	819	3.27
Distributions payable - June	-	-	-	-	24,128	64.88	12,061	43.83
<b>Total distributions</b>	<b>-</b>		<b>-</b>		<b>25,217</b>		<b>12,880</b>	

#### 5 Financial assets at fair value through profit or loss

	Asia Technology Tigers ETF		FTSE 100 ETF		FTSE RAFI U.S 1000 ETF	
	30 June	30 June	30 June	30 June	30 June	30 June
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets at fair value through profit or loss</b>						
Listed securities	165,611	57,474	131,331	-	46,563	43,047
Futures	-	-	17	-	-	-
<b>Total financial assets at fair value through profit or loss</b>	<b>165,611</b>	<b>57,474</b>	<b>131,348</b>	<b>-</b>	<b>46,563</b>	<b>43,047</b>

**5 Financial assets at fair value through profit or loss (continued)**

	Global Cybersecurity ETF		Global Income Leaders ETF		Global Quality Leaders ETF	
	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
Financial assets at fair value through profit or loss						
Listed securities	192,636	152,803	15,586	8,346	59,088	12,737
<b>Total financial assets at fair value through profit or loss</b>	<b>192,636</b>	<b>152,803</b>	<b>15,586</b>	<b>8,346</b>	<b>59,088</b>	<b>12,737</b>

	Global Robotics and Artificial Intelligence ETF		Global Sustainability Leaders ETF		India Quality ETF		NASDAQ 100 ETF	
	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
Financial assets at fair value through profit or loss								
Listed securities	37,794	25,038	633,035	339,833	21,472	-	930,015	520,645
Futures	-	-	-	-	-	-	75	11
<b>Total financial assets at fair value through profit or loss</b>	<b>37,794</b>	<b>25,038</b>	<b>633,035</b>	<b>339,833</b>	<b>21,472</b>	<b>-</b>	<b>930,090</b>	<b>520,656</b>

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

	<b>Asia Technology Tigers ETF</b>		<b>FTSE 100 ETF</b>		<b>FTSE RAFI U.S 1000 ETF</b>	
	<b>30 June 2020 \$'000</b>	<b>30 June 2019 \$'000</b>	<b>30 June 2020 \$'000</b>	<b>30 June 2019 \$'000</b>	<b>30 June 2020 \$'000</b>	<b>30 June 2019 \$'000</b>
<b>Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities</b>						
Profit/(loss)	37,938	2,246	(18,450)	-	(2,014)	4,146
Proceeds from sale of financial instruments at fair value through profit or loss	29,616	6,446	4,342	-	5,019	6,207
Payments for the purchase of financial instruments at fair value through profit or loss	(96,936)	(61,879)	(157,753)	-	(11,607)	(4,893)
Net (gains)/losses on financial instruments at fair value through profit or loss	(37,271)	(2,131)	22,079	-	3,021	(3,279)
Net change in dividends/distributions receivable	(72)	(188)	(301)	-	(33)	(5)
Net change in receivables and other assets	(13)	(10)	(16)	-	-	-
Net foreign exchange (gains)/losses	(128)	91	11	-	25	8
Net change in payables and other liabilities	86	30	58	-	4	(14)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(66,780)</b>	<b>(55,395)</b>	<b>(150,030)</b>	<b>-</b>	<b>(5,585)</b>	<b>2,170</b>

  

	<b>Global Cybersecurity ETF</b>		<b>Global Income Leaders ETF</b>		<b>Global Quality Leaders ETF</b>	
	<b>30 June 2020 \$'000</b>	<b>30 June 2019 \$'000</b>	<b>30 June 2020 \$'000</b>	<b>30 June 2019 \$'000</b>	<b>30 June 2020 \$'000</b>	<b>30 June 2019 \$'000</b>
<b>Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities</b>						
Profit/(loss)	31,736	18,338	(3,908)	246	4,336	898
Proceeds from sale of financial instruments at fair value through profit or loss	111,973	93,066	15,418	927	16,889	3,387
Payments for the purchase of financial instruments at fair value through profit or loss	(145,494)	(141,749)	(27,157)	(9,166)	(56,440)	(15,281)
Net (gains)/losses on financial instruments at fair value through profit or loss	(29,342)	(18,322)	4,503	(108)	(4,184)	(839)
Net change in dividends/distributions receivable	-	33	(25)	(30)	(7)	(4)
Net change in receivables and other assets	(8)	(20)	(1)	(1)	(12)	(1)
Net foreign exchange (gains)/losses	77	26	(8)	1	146	(4)
Net change in payables and other liabilities	53	(12)	4	3	28	4
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(31,005)</b>	<b>(48,640)</b>	<b>(11,174)</b>	<b>(8,128)</b>	<b>(39,244)</b>	<b>(11,840)</b>

**6 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities (continued)**

	Global Robotics and Artificial Intelligence ETF		Global Sustainability Leaders ETF		India Quality ETF		NASDAQ 100 ETF	
	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
<b>Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities</b>								
Profit/(loss)	4,988	86	108,539	45,039	(2,727)	-	204,763	63,829
Proceeds from sale of financial instruments at fair value through profit or loss	7,606	1,461	279,779	82,987	7,585	-	94,166	54,565
Payments for the purchase of financial instruments at fair value through profit or loss	(17,288)	(26,537)	(539,806)	(172,507)	(31,953)	-	(301,626)	(175,761)
Net (gains)/losses on financial instruments at fair value through profit or loss	(4,893)	26	(105,236)	(42,826)	2,814	-	(202,024)	(61,738)
Net change in dividends/distributions receivable	(12)	-	(259)	(27)	(35)	-	(50)	(78)
Net change in receivables and other assets	(20)	(17)	(257)	(119)	(5)	-	(42)	(27)
Net foreign exchange (gains)/losses	48	12	110	(18)	82	-	64	(10)
Net change in payables and other liabilities	12	11	223	(60)	16	-	234	(48)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(9,559)</b>	<b>(24,958)</b>	<b>(256,907)</b>	<b>(87,531)</b>	<b>(24,223)</b>	<b>-</b>	<b>(204,515)</b>	<b>(119,268)</b>

## **7 Financial risk management**

The Funds are exchange traded managed funds that primarily invest in a portfolio of securities listed on the global share markets as well as derivative instruments and cash and cash equivalents.

