BetaShares
Exchange Traded Funds

26 September 2018

Market Announcements Office
ASX Limited

To be released for each of the ASX codes listed below

ANNUAL FINANCIAL REPORT 2018

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 2018.

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

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

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Booklet 4

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

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

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

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

BetaShares Australian Sustainability Leaders ETF (formerly BetaShares Investment Fund No. 13) - ASX Code: FAIR (ARSN 608 057 996)

BetaShares EX-20 Portfolio Diversifier ETF - ASX Code: EX20 (ARSN 613 691 688)

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

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

BetaShares S&P/ASX 200 Financials Sector ETF - ASX Code: QFN (ARSN 143 220 964)

BetaShares S&P/ASX 200 Resources Sector ETF - ASX Code: QRE (ARSN 143 220 795)

Annual Financial Report

30 June 2018

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Directors' report

The directors of BetaShares Capital Ltd, the Responsible Entity of the following managed investment funds (the "Funds"), present their report together with the annual financial report of the Funds for the period ended 30 June 2018 and the auditor's report thereon.

Fund name	Referred to in this document as	Financial reporting period	ARSN
BetaShares Active Australian Hybrids Fund (managed fund)	Active Australian Hybrids Fund	1 July 2017 to 30 June 2018 (comparatives: 26 July 2016 to 30 June 2017)	613 694 009
BetaShares Australia 200 ETF	Australia 200 ETF	28 November 2017 to 30 June 2018	623 014 326
BetaShares Australian Dividend Harvester Fund (managed fund)	Australian Dividend Harvester Fund	1 July 2017 to 30 June 2018	169 907 064
BetaShares Australian Small Companies Select Fund (managed fund)	Australian Small Companies Select Fund	1 July 2017 to 30 June 2018 (comparatives: 26 July 2016 to 30 June 2017)	613 693 431
BetaShares Australian Sustainability Leaders ETF (formerly BetaShares Investment Fund No. 13)[1]	Australian Sustainability Leaders ETF	1 July 2017 to 30 June 2018	608 057 996
BetaShares EX-20 Portfolio Diversifier ETF	EX-20 Portfolio Diversifier ETF	1 July 2017 to 30 June 2018 (comparatives: 26 July 2016 to 30 June 2017)	613 691 688
BetaShares FTSE RAFI Australia 200 ETF	FTSE RAFI Australia 200 ETF	1 July 2017 to 30 June 2018	155 637 219
BetaShares Managed Risk Australian Share Fund (managed fund)	Managed Risk Australian Share Fund	1 July 2017 to 30 June 2018	602 666 384
BetaShares S&P/ASX 200 Financials Sector ETF	S&P/ASX 200 Financials Sector ETF	1 July 2017 to 30 June 2018	143 220 964
BetaShares S&P/ASX 200 Resources Sector ETF	S&P/ASX 200 Resources Sector ETF	1 July 2017 to 30 June 2018	143 220 795

[1]On 13 November 2017 the Fund changed its name from BetaShares Investment Fund No. 13 to BetaShares Australian Sustainability Leaders ETF.

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 period.

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

Directors

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

David Nathanson (appointed 21 September 2009)
Alex Vynokur (appointed 21 September 2009)
Taeyong Lee (appointed 12 August 2015, resigned 31 August 2018)
Thomas Park (appointed 12 August 2015)
Jungho Rhee (appointed 1 September 2018)

Directors' report (continued)

Review and results of operations

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

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

Significant changes in state of affairs

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

Matters subsequent to the end of the financial period

The Responsible Entity has elected into the Attribution Managed Investment Trust ('AMIT') regime for the Funds for the year ending 30 June 2019 and subsequent years. Under the AMIT regime the units in the Funds will be reclassified from financial liability to equity from 1 July 2018.

No other matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may significantly affect:

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

Likely developments and expected results of operations

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

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

Indemnification and insurance of officers and auditors

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

Directors' report (continued)

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 period 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 period.

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

Interests in the Funds

The movements in units on issue in the Funds during the period are 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.

Auditor's independence declaration

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

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

David Nathanson
Director

Alex Vynokur
Director

Sydney
17 Sepetmber 2018

KPMG

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

I declare that, to the best of my knowledge and belief, in relation to the audit of the Schemes for the financial year ended 30 June 2018 there have been:

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

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

KPMG

KPMG

Michael O Connell

Partner

Sydney

17 September 2018

Statements of comprehensive income	Notes	Active Australian Hybrids Fund[2] 30 June 2018 $'000	Active Australian Hybrids Fund[2] 30 June 2017 $'000	Australia 200 ETF[2] 30 June 2018 $'000	Australian Dividend Harvester Fund 30 June 2018 $'000	Australian Dividend Harvester Fund 30 June 2017 $'000	Australian Small Companies Select Fund[2] 30 June 2018 $'000	Australian Small Companies Select Fund[2] 30 June 2017 $'000
Investment income								
Dividend/distribution income		7	-	403	29,910	40,762	505	39
Interest income		22	-	-	170	161	-	-
Net gains/(losses) on financial instruments held at fair value through profit or loss	5	(635)	-	859	(48,962)	(49,824)	1,790	(27)
Income on convertible instruments		1,460	-	-	-	-	-	-
Other operating income		2	-	-	-	-	-	-
Total net investment income/(loss)		856	-	1,262	(18,882)	(8,901)	2,295	12
Expenses								
Management fees	13	148	-	5	1,900	2,289	49	6
Performance fees	13	6	-	-	-	-	-	17
Expense recoveries	13	33	-	-	541	619	11	1
Transaction costs		52	-	-	16	26	10	3
Other operating expenses		9	-	-	34	101	23	3
Total operating expenses		248	-	5	2,491	3,035	93	30
Operating profit/(loss)		608	-	1,257	(21,373)	(11,936)	2,202	(18)
Finance costs attributable to unitholders								
Distributions to unitholders	4	(1,459)	-	(97)	(29,636)	(37,768)	(979)	-
Change in net assets attributable to unitholders (total comprehensive income)	3	(851)	-	1,160	(51,009)	(49,704)	1,223	(18)

