

8 July 2021

Market Announcements Office
ASX Limited

Unit consolidation - BetaShares U.S. Equities Strong Bear Hedge Fund - Currency Hedged (ASX Code: BBUS)

BetaShares Capital Limited (BetaShares), the responsible entity of BetaShares U.S. Equities Strong Bear Hedge Fund - Currency Hedged (BBUS), today announces the upcoming consolidation of the units on issue in the Fund.

The consolidation will take effect from 12 August 2021. Once completed it is expected to result in a more favourable bid-offer spread for investors in percentage terms.

This announcement contains details of the consolidation, its impact on units, tax considerations and timeline. Please do not hesitate to contact Link Market Services or BetaShares if you have any questions.

BBUS Unit Consolidation Summary

Overview:

- BBUS units will be consolidated on a 1 for 10 basis.
- the final day for trading BBUS units before the consolidation is 11 August 2021.
- the consolidation will take effect from 12 August 2021.

Impact on units:

- the consolidation will have no direct impact on the net asset value of BBUS.
- If the consolidation would otherwise result in an investor holding a fraction of a unit, BetaShares will, at its expense, round up the unit to the nearest whole number.
- apart from rounding up of fractional units, the consolidation will not affect an investor's percentage holdings in BBUS or the aggregate value of their holdings.

During the consolidation period:

- during the period 12 August to 18 August 2021 (inclusive), the units in BBUS will trade on a deferred settlement basis under ASX Code: BBUDA (not BBUS).
- any trading of units during the deferred settlement period will settle on 23 August 2021, rather than on a normal T+2 settlement basis.
- importantly, the deferred settlement period will result in a delay in receiving the proceeds if an investor sells units during this period.
 - for example, if an investor sells their units on 12 August, they will receive the sale proceeds on 23 August, rather than on 16 August (T+2 excluding weekends).
 - as such, any investor that is considering selling their units during the deferred settlement period, and who may be concerned about the deferred settlement, is encouraged to factor this into their decision making.

Impact of consolidation on unitholding

BBUS units on issue will be consolidated on a 1 for 10 basis. This means if an investor held 100 units prior to the consolidation, they will hold 10 units post consolidation.

Reason for the Consolidation

The consolidation of units on a 1 for 10 basis will cause an increase in BBUS' unit price to reflect the reduced number of units on issue, which is expected to result in a more favourable bid-offer spread for investors in percentage terms.

To exemplify the impact of the unit consolidation on the bid-offer spread, we provide the following example: At a unit price of ~\$1.08, and assuming a 0.5 cent bid-offer spread, the percentage spread is ~0.46%. At a post-consolidation unit price of ~\$10.80 and assuming a bid-offer spread of 2 cents, the percentage spread would be ~0.18%¹.

Rounding of fractional units & other considerations

In any instances where an investor's consolidated unit holding would otherwise result in an entitlement to a fraction of a unit, BetaShares will, at its expense, round up the unit to the nearest whole number. For example, if an investor held 109 units prior to the consolidation, they would hold 11 units post consolidation (i.e. rounded up from 10.9).

Apart from adjustments due to rounding up of fractional units:

- the consolidation will not affect an investor's percentage holding in BBUS.
- the aggregate net asset value of each investor's holding in BBUS will not change.
- the current rights attaching to units (as set out in the BBUS constitution) will not be affected by the consolidation.

The consolidation will have no direct impact on BBUS' net asset value.

In the absence of other factors, the ASX quoted price per unit can be expected to increase to reflect the reduced number of units on issue.

Tax implications

Set out below is a summary of the general Australian tax implications of the consolidation for investors that hold their units on capital account. The summary in this section is general in nature only. It does not constitute tax advice and should not be relied upon as such.

The consolidation of units should not give rise to a capital gains tax event based on rulings, pronouncements and other materials issued or made public by the Australian Tax Office (ATO) regarding similar arrangements. Further, there should be no effect on an investor's total cost base in their units. However, the consolidation will affect the cost base of each of an investor's units. The cost base of each consolidated unit should be equal to the aggregate of the cost bases of the units that were consolidated into that new unit.

¹ Illustration only. The actual post-consolidation unit price may differ from the example depending on market movements leading up to the consolidation. For reference, the minimum price step prescribed by the ASX for a security price up to \$2.00 is 0.5 cents (we have used this in the example) and the minimum price step prescribed by the ASX for a security price above \$2.00 is 1 cent (we have used 2 cents in the example). Actual post-consolidation bid-offer spreads will vary and may be higher or lower than that shown in the example.

The consolidation of units should not affect the date of acquisition of any units for tax purposes. Where an investor's pre-consolidated units were acquired on different dates, the investor should treat a corresponding proportion of the consolidated units as having been acquired on each acquisition date. In the event that an investor has fractional interests which are rounded up on consolidation, the portion that is rounded up should be taken to have been acquired on the earliest acquisition date of their original units.

The above summary is based on applicable tax laws and ATO practice as at the date of this announcement. This summary does not address the consequences that arise for investors that hold their units on revenue account or as trading stock or who are non-residents of Australia for income tax purposes. Investors should seek and rely only on their own professional advice regarding the tax consequences for them arising from the consolidation of units.

Next steps for investors

All investors in BBUS will be provided with a holding statement confirming the number of consolidated units that they hold after the consolidation.

No action is required from investors to effect the consolidation or their change in unitholding.

Timetable

The consolidation is expected to occur in accordance with the following timetable:

Date	Event
8 July 2021	Consolidation announced and notice issued to investors.
11 August 2021	Last day for trading units on pre-consolidation basis (ASX Code: BBUS).
12 August 2021	Trading commences in the post-consolidation units on a deferred settlement basis (ASX Code: BBUDA).
13 August 2021	Record Date for Consolidation Last day to register transfers of pre-consolidated units.
18 August 2021	Despatch Date Deferred settlement trading ends (ASX Code: BBUDA). Last day for sending new holding statements to unitholders.
19 August 2021	Normal trading in consolidated units commences (ASX Code: BBUS).
23 August 2021	Settlement of both first trades conducted on a normal T+2 settlement basis and of trades conducted on a deferred settlement basis.

Enquiries

Link Market Services
1300 420 094 (within Australia) or
+61 1300 420 094 (outside Australia)

BetaShares
1300 487 577 (within Australia)
+61 2 9290 6888 (outside Australia)
info@betashares.com.au

IMPORTANT INFORMATION: This information has been prepared by BetaShares Capital Ltd (ACN 139 566 868 AFS Licence 341181) ("BetaShares") the issuer of the Fund. 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 Fund. For a copy of the PDS and more information about BetaShares Funds go to www.betashares.com.au or call 1300 487 577.