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.

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 equity 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.

Included in the following analysis are tables that summarise the sensitivity of the operating profit and net assets attributable to unitholders to changes in market prices (e.g. equity price, foreign exchange rates and interest rates). The analysis is based on reasonably possible movements in the specified risk variable with other variables held constant. Actual movements in the risk variables in any year may be greater or less than indicated. The market price risk information is intended to be a relative estimate of risk rather than a precise and accurate number. It represents a hypothetical outcome and is not intended to be predictive. The analysis is based on historical data and cannot take account of the fact that future market price movements (e.g. in times on market stress) may bear no relation to historical patterns.

#### *(i) Price risk*

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

The Funds' overall market positions are reported to the Board on a regular basis.

#### *Sensitivity analysis*

A 10% movement at the report date of the market prices attributable to financial assets or financial liabilities by the relevant Funds would have the following impact on the Funds' 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.

## 7 Financial risk management (continued)

### (a) Market risk (continued)

#### (i) Price risk (continued)

##### Sensitivity analysis (continued)

+10% Price movement - impact on the Funds' profit/(loss)  
and net assets attributable to unitholders  
-10% Price movement - impact on the Funds' profit/(loss)  
and net assets attributable to unitholders

Asia Technology Tigers ETF		FTSE 100 ETF		FTSE RAFI U.S 1000 ETF	
30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
16,561	5,747	13,133	-	4,656	4,305
(16,561)	(5,747)	(13,133)	-	(4,656)	(4,305)

  

Global Cybersecurity ETF		Global Income Leaders ETF		Global Quality Leaders ETF	
30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
19,264	15,280	1,559	835	5,909	1,274
(19,264)	(15,280)	(1,559)	(835)	(5,909)	(1,274)

+10% Price movement - impact on the Funds' profit/(loss)  
and net assets attributable to unitholders  
-10% Price movement - impact on the Funds' profit/(loss)  
and net assets attributable to unitholders

## 7 Financial risk management (continued)

### (a) Market risk (continued)

#### (i) Price risk (continued)

##### Sensitivity analysis (continued)

	Global Robotics and Artificial Intelligence ETF		Global Sustainability Leaders ETF		India Quality ETF		NASDAQ 100 ETF	
	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
+10% Price movement - impact on the Funds' profit/(loss) and net assets attributable to unitholders	3,779	2,504	63,304	33,983	2,147	-	93,002	52,065
-10% Price movement - impact on the Funds' profit/(loss) and net assets attributable to unitholders	(3,779)	(2,504)	(63,304)	(33,983)	(2,147)	-	(93,002)	(52,065)

#### (ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk is not considered to be significant to the Funds other than their cash holdings.

The Funds are exposed to interest rate risk on their cash holdings. Interest income from cash holdings is earned at variable interest rates. Investments in cash holdings are at call.

## 7 Financial risk management (continued)

### (a) Market risk (continued)

#### (iii) Foreign exchange risk

The Funds 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 tables below summarise the Funds' assets and liabilities, monetary and non-monetary, that are denominated in a currency other than the Australian dollar (calculated after the effect of associated foreign currency derivatives). The disclosures below represent the significant currency exposures of Funds at each respective reporting date.

	Asia Technology Tigers ETF				FTSE 100 ETF			
	30 June 2020 Currency	30 June 2020 \$'000	30 June 2019 Currency	30 June 2019 \$'000	30 June 2020 Currency	30 June 2020 \$'000	30 June 2019 Currency	30 June 2019 \$'000
	USD	82,707	USD	29,476				
	HKD	39,178	HKD	10,696				
	KRW	28,776	KRW	11,663				
	TWD	15,289	TWD	5,888	GBP*	132,189	GBP*	-
Net foreign currency exposure		<u>165,950</u>		<u>57,723</u>		<u>132,189</u>		<u>-</u>

  

	FTSE RAFI U.S 1000 ETF				Global Cybersecurity ETF			
	30 June 2020 Currency	30 June 2020 \$'000	30 June 2019 Currency	30 June 2019 \$'000	30 June 2020 Currency	30 June 2020 \$'000	30 June 2019 Currency	30 June 2019 \$'000
					USD	175,313	USD	136,349
					EUR	3,748	EUR	3,836
					JPY	4,978	JPY	3,833
					KRW	951	KRW	368
	USD**	46,848	USD**	43,087	GBP	8,204	GBP	8,480
Net foreign currency exposure		<u>46,848</u>		<u>43,087</u>		<u>193,194</u>		<u>152,866</u>

\* This Fund only has GBP exposure.

\*\* This Fund only has USD exposure.



## 7 Financial risk management (continued)

### (a) Market risk (continued)

#### (iii) Foreign exchange risk (continued)

	Global Income Leaders ETF					Global Quality Leaders ETF			
	30 June 2020	30 June 2019	30 June 2020	30 June 2019		30 June 2020	30 June 2019	30 June 2020	30 June 2019
	Currency	\$'000	Currency	\$'000		Currency	\$'000	Currency	\$'000
	USD	9,722	USD	5,079		USD	39,174	USD	8,762
	EUR	2,196	EUR	1,142		DKK	1,664	DKK	313
	GBP	616	GBP	358		EUR	4,294	EUR	1,275
	CAD	689	CAD	923		JPY	8,087	JPY	1,416
	JPY	832	JPY	570		CHF	2,645	CHF	541
	Others	1,638	Others	339		Others	3,240	Others	468
<b>Net foreign currency exposure</b>		<b>15,693</b>		<b>8,411</b>			<b>59,104</b>		<b>12,775</b>

  