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

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

Statements of comprehensive income		Australian Sustainability Leaders ETF		EX-20 Portfolio Diversifier ETF[2]		FTSE RAFI Australia 200 ETF	
	Notes	**30 June 2018 $'000**	30 June 2017 $'000	**30 June 2018 $'000**	30 June 2017 $'000	**30 June 2018 $'000**	30 June 2017 $'000
Investment income							
Dividend/distribution income		**2,019**	-	**679**	131	**13,156**	6,246
Interest income		**-**	-	**-**	-	**-**	1
Net gains/(losses) on financial instruments held at fair value through profit or loss	5	**4,699**	-	**2,185**	480	**19,831**	12,338
Income on convertible instruments		**-**	-	**-**	-	**-**	-
Other operating income		**5**	-	**-**	-	**-**	-
Total net investment income/(loss)		**6,723**	-	**2,864**	611	**32,987**	18,585
Expenses							
Management fees	13	**205**	-	**41**	7	**854**	434
Expense recoveries	13	**52**	-	**10**	2	**285**	145
Transaction costs		**5**	-	**1**	1	**23**	15
Other operating expenses		**1**	-	**7**	2	**19**	22
Total operating expenses		**263**	-	**59**	12	**1,181**	616
Operating profit/(loss)		**6,460**	-	**2,805**	599	**31,806**	17,969
Finance costs attributable to unitholders							
Distributions to unitholders	4	**(1,703)**	-	**(1,451)**	(160)	**(18,192)**	(7,240)
Change in net assets attributable to unitholders (total comprehensive income)	3	**4,757**	-	**1,354**	439	**13,614**	10,729

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

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

Statements of comprehensive income		Managed Risk Australian Share Fund		S&P/ASX 200 Financials Sector ETF		S&P/ASX 200 Resources Sector ETF	
	Notes	**30 June 2018 $'000**	30 June 2017 $'000	**30 June 2018 $'000**	30 June 2017 $'000	**30 June 2018 $'000**	30 June 2017 $'000
Investment income							
Dividend/distribution income		**1,176**	1,271	**1,244**	1,213	**1,808**	321
Interest income		**12**	5	**-**	-	**-**	-
Net gains/(losses) on financial instruments held at fair value through profit or loss	5	**1,777**	878	**(385)**	4,049	**27,505**	1,419
Income on convertible instruments		**-**	-	**-**	-	**-**	-
Other operating income		**-**	-	**-**	-	**12**	-
Total net investment income/(loss)		**2,965**	2,154	**859**	5,262	**29,325**	1,740
Expenses							
Management fees	13	**108**	118	**79**	86	**271**	50
Expense recoveries	13	**28**	30	**-**	-	**-**	-
Transaction costs		**1**	2	**1**	1	**14**	-
Other operating expenses		**10**	15	**5**	10	**5**	13
Total operating expenses		**147**	165	**85**	97	**290**	63
Operating profit/(loss)		**2,818**	1,989	**774**	5,165	**29,035**	1,677
Finance costs attributable to unitholders							
Distributions to unitholders	4	**(1,099)**	(1,033)	**(1,225)**	(1,445)	**(1,531)**	(258)
Change in net assets attributable to unitholders (total comprehensive income)	3	**1,719**	956	**(451)**	3,720	**27,504**	1,419

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

Statements of financial position

	Notes	Active Australian Hybrids Fund[2]		Australia 200 ETF[2]	Australian Dividend Harvester Fund		Australian Small Companies Select Fund[2]	
		30 June 2018 $'000	30 June 2017 $'000	30 June 2018 $'000	30 June 2018 $'000	30 June 2017 $'000	30 June 2018 $'000	30 June 2017 $'000
Assets								
Cash and cash equivalents		2,904	-	35	7,300	21,807	766	257
Financial assets held at fair value through profit or loss	6	96,645	-	49,023	187,939	408,690	21,376	8,793
Other receivables		1,849	-	396	3,553	11,934	171	125
Total assets		101,398	-	49,454	198,792	442,431	22,313	9,175
Liabilities								
Due to brokers - payable for securities purchased		1,551	-	9	-	-	42	68
Distributions payable	4	319	-	97	1,356	3,678	796	-
Other payables		94	-	5	308	341	15	21
Total liabilities (excluding net assets attributable to unitholders)		1,964	-	111	1,664	4,019	853	89
Net assets attributable to unitholders - liability	3	99,434	-	49,343	197,128	438,412	21,460	9,086

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

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

Statements of financial position	Notes	Australian Sustainability Leaders ETF 30 June 2018 $'000	Australian Sustainability Leaders ETF 30 June 2017 $'000	EX-20 Portfolio Diversifier ETF[2] 30 June 2018 $'000	EX-20 Portfolio Diversifier ETF[2] 30 June 2017 $'000	FTSE RAFI Australia 200 ETF 30 June 2018 $'000	FTSE RAFI Australia 200 ETF 30 June 2017 $'000
Assets							
Cash and cash equivalents		195	-	55	4	322	236
Financial assets held at fair value through profit or loss	6	162,810	-	36,145	11,191	284,658	242,808
Other receivables		11,979	-	1,972	49	2,512	1,742
Total assets		174,984	-	38,172	11,244	287,492	244,786
Liabilities							
Due to brokers - payable for securities purchased		11,119	-	1,807	-	-	6
Distributions payable	4	1,577	-	1,246	148	11,082	4,786
Other payables		110	-	15	2	294	80
Total liabilities (excluding net assets attributable to unitholders)		12,806	-	3,068	150	11,376	4,872
Net assets attributable to unitholders - liability	3	162,178	-	35,104	11,094	276,116	239,914

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

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

Statements of financial position

	Notes	Managed Risk Australian Share Fund 30 June 2018 $'000	Managed Risk Australian Share Fund 30 June 2017 $'000	S&P/ASX 200 Financials Sector ETF 30 June 2018 $'000	S&P/ASX 200 Financials Sector ETF 30 June 2017 $'000	S&P/ASX 200 Resources Sector ETF 30 June 2018 $'000	S&P/ASX 200 Resources Sector ETF 30 June 2017 $'000
Assets							
Cash and cash equivalents		1,089	1,068	35	28	75	23
Financial assets held at fair value through profit or loss	6	20,384	29,922	21,821	27,123	146,916	16,376
Other receivables		196	260	372	253	13	2
Total assets		21,669	31,250	22,228	27,404	147,004	16,401
Liabilities							
Due to brokers - payable for securities purchased		5	18	-	-	-	-
Distributions payable	4	323	359	302	305	1,286	207
Other payables		22	13	16	9	104	6
Total liabilities (excluding net assets attributable to unitholders)		350	390	318	314	1,390	213
Net assets attributable to unitholders - liability	3	21,319	30,860	21,910	27,090	145,614	16,188