	Global Robotics and Artificial Intelligence ETF					Global Sustainability Leaders ETF			
	30 June 2020	30 June 2019	30 June 2020	30 June 2019		30 June 2020	30 June 2019	30 June 2020	30 June 2019
	Currency	\$'000	Currency	\$'000		Currency	\$'000	Currency	\$'000
	USD	12,268	USD	7,318		USD	450,347	USD	254,868
	EUR	634	EUR	970		EUR	62,765	EUR	22,713
	JPY	17,220	JPY	12,432		HKD	14,802	HKD	12,196
	CHF	4,837	CHF	2,613		JPY	54,595	JPY	14,428
	GBP	1,727	GBP	904		CHF	25,049	CHF	17,054
	Others	1,307	Others	850		Others	28,475	Others	19,300
<b>Net foreign currency exposure</b>		<b>37,993</b>		<b>25,087</b>			<b>636,033</b>		<b>340,559</b>

  

	India Quality ETF					NASDAQ 100 ETF			
	30 June 2020	30 June 2019	30 June 2020	30 June 2019		30 June 2020	30 June 2019	30 June 2020	30 June 2019
	Currency	\$'000	Currency	\$'000		Currency	\$'000	Currency	\$'000
	INR***	21,507	INR***	-		USD**	931,773	USD**	521,531
<b>Net foreign currency exposure</b>		<b>21,507</b>		<b>-</b>			<b>931,773</b>		<b>521,531</b>

\*\* This Fund only has USD exposure.

\*\*\* This Fund only has INR exposure.

## 7 Financial risk management (continued)

### (a) Market risk (continued)

#### (iii) Foreign exchange risk (continued)

##### Sensitivity analysis

The following tables summarise the sensitivities of the Funds' monetary assets and liabilities to foreign exchange risk.

	<b>Asia Technology Tigers ETF</b>		<b>FTSE 100 ETF</b>		<b>FTSE RAFI U.S 1000 ETF</b>	
	<b>30 June 2020 \$'000</b>	30 June 2019 \$'000	<b>30 June 2020 \$'000</b>	30 June 2019 \$'000	<b>30 June 2020 \$'000</b>	30 June 2019 \$'000
Impact on profit/(loss) from activities and net assets attributable to unitholders						
10% AUD appreciation against foreign currency (2019: 10%)	(34)	(25)	(84)	-	(29)	(4)

  

	<b>Global Cybersecurity ETF</b>		<b>Global Income Leaders ETF</b>		<b>Global Quality Leaders ETF</b>	
	<b>30 June 2020 \$'000</b>	30 June 2019 \$'000	<b>30 June 2020 \$'000</b>	30 June 2019 \$'000	<b>30 June 2020 \$'000</b>	30 June 2019 \$'000
Impact on profit/(loss) from activities and net assets attributable to unitholders						
10% AUD appreciation against foreign currency (2019: 10%)	(56)	(6)	(11)	(7)	(1)	(4)

10% AUD depreciation against foreign currency would have an equal, but opposite effect to the amounts shown in the table above.

## 7 Financial risk management (continued)

### (a) Market risk (continued)

#### (iii) Foreign exchange risk (continued)

##### Sensitivity analysis (continued)

	Global Robotics and Artificial Intelligence ETF		Global Sustainability Leaders ETF		India Quality ETF		NASDAQ 100 ETF	
	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
Impact on profit/(loss) from activities and net assets attributable to unitholders								
10% AUD appreciation against foreign currency (2019: 10%)	(20)	(5)	(300)	(73)	(4)	-	(168)	(87)

10% AUD depreciation against foreign currency would have an equal, but opposite effect to the amounts shown in the table above.

### (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 main concentration of credit risk to which the Funds are exposed arise from the Funds' investment in cash and cash equivalents, and investment in debt securities.

#### (i) Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is considered low as the Funds only invest their assets into bank deposit accounts held with banks that are regulated in Australia by Australian Prudential Regulatory Authority as authorised deposit taking institutions, and all counterparties have a credit rating of at least A.

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

#### (ii) Settlement of securities transactions

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered low, as delivery of securities sold is only made once the broker has received payment. Payment is made once purchase on the securities have been received by the broker. The trade will fail if either party fails to meet its obligations.

#### (iii) Other

The custody of the Funds' assets is mainly concentrated with one counterparty, namely RBC Investor Services Trust. RBC Investor Services Trust is a subsidiary of a company listed on a major securities exchange, and at 30 June 2020 had a credit rating of AA- by Standard & Poor's (S&P) (30 June 2019 AA-/A-1+ (Stable) by Standard & Poor's (S&P)). At 30 June 2020, substantially all cash and cash equivalents, balances due from brokers and investments are held in custody by RBC Investor Services Trust.

## 7 Financial risk management (continued)

### (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. The Funds' investments in cash and cash equivalents are considered to be readily realisable and the Funds maintain adequate liquidity to pay withdrawals and distributions when required.

Certain Funds may 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 their investments in these instruments at an amount close to their fair value to meet their liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer or counterparty.

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

Asia Technology Tigers ETF							
On demand	Less than	Greater than	Total	On demand	Less than	Greater than	Total
30 June	6 months	6 months	30 June	30 June	6 months	6 months	30 June
2020	2020	2020	2020	2019	2019	2019	2019
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Distributions payable	-	2,228	-	2,228	-	-	-
Due to brokers - payables for securities	-	3,417	-	3,417	-	-	-
Other payables	-	116	-	116	-	30	30
<b>Contractual cash flows (excluding net settled derivatives)</b>	-	<b>5,761</b>	-	<b>5,761</b>	-	<b>30</b>	<b>30</b>

  

FTSE 100 ETF							
On demand	Less than	Greater than	Total	On demand	Less than	Greater than	Total
30 June	6 months	6 months	30 June	30 June	6 months	6 months	30 June
2020	2020	2020	2020	2019	2019	2019	2019
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Distributions payable	-	1,954	-	1,954	-	-	-
Due to brokers - payables for securities	-	-	-	-	-	-	-
Other payables	-	58	-	58	-	-	-
<b>Contractual cash flows (excluding net settled derivatives)</b>	-	<b>2,012</b>	-	<b>2,012</b>	-	-	-

## 7 Financial risk management (continued)

### (c) Liquidity risk (continued)

	FTSE RAFI U.S. 1000 ETF							
	On demand 30 June 2020 \$'000	Less than 6 months 30 June 2020 \$'000	Greater than 6 months 30 June 2020 \$'000	Total 30 June 2020 \$'000	On demand 30 June 2019 \$'000	Less than 6 months 30 June 2019 \$'000	Greater than 6 months 30 June 2019 \$'000	Total 30 June 2019 \$'000
Distributions payable	-	1,536	-	1,536	-	1,435	-	1,435
Due to brokers - payables for securities	-	-	-	-	-	26	-	26
Other payables	-	20	-	20	-	16	-	16
Contractual cash flows (excluding net settled derivatives)	-	1,556	-	1,556	-	1,477	-	1,477
	Global Cybersecurity ETF							
	On demand 30 June 2020 \$'000	Less than 6 months 30 June 2020 \$'000	Greater than 6 months 30 June 2020 \$'000	Total 30 June 2020 \$'000	On demand 30 June 2019 \$'000	Less than 6 months 30 June 2019 \$'000	Greater than 6 months 30 June 2019 \$'000	Total 30 June 2019 \$'000
Distributions payable	-	24,166	-	24,166	-	14,041	-	14,041
Other payables	-	137	-	137	-	84	-	84
Contractual cash flows (excluding net settled derivatives)	-	24,303	-	24,303	-	14,125	-	14,125
	Global Income Leaders ETF							
	On demand 30 June 2020 \$'000	Less than 6 months 30 June 2020 \$'000	Greater than 6 months 30 June 2020 \$'000	Total 30 June 2020 \$'000	On demand 30 June 2019 \$'000	Less than 6 months 30 June 2019 \$'000	Greater than 6 months 30 June 2019 \$'000	Total 30 June 2019 \$'000
Distributions payable	-	218	-	218	-	162	-	162
Other payables	-	7	-	7	-	3	-	3
Contractual cash flows (excluding net settled derivatives)	-	225	-	225	-	165	-	165

## 7 Financial risk management (continued)

### (c) Liquidity risk (continued)

Global Quality Leaders ETF								
	On demand	Less than 6 months	Greater than 6 months	Total	On demand	Less than 6 months	Greater than 6 months	Total
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2020	2020	2020	2020	2019	2019	2019	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Distributions payable	-	1,333	-	1,333	-	243	-	243
Due to brokers - payables for securities	-	2,762	-	2,762	-	-	-	-
Other payables	-	31	-	31	-	4	-	4
Contractual cash flows (excluding net settled derivatives)	-	4,126	-	4,126	-	247	-	247

Global Robotics and Artificial Intelligence ETF								
	On demand	Less than 6 months	Greater than 6 months	Total	On demand	Less than 6 months	Greater than 6 months	Total
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2020	2020	2020	2020	2019	2019	2019	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Distributions payable	-	1,799	-	1,799	-	137	-	137
Due to brokers - payables for securities	-	5,771	-	5,771	-	-	-	-
Other payables	-	23	-	23	-	11	-	11
Contractual cash flows (excluding net settled derivatives)	-	7,593	-	7,593	-	148	-	148

Global Sustainability Leaders ETF								
	On demand	Less than 6 months	Greater than 6 months	Total	On demand	Less than 6 months	Greater than 6 months	Total
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2020	2020	2020	2020	2019	2019	2019	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Distributions payable	-	71,828	-	71,828	-	13,836	-	13,836
Due to brokers - payables for securities	-	-	-	-	-	3,535	-	3,535
Other payables	-	387	-	387	-	164	-	164
Contractual cash flows (excluding net settled derivatives)	-	72,215	-	72,215	-	17,535	-	17,535

## 7 Financial risk management (continued)

### (c) Liquidity risk (continued)

India Quality ETF							
On demand 30 June 2020 \$'000	Less than 6 months 30 June 2020 \$'000	Greater than 6 months 30 June 2020 \$'000	Total 30 June 2020 \$'000	On demand 30 June 2019 \$'000	Less than 6 months 30 June 2019 \$'000	Greater than 6 months 30 June 2019 \$'000	Total 30 June 2019 \$'000
Distributions payable	-	-	-	-	-	-	-
Other payables	-	16	-	16	-	-	-
<b>Contractual cash flows (excluding net settled derivatives)</b>	-	16	-	16	-	-	-

  

NASDAQ 100 ETF							
On demand 30 June 2020 \$'000	Less than 6 months 30 June 2020 \$'000	Greater than 6 months 30 June 2020 \$'000	Total 30 June 2020 \$'000	On demand 30 June 2019 \$'000	Less than 6 months 30 June 2019 \$'000	Greater than 6 months 30 June 2019 \$'000	Total 30 June 2019 \$'000
Distributions payable	-	24,128	-	24,128	-	12,061	-
Other payables	-	456	-	456	-	222	-
<b>Contractual cash flows (excluding net settled derivatives)</b>	-	24,584	-	24,584	-	12,283	-

## 8 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.

	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)	Gross amounts set off in the statements of financial position	Net amount of financial assets/(liabilities) presented in the statements of financial position	Financial instruments (including non-cash collateral)	Stock and cash collateral pledged	Net amounts
<b>FTSE 100 ETF</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>As at 30 June 2020</b>						
<b>Financial assets</b>						
Futures	17	-	17	-	-	17
<b>Total</b>	<b>17</b>	<b>-</b>	<b>17</b>	<b>-</b>	<b>-</b>	<b>17</b>
	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)	Gross amounts set off in the statements of financial position	Net amount of financial assets/(liabilities) presented in the statements of financial position	Financial instruments (including non-cash collateral)	Stock and cash collateral pledged	Net amounts
<b>NASDAQ 100 ETF</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>As at 30 June 2020</b>						
<b>Financial assets</b>						
Futures	75	-	75	-	-	75
<b>Total</b>	<b>75</b>	<b>-</b>	<b>75</b>	<b>-</b>	<b>-</b>	<b>75</b>
<b>As at 30 June 2019</b>						
<b>Financial assets</b>						
Futures	11	-	11	-	-	11
<b>Total</b>	<b>11</b>	<b>-</b>	<b>11</b>	<b>-</b>	<b>-</b>	<b>11</b>



## **9 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 year 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 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 year 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.