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

Statements of changes in equity

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

Statements of cash flows	Notes	Active Australian Hybrids Fund[2] 30 June 2018 $'000	Active Australian Hybrids Fund[2] 30 June 2017 $'000	Australia 200 ETF[2] 30 June 2018 $'000	Australian Dividend Harvester Fund 30 June 2018 $'000	Australian Dividend Harvester Fund 30 June 2017 $'000	Australian Small Companies Select Fund[2] 30 June 2018 $'000	Australian Small Companies Select Fund[2] 30 June 2017 $'000
Cash flows from operating activities								
Proceeds from sale of financial instruments held at fair value through profit or loss		12,630	-	921	1,580,461	1,619,657	12,974	489
Payments for purchases of financial instruments held at fair value through profit or loss		(108,359)	-	(49,076)	(1,408,672)	(1,882,260)	(23,793)	(9,241)
Dividends/distributions received		7	-	7	38,230	34,873	472	6
Interest received		18	-	-	182	140	-	-
Income on convertible instruments		1,314	-	-	-	-	-	-
Other operating income received		2	-	-	-	-	-	-
Management fees paid		(78)	-	-	(1,873)	(2,144)	(39)	(4)
Expense recoveries paid		(18)	-	-	(547)	(575)	(9)	-
Performance fees paid		(6)	-	-	-	-	(18)	-
Transaction costs paid		(52)	-	-	(16)	(26)	(10)	(3)
Other operating expenses paid		(9)	-	-	(39)	(187)	(23)	(4)
Net cash inflow/(outflow) from operating activities	7	(94,551)	-	(48,148)	207,726	(230,522)	(10,446)	(8,757)
Cash flows from financing activities								
Proceeds from applications by unitholders		98,905	-	48,183	6,405	274,977	14,220	9,030
Payments for redemptions by unitholders		(347)	-	-	(199,463)	-	(3,089)	(16)
Distributions paid		(1,103)	-	-	(29,175)	(31,934)	(176)	-
Net cash inflow/(outflow) from financing activities		97,455	-	48,183	(222,233)	243,043	10,955	9,014
Net increase/(decrease) in cash and cash equivalents		2,904	-	35	(14,507)	12,521	509	257
Cash and cash equivalents at the beginning of the financial period		-	-	-	21,807	9,286	257	-
Cash and cash equivalents at the end of the financial period		2,904	-	35	7,300	21,807	766	257
Non-cash financing activities								
Units issued upon reinvestment of distributions		37	-	-	2,783	3,959	7	-

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

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

Statements of cash flows	Notes	Australian Sustainability Leaders ETF		EX-20 Portfolio Diversifier ETF[2]		FTSE RAFI Australia 200 ETF	
		30 June 2018 $'000	30 June 2017 $'000	**30 June 2018 $'000**	30 June 2017 $'000	**30 June 2018 $'000**	30 June 2017 $'000
Cash flows from operating activities							
Proceeds from sale of financial instruments held at fair value through profit or loss		**578**	-	**6,444**	1,976	**103,861**	35,546
Payments for purchases of financial instruments held at fair value through profit or loss		**(147,570)**	-	**(27,406)**	(12,687)	**(125,886)**	(180,204)
Dividends/distributions received		**1,240**	-	**574**	83	**12,391**	5,320
Interest received		**-**	-	**-**	-	**-**	1
Income on convertible instruments		**-**	-	**-**	-	**-**	-
Other operating income received		**5**	-	**-**	-	**-**	-
Management fees paid		**(117)**	-	**(31)**	(5)	**(696)**	(423)
Expense recoveries paid		**(30)**	-	**(8)**	(2)	**(233)**	(141)
Transaction costs paid		**(5)**	-	**(1)**	(1)	**(23)**	(15)
Other operating expenses paid		**(19)**	-	**(7)**	(3)	**(20)**	(34)
Net cash inflow/(outflow) from operating activities	7	**(145,918)**	-	**(20,435)**	(10,639)	**(10,606)**	(139,950)
Cash flows from financing activities							
Proceeds from applications by unitholders		**146,238**	-	**20,818**	10,655	**84,347**	154,949
Payments for redemptions by unitholders		**-**	-	**-**	-	**(64,477)**	(11,478)
Distributions paid		**(125)**	-	**(332)**	(12)	**(9,178)**	(3,422)
Net cash inflow/(outflow) from financing activities		**146,113**	-	**20,486**	10,643	**10,692**	140,049
Net increase/(decrease) in cash and cash equivalents		**195**	-	**51**	4	**86**	99
Cash and cash equivalents at the beginning of the financial period		**-**	-	**4**	-	**236**	137
Cash and cash equivalents at the end of the financial period		**195**	-	**55**	4	**322**	236
Non-cash financing activities							
Units issued upon reinvestment of distributions		**1**	-	**21**	-	**2,718**	2,580