## 9 Fair value measurements (continued)

### Fair value estimation (continued)

#### (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.

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

Asia Technology Tigers ETF								
	Level 1 30 June 2020 \$'000	Level 2 30 June 2020 \$'000	Level 3 30 June 2020 \$'000	Total 30 June 2020 \$'000	Level 1 30 June 2019 \$'000	Level 2 30 June 2019 \$'000	Level 3 30 June 2019 \$'000	Total 30 June 2019 \$'000
<b>Financial assets</b>								
Financial assets at fair value through profit or loss:								
Listed securities	165,611	-	-	165,611	57,474	-	-	57,474
<b>Total</b>	<b>165,611</b>	<b>-</b>	<b>-</b>	<b>165,611</b>	<b>57,474</b>	<b>-</b>	<b>-</b>	<b>57,474</b>
FTSE 100 ETF								
	Level 1 30 June 2020 \$'000	Level 2 30 June 2020 \$'000	Level 3 30 June 2020 \$'000	Total 30 June 2020 \$'000	Level 1 30 June 2019 \$'000	Level 2 30 June 2019 \$'000	Level 3 30 June 2019 \$'000	Total 30 June 2019 \$'000
<b>Financial assets</b>								
Financial assets at fair value through profit or loss:								
Listed securities	131,331	-	-	131,331	-	-	-	-
Futures	17	-	-	17	-	-	-	-
<b>Total</b>	<b>131,348</b>	<b>-</b>	<b>-</b>	<b>131,348</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 9 Fair value measurements (continued)

### Fair value estimation (continued)

(iii) Recognised fair value measurements (continued)

#### Financial assets

Financial assets at fair value through profit or loss:

Listed securities

#### Total

#### FTSE RAFI U.S. 1000 ETF

Level 1 30 June 2020 \$'000	Level 2 30 June 2020 \$'000	Level 3 30 June 2020 \$'000	Total 30 June 2020 \$'000	Level 1 30 June 2019 \$'000	Level 2 30 June 2019 \$'000	Level 3 30 June 2019 \$'000	Total 30 June 2019 \$'000
46,563	-	-	46,563	43,047	-	-	43,047
46,563	-	-	46,563	43,047	-	-	43,047

#### Global Cybersecurity ETF

Level 1 30 June 2020 \$'000	Level 2 30 June 2020 \$'000	Level 3 30 June 2020 \$'000	Total 30 June 2020 \$'000	Level 1 30 June 2019 \$'000	Level 2 30 June 2019 \$'000	Level 3 30 June 2019 \$'000	Total 30 June 2019 \$'000
192,636	-	-	192,636	152,803	-	-	152,803
192,636	-	-	192,636	152,803	-	-	152,803

#### Financial assets

Financial assets at fair value through profit or loss:

Listed securities

#### Total

#### Global Income Leaders ETF

Level 1 30 June 2020 \$'000	Level 2 30 June 2020 \$'000	Level 3 30 June 2020 \$'000	Total 30 June 2020 \$'000	Level 1 30 June 2019 \$'000	Level 2 30 June 2019 \$'000	Level 3 30 June 2019 \$'000	Total 30 June 2019 \$'000
15,586	-	-	15,586	8,346	-	-	8,346
15,586	-	-	15,586	8,346	-	-	8,346

#### Financial assets

Financial assets at fair value through profit or loss:

Listed securities

#### Total

## 9 Fair value measurements (continued)

### Fair value estimation (continued)

(iii) Recognised fair value measurements (continued)

		Global Quality Leaders ETF							
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
		30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
		2020	2020	2020	2020	2019	2019	2019	2019
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>									
Financial assets at fair value through profit or loss:									
Listed securities		59,088	-	-	59,088	12,737	-	-	12,737
<b>Total</b>		<b>59,088</b>	<b>-</b>	<b>-</b>	<b>59,088</b>	<b>12,737</b>	<b>-</b>	<b>-</b>	<b>12,737</b>
		Global Robotics and Artificial Intelligence ETF							
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
		30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
		2020	2020	2020	2020	2019	2019	2019	2019
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>									
Financial assets at fair value through profit or loss:									
Listed securities		37,794	-	-	37,794	24,989	49	-	25,038
<b>Total</b>		<b>37,794</b>	<b>-</b>	<b>-</b>	<b>37,794</b>	<b>24,989</b>	<b>49</b>	<b>-</b>	<b>25,038</b>
		Global Sustainability Leaders ETF							
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
		30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
		2020	2020	2020	2020	2019	2019	2019	2019
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>									
Financial assets at fair value through profit or loss:									
Listed securities		633,035	-	-	633,035	339,883	-	-	339,883
<b>Total</b>		<b>633,035</b>	<b>-</b>	<b>-</b>	<b>633,035</b>	<b>339,883</b>	<b>-</b>	<b>-</b>	<b>339,883</b>

## 9 Fair value measurements (continued)

### Fair value estimation (continued)

#### (iii) Recognised fair value measurements (continued)

	India Quality ETF							
	Level 1 30 June 2020 \$'000	Level 2 30 June 2020 \$'000	Level 3 30 June 2020 \$'000	Total 30 June 2020 \$'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	21,472	-	-	21,472	-	-	-	-
Total	21,472	-	-	21,472	-	-	-	-
	NASDAQ 100 ETF							
	Level 1 30 June 2020 \$'000	Level 2 30 June 2020 \$'000	Level 3 30 June 2020 \$'000	Total 30 June 2020 \$'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	930,015	-	-	930,015	520,645	-	-	520,645
Futures	75	-	-	75	11	-	-	11
Total	930,090	-	-	930,090	520,656	-	-	520,656

#### (iv) Transfers between levels

There were no transfers between levels during the year ended 30 June 2020 and 30 June 2019.

#### (v) Movement in level 3 instruments

There were no investments classified as Level 3 within the Funds as at 30 June 2020 and 30 June 2019.

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

The carrying values of financial instruments not carried at fair values are assumed to approximate their fair values.

## 10 Current and deferred income taxes

### (a) Income tax expense

The amount of income tax recognised in the statement of comprehensive income represents:

	India Quality ETF	
	Year ended	
	30 June 2020	30 June 2019
	\$'000	\$'000
Current income tax	1	-
Deferred income tax	-	-
<b>Income tax expense</b>	<b>1</b>	<b>-</b>

The income tax expense differs from the amount that would arise from applying the Australian income tax rate applicable to the Fund on profit for the year due to the following:

	Year ended	
	30 June 2020	30 June 2019
	\$'000	\$'000
<b>Operating loss before income tax</b>	<b>(2,727)</b>	<b>-</b>
Tax at applicable Australian tax rate of 0% (2019: 0%)	-	-
Effect of:		
Capital gains tax in foreign jurisdictions on financial assets	1	-
<b>Income tax expense</b>	<b>1</b>	<b>-</b>

## 11 Derivative financial instruments

In the normal course of business certain Funds may 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 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.

The following Funds held derivative instruments:

<b>FTSE 100 ETF</b>						
<b>Fair values</b>						
	<b>Contract/ notional 30 June 2020 \$'000</b>	<b>Assets 30 June 2020 \$'000</b>	<b>Liabilities 30 June 2020 \$'000</b>	<b>Contract/ notional 30 June 2019 \$'000</b>	<b>Assets 30 June 2019 \$'000</b>	<b>Liabilities 30 June 2019 \$'000</b>
Futures	883	17	-	-	-	-
	883	17	-	-	-	-
<b>NASDAQ 100 ETF</b>						
<b>Fair values</b>						
	<b>Contract/ notional 30 June 2020 \$'000</b>	<b>Assets 30 June 2020 \$'000</b>	<b>Liabilities 30 June 2020 \$'000</b>	<b>Contract/ notional 30 June 2019 \$'000</b>	<b>Assets 30 June 2019 \$'000</b>	<b>Liabilities 30 June 2019 \$'000</b>
Futures	1,474	75	-	661	11	-
	1,474	75	-	661	11	-

## 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:

	Asia Technology Tigers ETF		FTSE 100 ETF		FTSE RAFI U.S 1000 ETF	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$	\$	\$	\$	\$	\$
<b>KPMG</b>						
<i>Audit and other assurance service</i>						
Audit and review of financial reports	4,982	4,982	4,982	1,025	4,982	4,982
Audit of compliance plan	1,230	1,230	1,230	308	1,230	1,230
Total remuneration of audit and other assurance services	6,212	6,212	6,212	1,333	6,212	6,212

	Global Cybersecurity ETF		Global Income Leaders ETF		Global Quality Leaders ETF	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$	\$	\$	\$	\$	\$
<b>KPMG</b>						
<i>Audit and other assurance service</i>						
Audit and review of financial reports	4,982	4,982	4,982	3,752	4,982	3,752
Audit of compliance plan	1,230	1,230	1,230	1,230	1,230	1,230
Total remuneration of audit and other assurance services	6,212	6,212	6,212	4,982	6,212	4,982

	Global Robotics and Artificial Intelligence ETF		Global Sustainability Leaders ETF		India Quality ETF		NASDAQ 100 ETF	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$	\$	\$	\$	\$	\$	\$	\$
<b>KPMG</b>								
<i>Audit and other assurance service</i>								
Audit and review of financial reports	4,982	3,752	4,982	4,982	4,982	-	4,982	4,982
Audit of compliance plan	1,230	1,230	1,230	1,230	1,230	-	1,230	1,230
Total remuneration of audit and other assurance services	6,212	4,982	6,212	6,212	6,212	-	6,212	6,212



### 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:

Jungho Rhee (appointed 1 September 2018)  
 Thomas Park (appointed 12 August 2015, resigned 6 February 2020)  
 Young Hwan Kim (appointed 7 February 2020)

##### (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.

#### 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 2020 and 30 June 2019:

Funds	Management Fee		Expense Recoveries	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	%	%	%	%
Asia Technology Tigers ETF	0.57	0.57	0.10	0.10
FTSE 100 ETF	0.38	-	0.07	-
FTSE RAFI U.S. 1000 ETF	0.30	0.30	0.10	0.10
Global Cybersecurity ETF	0.57	0.57	0.10	0.10
Global Income Leaders ETF	0.39	0.39	0.06	0.06
Global Quality Leaders ETF	0.29	0.29	0.06	0.06
Global Robotics and Artificial Intelligence ETF	0.47	0.47	0.10	0.10
Global Sustainability Leaders ETF	0.49	0.49	0.10	0.10
India Quality ETF	0.72	-	0.08	-
NASDAQ 100 ETF	0.38	0.38	0.10	0.10

### 13 Related party transactions (continued)

#### Responsible Entity's management fees and other transactions (continued)

The related party transactions during the year and amounts payable at year end were as follows:

	<b>Asia Technology Tigers ETF</b>		<b>FTSE 100 ETF</b>		<b>FTSE RAFI U.S. 1000 ETF</b>	
	<b>30 June 2020</b>	<b>30 June 2019</b>	<b>30 June 2020</b>	<b>30 June 2019</b>	<b>30 June 2020</b>	<b>30 June 2019</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Management fees expensed to the Responsible Entity	<b>527,333</b>	161,173	<b>350,246</b>	-	<b>143,969</b>	121,546
Management fees payable to the Responsible Entity at reporting date	<b>81,241</b>	24,967	<b>48,225</b>	-	<b>13,493</b>	10,602
Expense recoveries expensed to the Responsible Entity	<b>92,515</b>	28,276	<b>64,519</b>	-	<b>47,990</b>	40,515
Expense recoveries payable to the Responsible Entity at reporting date	<b>14,253</b>	4,384	<b>8,884</b>	-	<b>4,498</b>	3,534

  