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

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

Statements of cash flows	Notes	Managed Risk Australian Share Fund 30 June 2018 $'000	Managed Risk Australian Share Fund 30 June 2017 $'000	S&P/ASX 200 Financials Sector ETF 30 June 2018 $'000	S&P/ASX 200 Financials Sector ETF 30 June 2017 $'000	S&P/ASX 200 Resources Sector ETF 30 June 2018 $'000	S&P/ASX 200 Resources Sector ETF 30 June 2017 $'000
Cash flows from operating activities							
Proceeds from sale of financial instruments held at fair value through profit or loss		**12,388**	4,654	**28,711**	17,620	**127,895**	410
Payments for purchases of financial instruments held at fair value through profit or loss		**(1,086)**	(9,657)	**(23,794)**	(17,058)	**(230,930)**	(8,882)
Dividends/distributions received		**1,239**	1,213	**1,125**	1,385	**1,808**	321
Interest received		**12**	4	**-**	-	**-**	-
Income on convertible instruments		**-**	-	**-**	-	**-**	-
Other operating income received		**-**	-	**-**	-	**12**	-
Management fees paid		**(101)**	(124)	**(73)**	(86)	**(173)**	(50)
Expense recoveries paid		**(26)**	(31)	**-**	-	**-**	-
Transaction costs paid		**(1)**	(2)	**(1)**	(1)	**(14)**	-
Other operating expenses paid		**(9)**	(17)	**(4)**	(9)	**(16)**	(14)
Net cash inflow/(outflow) from operating activities	7	**12,416**	(3,960)	**5,964**	1,851	**(101,418)**	(8,215)
Cash flows from financing activities							
Proceeds from applications by unitholders		**-**	9,097	**23,139**	15,787	**226,787**	8,339
Payments for redemptions by unitholders		**(11,436)**	(4,539)	**(27,941)**	(16,299)	**(124,877)**	-
Distributions paid		**(959)**	(778)	**(1,155)**	(1,323)	**(440)**	(103)
Net cash inflow/(outflow) from financing activities		**(12,395)**	3,780	**(5,957)**	(1,835)	**101,470**	8,236
Net increase/(decrease) in cash and cash equivalents		**21**	(180)	**7**	16	**52**	21
Cash and cash equivalents at the beginning of the financial period		**1,068**	1,248	**28**	12	**23**	2
Cash and cash equivalents at the end of the financial period		**1,089**	1,068	**35**	28	**75**	23
Non-cash financing activities							
Units issued upon reinvestment of distributions		**176**	9	**73**	88	**12**	14

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

Contents of the notes to the financial statements

1 General information

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

Abbreviated Fund name	Registered date	Commenced date	Financial reporting period
Active Australian Hybrids Fund	26 July 2016	13 November 2017	1 July 2017 to 30 June 2018 (comparatives: 26 July 2016 to 30 June 2017)
Australia 200 ETF	28 November 2017	7 May 2018	28 November 2017 to 30 June 2018
Australian Dividend Harvester Fund	16 June 2014	29 October 2014	1 July 2017 to 30 June 2018
Australian Small Companies Select Fund	26 July 2016	7 April 2017	1 July 2017 to 30 June 2018 (comparatives: 26 July 2016 to 30 June 2017)
Australian Sustainability Leaders ETF (formerly known as Investment Fund No.13)[1]	11 September 2015	27 November 2017	1 July 2017 to 30 June 2018
EX-20 Portfolio Diversifier ETF	26 July 2016	5 October 2016	1 July 2017 to 30 June 2018 (comparatives: 26 July 2016 to 30 June 2017)
FTSE RAFI Australia 200 ETF	22 February 2012	10 July 2013	1 July 2017 to 30 June 2018
Managed Risk Australian Share Fund	16 June 2014	10 November 2015	1 July 2017 to 30 June 2018
S&P/ASX 200 Financials Sector ETF	3 May 2010	10 December 2010	1 July 2017 to 30 June 2018
S&P/ASX 200 Resources Sector ETF	3 May 2010	10 December 2010	1 July 2017 to 30 June 2018

[1]On 13 November 2017 the Fund changed its name from BetaShares Investment Fund No. 13 to BetaShares Australian Sustainability Leaders ETF.

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 17 September 2018. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

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

2 Summary of significant accounting policies

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

(a) Basis of preparation

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

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

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

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

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Compliance with International Financial Reporting Standards

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

Use of estimates and judgement

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

For the majority of the Funds' financial instruments, 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. Although all units attributable to unitholders are recognised as debt rather than equity, unitholders invest for returns from capital appreciation, investment income, or both. Directors of the Responsible Entity have concluded that the Funds meet the definition of investment entity.

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) Changes in accounting policy and transition

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

(c) New accounting standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2018 reporting period and have not been early adopted by the Funds. The directors' assessment of the impact of these new standards (to the extent relevant to the Funds) and interpretations is set out below:

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

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

The directors of the Responsible Entity have made an assessment and determined that the standard will not have a significant impact on the recognition and measurement of the Fund's financial instruments as they are held at fair value through profit and loss. The de-recognition rules have not been changed from previous requirements and the Funds do not apply hedge accounting.

(ii) AASB 15 *Revenue from Contracts with Customers,* (applicable from 1 July 2018)

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

The Funds' main sources of income are interest, distributions and dividends and gains on financial instruments held at fair value. All of these are outside the scope of the new revenue standard. As a consequence, management has assessed the impact and determined that adoption of the new revenue recognition rules will not have a significant impact on the Funds' accounting policies or the amounts recognised in the financial statements.

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

2 Summary of significant accounting policies (continued)

(d) Financial instruments

(i) Classification

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

- Financial instruments held for trading

Derivative financial instruments such as futures and swaps are included under this classification. Only the Australian Dividend Harvester Fund and Managed Risk Australian Share Fund designate derivatives as hedges in a hedging relationship.

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

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

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

(ii) Recognition/derecognition

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

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

(iii) Measurement

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

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

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

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.

2 Summary of significant accounting policies (continued)

(d) Financial instruments (continued)

(iii) Measurement (continued)

- Fair value in an active market

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

- Fair value in an inactive or unquoted market

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. The Funds use a variety of methods and make assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent arms-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.

(v) Derivative financial instrument and hedge accounting

Australian Dividend Harvester Fund and Managed Risk Australian Share Fund use derivative instruments in the form of index futures to hedge price risk exposure in fair value movements of listed securities held. Derivatives are initially recognised at fair value with any directly attributable transaction costs recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value and changes are recognised in the statement of comprehensive income in the period in which they occur. The Fund determines that economic relationship exists between the hedged item (being listed securities) and the hedging instrument (being index futures), as the listed securities are either components of or inherently closely track the index used. The hedging ratio is determined in accordance with the Product Disclosure Statement and sources of ineffectiveness may arise when the portfolio of listed security returns differ from the total index return during the hedge period.