	<b>Global Cybersecurity ETF</b>		<b>Global Income Leaders ETF</b>		<b>Global Quality Leaders ETF</b>	
	<b>30 June 2020</b>	<b>30 June 2019</b>	<b>30 June 2020</b>	<b>30 June 2019</b>	<b>30 June 2020</b>	<b>30 June 2019</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Management fees expensed to the Responsible Entity	<b>1,005,530</b>	719,021	<b>58,907</b>	9,085	<b>96,317</b>	11,809
Management fees payable to the Responsible Entity at reporting date	<b>111,920</b>	70,255	<b>5,961</b>	2,547	<b>14,359</b>	3,001
Expense recoveries expensed to the Responsible Entity	<b>176,409</b>	126,144	<b>9,063</b>	1,398	<b>19,928</b>	2,443
Expense recoveries payable to the Responsible Entity at reporting date	<b>19,635</b>	12,325	<b>917</b>	392	<b>2,971</b>	621

### 13 Related party transactions (continued)

#### Responsible Entity's management fees and other transactions (continued)

The related party transactions during the year and amounts payable at year end were as follows:

	Global Robotics and Artificial Intelligence ETF		Global Sustainability Leaders ETF		India Quality ETF		NASDAQ 100 ETF	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$	\$	\$	\$	\$	\$	\$	\$
Management fees expensed to the Responsible Entity	136,334	59,762	2,438,286	1,291,922	116,758	-	2,597,532	1,646,296
Management fees payable to the Responsible Entity at reporting date	16,943	8,823	313,387	134,408	14,252	-	323,754	161,157
Expense recoveries expensed to the Responsible Entity	29,007	12,715	497,610	263,657	12,973	-	683,561	433,236
Expense recoveries payable to the Responsible Entity at reporting date	3,605	1,877	63,957	27,430	1,584	-	85,198	42,410

#### Related party unitholdings

Parties related to the Funds (including BetaShares Capital Ltd and other schemes managed by BetaShares Capital Ltd), held units in the Funds during the financial year as follows:

#### Global Quality Leaders ETF - Currency Hedged

2020

Unitholder	Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
BetaShares Global Quality Leaders ETF Fund	-	152,677	2,947,934	5.09	154,208	1,531	67,800
<b>Total</b>	-	152,677	2,947,934	5.09	154,208	1,531	67,800

Global Sustainability Leaders ETF - Currency Hedged has remained dormant since it was constituted. The Fund will invest in BetaShares Global Sustainability Leaders ETF once it commences trading.

NASDAQ 100 ETF - Currency Hedged has remained dormant since it was constituted. The Fund will invest in BetaShares NASDAQ 100 ETF once it commences trading.

#### **14 Events occurring after the reporting period**

Since balance date, there continues to be uncertainty and volatility in the market due to the ongoing COVID-19 global pandemic. Management are closely monitoring and consider that there has been no material change in the assets & liabilities presented.

Since the end of reporting period Asia Technology Tigers ETF's net asset value has changed by more than 10% due to changes in the fair value of investments held. The movement is a result from implementation of the investment strategy as set out in the relevant Fund's product disclosure statement. More specifically the net asset value changed by an increase of 12.86%.

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 statements of financial position as at 30 June 2020 or on the results and cash flows of the Funds for the year ended on that date.

#### **15 Contingent assets and liabilities and commitments**

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2020 and 30 June 2019.

**Directors' declaration**

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

BetaShares Asia Technology Tigers ETF  
BetaShares FTSE 100 ETF  
BetaShares FTSE RAFI U.S. 1000 ETF  
BetaShares Global Cybersecurity ETF  
BetaShares Global Income Leaders ETF  
BetaShares Global Quality Leaders ETF  
BetaShares Global Robotics and Artificial Intelligence ETF  
BetaShares Global Sustainability Leaders ETF  
BetaShares India Quality ETF  
BetaShares NASDAQ 100 ETF

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 7 to 57 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 30 June 2020 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; and
- (c) note 2(a) confirms that the financial statements comply with International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board.

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



David Nathanson  
Director

Sydney  
22 September 2020



Alex Vynokur  
Director



# Independent Auditor's Report

To the respective unitholders of the following Schemes:

BetaShares Asia Technology Tigers ETF

BetaShares FTSE 100 ETF

BetaShares FTSE RAFI U.S. 1000 ETF

BetaShares Global Cybersecurity ETF

BetaShares Global Income Leaders ETF

BetaShares Global Quality Leaders ETF

BetaShares Global Robotics and Artificial Intelligence ETF

BetaShares Global Sustainability Leaders ETF

BetaShares India Quality ETF

BetaShares NASDAQ 100 ETF

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 that Scheme's financial position as at 30 June 2020 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 2020;
- 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; and
- 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 (including Independence Standards)* (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 each of the Schemes is:

- Valuation and existence of financial instruments.

**Valuation and existence of financial instruments**  
(BetaShares Asia Technology Tigers ETF \$165,611,000, BetaShares FTSE 100 ETF \$131,348,000, BetaShares FTSE RAFI U.S. 1000 ETF \$46,563,000, BetaShares Global Cybersecurity ETF \$192,636,000, BetaShares Global Income Leaders ETF \$15,586,000, BetaShares Global Quality Leaders ETF \$59,088,000, BetaShares Global Robotics and Artificial Intelligence ETF \$37,794,000, BetaShares Global Sustainability Leaders ETF \$633,035,000, BetaShares India Quality ETF 21,472,000, BetaShares NASDAQ 100 ETF \$930,090,000).

Refer to Note 5 to the Financial Report.

The Key Audit Matter	How the matter was addressed in our audits
<p>Financial instruments at fair value through profit or loss comprise investments in listed securities and derivatives ("investments").</p> <p>The Scheme outsources certain processes and controls relevant to:</p> <ul style="list-style-type: none"> <li>• Executing transactions as instructed by the Responsible Entity and recording and valuing investments to the Scheme administrator; recording and valuing investments to the Scheme administrator; Maintaining custody and underlying records of investments to the custodian;</li> </ul>	<p>Our procedures included:</p> <ul style="list-style-type: none"> <li>• We assessed the appropriateness of the accounting policies applied by the Scheme, including those relevant to the fair value of investments, against the requirements of the accounting standards.</li> <li>• We obtained and read the Scheme's Service Provider's ASAE 3402 <i>Assurance Reports on Controls at a Service Organisation</i> and GS007 <i>(Guidance Statement 007 Audit Implications of the Use of Service Organisations for Investment</i></li> </ul>

Valuation and existence of investments is a key audit matter due to the:

- Size of the Scheme's portfolio of investments. These investments represent a significant percentage of the Scheme's total assets at year end; and
- Importance of the performance of these investments in driving the Scheme's investment income and capital performance, as reported in the Financial Report.