(e) Net assets attributable to unitholders

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

2 Summary of significant accounting policies (continued)

(e) Net assets attributable to unitholders (continued)

Australian Small Companies Select Fund and Active Australian Hybrids Fund

Units in the Funds are classified as financial liabilities. Subject to market conditions, unitholders may withdraw their units from the Funds at their election by trading on the Australian Securities Exchange at the prevailing market price for sale of the units at the time of the transaction. The Responsible Entity on behalf of each Fund intends to provide liquidity to unitholders by acting as a buyer and seller of units on the exchange. At the end of each trading day, the Responsible Entity will issue or cancel units according to its net position in units bought or sold on the exchange on that day. The price at which the Responsible Entity may buy or sell units will reflect the Responsible Entity's view of the Fund's net asset value per unit. The fair value of units is measured at the net asset value per unit, which approximates fair value at the end of the reporting period if unitholders elected to withdraw units from the Funds.

(f) Cash and cash equivalents

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

(g) Investment income

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

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 gross of withholding tax in the statements of comprehensive income.

Trust distributions are recognised on an entitlements basis.

(h) Expenses

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

(i) Income tax

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

(j) Distributions

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

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

2 Summary of significant accounting policies (continued)

(k) Change in net assets attributable to unitholders

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

(l) 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 period. Trades are recorded on trade date, and for equities normally settled within two 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.

(m) 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(g) above. Amounts are generally received within 30 days of being recorded as receivables. The carrying amount of receivables approximates fair value.

(n) Payables

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

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

(o) 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.

2 Summary of significant accounting policies (continued)

(p) 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.

(q) Rounding of amounts

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.

3 Net assets attributable to unitholders

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

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

	Active Australian Hybrids Fund				Australia 200 ETF	
	30 June 2018 Units '000	30 June 2017 Units '000	**30 June 2018 $'000**	30 June 2017 $'000	**30 June 2018 Units '000**	**30 June 2018 $'000**
Net assets attributable to unitholders						
Opening balance	-	-	-	-	-	-
Applications	10,051	-	100,595	-	480	48,183
Redemptions	(35)	-	(347)	-	-	-
Units issued upon reinvestment of distributions	4	-	37	-	-	-
Change in net assets attributable to unitholders	-	-	(851)	-	-	1,160
Closing balance	10,020	-	99,434	-	480	49,343

3 Net assets attributable to unitholders (continued)

	Australian Dividend Harvester Fund				Australian Small Companies Select Fund			
	30 June 2018 Units '000	30 June 2017 Units '000	**30 June 2018 $'000**	30 June 2017 $'000	**30 June 2018 Units '000**	30 June 2017 Units '000	**30 June 2018 $'000**	30 June 2017 $'000
Net assets attributable to unitholders								
Opening balance	23,640	9,944	438,412	209,180	3,008	-	9,086	-
Applications	400	13,500	6,405	274,977	4,303	3,014	14,233	9,120
Redemptions	(11,800)	-	(199,463)	-	(913)	(6)	(3,089)	(16)
Units issued upon reinvestment of distributions	164	196	2,783	3,959	2	-	7	-
Change in net assets attributable to unitholders	-	-	(51,009)	(49,704)	-	-	1,223	(18)
Closing balance	12,404	23,640	197,128	438,412	6,400	3,008	21,460	9,086

	Australian Sustainability Leaders ETF				EX-20 Portfolio Diversifier ETF			
	30 June 2018 Units '000	30 June 2017 Units '000	**30 June 2018 $'000**	30 June 2017 $'000	**30 June 2018 Units '000**	30 June 2017 Units '000	**30 June 2018 $'000**	30 June 2017 $'000
Net assets attributable to unitholders								
Opening balance	-	-	-	-	700	-	11,094	-
Applications	10,300	-	157,420	-	1,300	700	22,635	10,655
Redemptions	-	-	-	-	-	-	-	-
Units issued upon reinvestment of distributions	-	-	1	-	1	-	21	-
Change in net assets attributable to unitholders	-	-	4,757	-	-	-	1,354	439
Closing balance	10,300	-	162,178	-	2,001	700	35,104	11,094

	FTSE RAFI Australia 200 ETF				Managed Risk Australian Share Fund			
	30 June 2018 Units '000	30 June 2017 Units '000	**30 June 2018 $'000**	30 June 2017 $'000	**30 June 2018 Units '000**	30 June 2017 Units '000	**30 June 2018 $'000**	30 June 2017 $'000
Net assets attributable to unitholders								
Opening balance	18,900	7,584	239,914	83,134	2,001	1,700	30,860	25,337
Applications	6,300	12,000	84,347	154,949	-	600	-	9,097
Redemptions	(4,800)	(900)	(64,477)	(11,478)	(700)	(300)	(11,436)	(4,539)
Units issued upon reinvestment of distributions	211	216	2,718	2,580	11	1	176	9
Change in net assets attributable to unitholders	-	-	13,614	10,729	-	-	1,719	956
Closing balance	20,611	18,900	276,116	239,914	1,312	2,001	21,319	30,860

3 Net assets attributable to unitholders (continued)

	S&P/ASX 200 Financials Sector ETF				S&P/ASX 200 Resources Sector ETF			
	30 June 2018 Units '000	30 June 2017 Units '000	**30 June 2018 $'000**	30 June 2017 $'000	**30 June 2018 Units '000**	30 June 2017 Units '000	**30 June 2018 $'000**	30 June 2017 $'000
Net assets attributable to unitholders								
Opening balance	**2,355**	2,347	**27,090**	23,794	**3,640**	1,736	**16,188**	6,416
Applications	**2,000**	1,400	**23,139**	15,787	**41,300**	1,900	**226,787**	8,339
Redemptions	**(2,400)**	(1,400)	**(27,941)**	(16,299)	**(21,300)**	-	**(124,877)**	-
Units issued upon reinvestment of distributions	**6**	8	**73**	88	**2**	4	**12**	14
Change in net assets attributable to unitholders	**-**	-	**(451)**	3,720	**-**	-	**27,504**	1,419
Closing balance	**1,961**	2,355	**21,910**	27,090	**23,642**	3,640	**145,614**	16,188

Capital risk management

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

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

4 Distributions to unitholders

The distributions for the period were as follows:

	Active Australian Hybrids Fund				Australia 200 ETF	
	30 June 2018 $'000	30 June 2018 CPU	30 June 2017 $'000	30 June 2017 CPU	30 June 2018 $'000	30 June 2018 CPU
Distributions paid - December	104	4.81	-	-	-	-
Distributions paid - January	129	3.32	-	-	-	-
Distributions paid - February	154	2.88	-	-	-	-
Distributions paid - March	186	3.02	-	-	-	-
Distributions paid - April	267	3.41	-	-	-	-
Distributions paid - May	300	3.32	-	-	-	-
Distributions payable - June	319	3.18	-	-	97	20.20
Total distributions	1,459		-		97	

	Australian Dividend Harvester Fund				Australian Small Companies Select Fund			
	30 June 2018 $'000	30 June 2018 CPU	30 June 2017 $'000	30 June 2017 CPU	30 June 2018 $'000	30 June 2018 CPU	30 June 2017 $'000	30 June 2017 CPU
Distributions paid - July	3,504	15.00	2,136	20.05	-	-	-	-
Distributions paid - August	3,236	15.00	2,287	18.34	-	-	-	-
Distributions paid - September	3,029	15.00	2,608	18.01	-	-	-	-
Distributions paid - October	2,836	15.00	3,009	18.02	-	-	-	-
Distributions paid - November	2,838	15.00	2,952	17.25	-	-	-	-
Distributions paid - December	2,405	15.00	3,153	17.29	183	4.02	-	-
Distributions paid - January	2,272	15.00	3,342	17.45	-	-	-	-
Distributions paid - February	2,169	15.00	3,466	17.10	-	-	-	-
Distributions paid - March	2,020	15.00	3,613	17.38	-	-	-	-
Distributions paid - April	1,992	15.00	3,605	17.16	-	-	-	-
Distributions paid - May	1,979	15.00	3,919	16.66	-	-	-	-
Distributions payable - June	1,356	10.93	3,678	15.56	796	12.44	-	-
Total distributions	29,636		37,768		979		-	

4 Distributions to unitholders (continued)

	Australian Sustainability Leaders ETF				EX-20 Portfolio Diversifier ETF			
	30 June 2018 $'000	**30 June 2018 CPU**	30 June 2017 $'000	30 June 2017 CPU	**30 June 2018 $'000**	**30 June 2018 CPU**	30 June 2017 $'000	30 June 2017 CPU
Distributions paid - December	**126**	**3.59**	-	-	**205**	**15.79**	12	6.16
Distributions payable - June	**1,577**	**15.31**	-	-	**1,246**	**62.24**	148	21.12
Total distributions	**1,703**		-		**1,451**		160	

	FTSE RAFI Australia 200 ETF				Managed Risk Australian Share Fund			
	30 June 2018 $'000	**30 June 2018 CPU**	30 June 2017 $'000	30 June 2017 CPU	**30 June 2018 $'000**	**30 June 2018 CPU**	30 June 2017 $'000	30 June 2017 CPU
Distributions paid - December	**7,110**	**29.06**	2,454	17.56	**776**	**48.44**	674	33.68
Distributions payable - June	**11,082**	**53.77**	4,786	25.33	**323**	**24.62**	359	17.96
Total distributions	**18,192**		7,240		**1,099**		1,033	

	S&P/ASX 200 Financials Sector ETF				S&P/ASX 200 Resources Sector ETF			
	30 June 2018 $'000	**30 June 2018 CPU**	30 June 2017 $'000	30 June 2017 CPU	**30 June 2018 $'000**	**30 June 2018 CPU**	30 June 2017 $'000	30 June 2017 CPU
Distributions paid - December	**923**	**32.31**	1,140	46.55	**245**	**1.80**	51	1.71
Distributions payable - June	**302**	**15.40**	305	12.96	**1,286**	**5.44**	207	5.68
Total distributions	**1,225**		1,445		**1,531**		258	

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

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

	Active Australian Hybrids Fund		Australia 200 ETF	Australian Dividend Harvester Fund		Australian Small Companies Select Fund	
	30 June 2018 $'000	30 June 2017 $'000	30 June 2018 $'000	30 June 2018 $'000	30 June 2017 $'000	30 June 2018 $'000	30 June 2017 $'000
Net gains/(losses) on financial instruments held for trading	-	-	4	(7,551)	(16,935)	(10)	-
Net gains/(losses) on financial instruments designated at fair value through profit or loss	(635)	-	855	(41,411)	(32,889)	1,800	(27)
Total net gains/(losses) on financial instruments held at fair value through profit or loss	(635)	-	859	(48,962)	(49,824)	1,790	(27)

	Australian Sustainability Leaders ETF		EX-20 Portfolio Diversifier ETF		FTSE RAFI Australia 200 ETF	
	30 June 2018 $'000	30 June 2017 $'000	30 June 2018 $'000	30 June 2017 $'000	30 June 2018 $'000	30 June 2017 $'000
Net gains/(losses) on financial instruments held for trading	(2)	-	7	1	(13)	102
Net gains/(losses) on financial instruments designated at fair value through profit or loss	4,701	-	2,178	479	19,844	12,236
Total net gains/(losses) on financial instruments held at fair value through profit or loss	4,699	-	2,185	480	19,831	12,338

	Managed Risk Australian Share Fund		S&P/ASX 200 Financials Sector ETF		S&P/ASX 200 Resources Sector ETF	
	30 June 2018 $'000	30 June 2017 $'000	30 June 2018 $'000	30 June 2017 $'000	30 June 2018 $'000	30 June 2017 $'000
Net gains/(losses) on financial instruments held for trading	(378)	(1,641)	-	-	-	-
Net gains/(losses) on financial instruments designated at fair value through profit or loss	2,155	2,519	(385)	4,049	27,505	1,419
Total net gains/(losses) on financial instruments held at fair value through profit or loss	1,777	878	(385)	4,049	27,505	1,419

6 Financial instruments held at fair value through profit or loss

	Active Australian Hybrids Fund		Australia 200 ETF	Australian Dividend Harvester Fund		Australian Small Companies Select Fund	
	30 June 2018 $'000	30 June 2017 $'000	30 June 2018 $'000	30 June 2018 $'000	30 June 2017 $'000	30 June 2018 $'000	30 June 2017 $'000
Financial assets							
Held for trading							
Futures contracts	-	-	4	-	658	-	-
Total held for trading	-	-	4	-	658	-	-
Designated at fair value through profit or loss							
Listed securities	2,503	-	49,019	187,939	408,032	21,376	8,793
Listed & unlisted hybrid and debt securities	94,142	-	-	-	-	-	-
Total designated at fair value through profit or loss	96,645	-	49,019	187,939	408,032	21,376	8,793
Total financial assets held at fair value through profit or loss	96,645	-	49,023	187,939	408,690	21,376	8,793

	Australian Sustainability Leaders ETF		EX-20 Portfolio Diversifier ETF		FTSE RAFI Australia 200 ETF	
	30 June 2018 $'000	30 June 2017 $'000	30 June 2018 $'000	30 June 2017 $'000	30 June 2018 $'000	30 June 2017 $'000
Financial assets						
Held for trading						
Futures contracts	-	-	-	-	31	10
Total held for trading	-	-	-	-	31	10
Designated at fair value through profit or loss						
Listed securities	162,810	-	36,145	11,191	284,627	242,798
Total designated at fair value through profit or loss	162,810	-	36,145	11,191	284,627	242,798
Total financial assets held at fair value through profit or loss	162,810	-	36,145	11,191	284,658	242,808

6 Financial instruments held at fair value through profit or loss (continued)

	Managed Risk Australian Share Fund		S&P/ASX 200 Financials Sector ETF		S&P/ASX 200 Resources Sector ETF	
	30 June 2018 $'000	30 June 2017 $'000	**30 June 2018 $'000**	30 June 2017 $'000	**30 June 2018 $'000**	30 June 2017 $'000
Financial assets						
Held for trading						
Futures contracts	**-**	20	**-**	-	**-**	-
Total held for trading	**-**	20	**-**	-	**-**	-
Designated at fair value through profit or loss						
Listed securities	**20,384**	29,902	**21,821**	27,123	**146,916**	16,376
Total designated at fair value through profit or loss	**20,384**	29,902	**21,821**	27,123	**146,916**	16,376
Total financial assets held at fair value through profit or loss	**20,384**	29,922	**21,821**	27,123	**146,916**	16,376

Certain Funds with listed equity securities held as collateral by the custodian for the Funds under the terms of the swap agreements are outlined in Note 11.

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

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

	Active Australian Hybrids Fund		Australia 200 ETF	Australian Dividend Harvester Fund		Australian Small Companies Select Fund	
	30 June 2018 $'000	30 June 2017 $'000	30 June 2018 $'000	30 June 2018 $'000	30 June 2017 $'000	30 June 2018 $'000	30 June 2017 $'000
Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities							
Operating profit/(loss) for the period	608	-	1,257	(21,373)	(11,936)	2,202	(18)
Proceeds from sale of financial instruments held at fair value through profit or loss	12,630	-	921	1,580,461	1,619,657	12,974	489
Payments for the purchase of financial instruments held at fair value through profit or loss	(108,359)	-	(49,076)	(1,408,672)	(1,882,260)	(23,793)	(9,241)
Net (gains)/losses on financial instruments held at fair value through profit or loss	635	-	(859)	48,962	49,824	(1,790)	27
Net change in dividends/distributions receivable	-	-	(396)	8,320	(5,840)	(33)	(33)
Net change in interest receivable	(4)	-	-	12	(21)	-	-
Net change in income receivable on convertible instruments	(146)	-	-	-	-	-	-
Net change in receivables and other assets	(9)	-	-	49	(102)	-	(2)
Net change in payables and other liabilities	94	-	5	(33)	156	(6)	21
Net cash inflow/(outflow) from operating activities	(94,551)	-	(48,148)	207,726	(230,522)	(10,446)	(8,757)

	Australian Sustainability Leaders ETF		EX-20 Portfolio Diversifier ETF		FTSE RAFI Australia 200 ETF	
	30 June 2018 $'000	30 June 2017 $'000	30 June 2018 $'000	30 June 2017 $'000	30 June 2018 $'000	30 June 2017 $'000
Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities						
Operating profit/(loss) for the period	6,460	-	2,805	599	31,806	17,969
Proceeds from sale of financial instruments held at fair value through profit or loss	578	-	6,444	1,976	103,861	35,546
Payments for the purchase of financial instruments held at fair value through profit or loss	(147,570)	-	(27,406)	(12,687)	(125,886)	(180,204)
Net (gains)/losses on financial instruments held at fair value through profit or loss	(4,699)	-	(2,185)	(480)	(19,831)	(12,338)
Net change in dividends/distributions receivable	(779)	-	(105)	(48)	(765)	(926)
Net change in receivables and other assets	(18)	-	(1)	(1)	(5)	(12)
Net change in payables and other liabilities	110	-	13	2	214	15
Net cash inflow/(outflow) from operating activities	(145,918)	-	(20,435)	(10,639)	(10,606)	(139,950)

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

	Managed Risk Australian Share Fund		S&P/ASX 200 Financials Sector ETF		S&P/ASX 200 Resources Sector ETF	
	30 June 2018 $'000	30 June 2017 $'000	30 June 2018 $'000	30 June 2017 $'000	30 June 2018 $'000	30 June 2017 $'000
Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities						
Operating profit/(loss) for the period	2,818	1,989	774	5,165	29,035	1,677
Proceeds from sale of financial instruments held at fair value through profit or loss	12,388	4,654	28,711	17,620	127,895	410
Payments for the purchase of financial instruments held at fair value through profit or loss	(1,086)	(9,657)	(23,794)	(17,058)	(230,930)	(8,882)
Net (gains)/losses on financial instruments held at fair value through profit or loss	(1,777)	(878)	385	(4,049)	(27,505)	(1,419)
Net change in dividends/distributions receivable	63	(58)	-	-	-	-
Net change in interest receivable	-	(1)	-	-	-	-
Net change in receivables and other assets	1	(1)	(119)	172	(11)	(1)
Net change in payables and other liabilities	9	(8)	7	1	98	-
Net cash inflow/(outflow) from operating activities	12,416	(3,960)	5,964	1,851	(101,418)	(8,215)

8 Financial risk management

The Funds are exchange traded managed funds that primarily invest in a portfolio of securities listed on the ASX 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.