As a result, this was the area with greatest effect on our overall audit strategy and allocation of resources in planning and performing our audit.

*Management Services*) assurance reports to understand the processes and assess the controls relevant to the:

- Scheme administrator – to execute transactions, record and value the Scheme's investments;
- Custodian – to maintain custody and underlying records of the Scheme's investments;
- We obtained and read the custodians bridging letter over the period not covered by the ASAE3402 and GS007 assurance reports. We have checked that there were no instances of non-compliance over controls in place at the service provider.
- We assessed the reputation, professional competence and independence of the auditors of the ASAE 3402 and GS007 assurance reports.
- We checked the existence of investments, being the ownership and quantity held to external sources such as independent confirmations for derivative investments as at 30 June 2020.



	<ul style="list-style-type: none"> <li>• We checked the valuation of investments, as recorded in the general ledger, to independently sourced prices as at 30 June 2020.</li> <li>• We evaluated the Scheme's disclosures of investments, using our understanding obtained from our testing, against the requirements of the accounting standards.</li> </ul>
--	---

## Other Information

Other Information is financial and non-financial information in the respective Scheme's 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 opinions 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; and
- assessing each Scheme's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. 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: [https://www.auasb.gov.au/admin/file/content102/c3/ar2\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf). This description forms part of our Auditor's Report.

A stylized, handwritten version of the KPMG logo in black ink.

KPMG

A handwritten signature in black ink, which appears to read 'Nicholas Buchanan'.

Nicholas Buchanan

Partner

Sydney

22 September 2020

The BetaShares Asia Technology Tigers ETF is not sponsored, promoted, sold or supported in any other manner by Solactive AG nor does Solactive AG offer any express or implicit guarantee or assurance either with regard to the results of using the Solactive Asia Ex-Japan Internet & Technology Index at any time or in any other respect. The Index is calculated and published by Solactive AG. Neither publication of the Index by Solactive AG nor the licensing of the Index for the purpose of use in connection with the Fund constitutes a recommendation by Solactive AG to invest capital in the Fund nor does it in any way represent an assurance or opinion of Solactive AG with regard to any investment in the Fund.

The Fund has been developed solely by BetaShares. The Fund is not in any way connected to or sponsored, endorsed, sold or promoted by the London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). FTSE Russell is a trading name of certain of the LSE Group companies. All rights in the FTSE 100 Index (the "Index") vest in the relevant LSE Group company which owns the Index. "FTSE®" is a trade mark of the relevant LSE Group company and is used by any other LSE Group company under license. The Index is calculated by or on behalf of FTSE International Limited or its affiliate, agent or partner. The LSE Group does not accept any liability whatsoever to any person arising out of (a) the use of, reliance on or any error in the Index or (b) investment in or operation of the Fund. The LSE Group makes no claim, prediction, warranty or representation either as to the results to be obtained from the Fund or the suitability of the Index for the purpose to which it is being put by BetaShares.

FTSE® is a trade mark owned by the London Stock Exchange Group companies and is used by FTSE International Limited ("FTSE") under licence. The FTSE RAFI® Index Series is calculated by FTSE in conjunction with Research Affiliates LLC ("RA"). Neither FTSE nor RA sponsor, endorse or promote the BetaShares FTSE RAFI U.S. 1000 ETF and are not in any way connected to it and do not accept any liability in relation to its issue, operation and trading. Any intellectual property rights in the index values and constituent list vests in FTSE. Fundamental Index® and RAFI® tradenames are the exclusive property of RA. BetaShares has obtained a full license from FTSE to use such intellectual property rights in the creation of this product.

NASDAQ®, OMX®, Nasdaq-100®, NASDAQ OMX®, and the relevant Nasdaq index names, are registered trademarks of Nasdaq, Inc. (which with its affiliates is referred to as the "Corporations") and are licensed for use by BetaShares. The BetaShares Nasdaq 100 ETF, BetaShares Global Cybersecurity ETF, BetaShares Global Income Leaders ETF and BetaShares Global Sustainability Leaders ETF have not been passed on by the Corporations as to their legality or suitability. The Funds are not issued, endorsed, sold, or promoted by the Corporations. THE CORPORATIONS MAKE NO WARRANTIES AND BEAR NO LIABILITY WITH RESPECT TO THE FUNDS.

The iSTOXX MUTB Global ex-Australia Quality Leaders Index is the intellectual property (including registered trademarks) of STOXX Limited, Zurich, Switzerland ("STOXX"), Deutsche Börse Group or their licensors, which is used under license. The BetaShares Global Quality Leaders ETF is neither sponsored nor promoted, distributed or in any other manner supported by STOXX, Deutsche Börse Group or their licensors, research partners or data providers and STOXX, Deutsche Börse Group and their licensors, research partners or data providers do not give any warranty, and exclude any liability (whether in negligence or otherwise) with respect thereto generally or specifically in relation to any errors, omissions or interruptions in the Index or its data.

"Indxx" is a service mark of Indxx, LLC and has been licensed for use for certain purposes by the Responsible Entity. The BetaShares Global Robotics and Artificial Intelligence ETF is not sponsored, endorsed, sold or promoted by Indxx. Indxx makes no representation or warranty, express or implied, to the owners of the Fund or any member of the public regarding the advisability of investing in securities generally or in the Fund particularly. Indxx has no obligation to take the needs of the Responsible Entity or the unitholders of the Fund into consideration in determining, composing or calculating the Underlying Index. Indxx is not responsible for and has not participated in the determination of the timing, amount or pricing of the Fund units to be issued or in the determination or calculation of the equation by which the Fund units are to be converted into cash. Indxx has no obligation or liability in connection with the administration, marketing or trading of the Fund.