8 Financial risk management (continued)

(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.

(i) Price risk

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

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

Sensitivity analysis - price risk

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' operating profit/(loss) and net assets attributable to unitholders. The calculation includes the impact of any derivatives that may be held by a Fund. It is assumed that the relevant change occurs at the balance date.

	Active Australian Hybrids Fund		Australia 200 ETF	Australian Dividend Harvester Fund		Australian Small Companies Select Fund	
	30 June 2018 $'000	30 June 2017 $'000	**30 June 2018 $'000**	**30 June 2018 $'000**	30 June 2017 $'000	**30 June 2018 $'000**	30 June 2017 $'000
+10% Price movement - impact on the Fund's operating profit/(loss) and net assets attributable to unitholders	**8,779**	-	**4,902**	**18,794**	28,156	**2,138**	879
-10% Price movement - impact on the Fund's operating profit/(loss) and net assets attributable to unitholders	**(8,779)**	-	**(4,902)**	**(18,794)**	(28,145)	**(2,138)**	(879)

8 Financial risk management (continued)

(a) Market risk (continued)

(i) Price risk (continued)

	Australian Sustainability Leaders ETF		EX-20 Portfolio Diversifier ETF		FTSE RAFI Australia 200 ETF	
	30 June 2018 $'000	30 June 2017 $'000	**30 June 2018 $'000**	30 June 2017 $'000	**30 June 2018 $'000**	30 June 2017 $'000
+10% Price movement - impact on the Fund's operating profit/(loss) and net assets attributable to unitholders	**16,281**	-	**3,615**	1,119	**28,466**	24,281
-10% Price movement - impact on the Fund's operating profit/(loss) and net assets attributable to unitholders	**(16,281)**	-	**(3,615)**	(1,119)	**(28,466)**	(24,281)

	Managed Risk Australian Share Fund		S&P/ASX 200 Financials Sector ETF		S&P/ASX 200 Resources Sector ETF	
	30 June 2018 $'000	30 June 2017 $'000	**30 June 2018 $'000**	30 June 2017 $'000	**30 June 2018 $'000**	30 June 2017 $'000
+10% Price movement - impact on the Fund's operating profit/(loss) and net assets attributable to unitholders	**2,038**	2,236	**2,182**	2,712	**14,692**	1,638
-10% Price movement - impact on the Fund's operating profit/(loss) and net assets attributable to unitholders	**(2,038)**	(2,235)	**(2,182)**	(2,712)	**(14,692)**	(1,638)

(ii) Foreign exchange risk

Foreign exchange risk arises as the value of monetary assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates. The Funds have no direct foreign exchange risk exposure as the Funds operate solely in Australia and all of the Funds' assets and liabilities are denominated in Australian currency.

(iii) Interest rate risk

Active Australian Hybrids Fund

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 rates.

Interest bearing financial assets are exposed to fluctuations in the prevailing levels of market interest rates on their financial position and cash flows. Financial instruments with variable interest rate expose Funds to cash flow interest rate risk. Financial instruments with fixed interest rates expose the Fund to fair value interest rate risk. This risk is measured using sensitivity analysis.

Interest rate risk is not considered to be significant to the Funds, except for Active Australian Hybrids Fund (see below), other than cash holdings.

8 Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

The table below summaries the Fund's exposure to interest rate risks.

Active Australian Hybrids Fund	Floating interest rate	Fixed interest rate	Non-interest bearing	Total	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	30 June 2018 $'000	30 June 2018 $'000	30 June 2018 $'000	30 June 2018 $'000	30 June 2017 $'000	30 June 2017 $'000	30 June 2017 $'000	30 June 2017 $'000
Assets								
Cash and cash equivalents	2,904	-	-	2,904	-	-	-	-
Financial assets held at fair value through profit or loss	8,858	-	87,787	96,645	-	-	-	-
Receivables	-	-	1,849	1,849	-	-	-	-
Liabilities								
Due to brokers - payable for securities purchased	-	-	(1,551)	(1,551)	-	-	-	-
Distributions payable	-	-	(319)	(319)	-	-	-	-
Other payables	-	-	(94)	(94)	-	-	-	-
Net exposure	11,762	-	87,672	99,434	-	-	-	-

The remaining 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.

Sensitivity analysis - Interest rate risk

The table below summarises the sensitivities of the interest rate risk. The analysis is based on the assumption that interest rates increase or decrease by a "predetermined basis points" from the period end rates with all other variables held constant. The impact mainly arises from changes in the fair value of debt securities. The "predetermined basis points" are disclosed in the table below.

			Impact on net assets attributable to unitholders			
	Currencies	Sensitivity rate (basis points)	Strengthened 30 June 2018 $'000	Weakened 30 June 2018 $'000	Strengthened 30 June 2017 $'000	Weakened 30 June 2017 $'000
Active Australian Hybrids Fund	Australian Dollars	100	118	(118)	-	-

The other 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.

(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.

(i) Cash and cash equivalents

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

The custody of the Funds' assets is mainly concentrated with one counterparty, namely RBC Investor Services Trust. RBC Investor Services Trust is a wholly-owned subsidiary of the Royal Bank of Canada which is a member of a major securities exchange and at 30 June 2018 had a credit rating of AA- (S&P) and A1 (Moody's) (2017: AA- (S&P) and A1 (Moody's)). At 30 June 2018, substantially all cash and cash equivalents, balances due from brokers and investments are held in custody by RBC Investor Services Trust.

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

(ii) Settlement of 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) Debt securities

Certain Funds invest in debt securities being bank issued senior floating rate notes. An analysis of debt securities by rating of the issuer is set out in the table below for Funds which have such securities.

	Active Australian Hybrids Fund	
	30 June 2018	30 June 2017
Rating	**$'000**	$'000
BBB+ to BBB-	8,858	-
Total	8,858	-

(iv) Other

The custody of the Funds' assets is mainly concentrated with one counterparty, namely RBC Investor Services Trust. RBC Investor Services Trust is a member of a major securities exchange, and at 30 June 2018 had a credit rating of AA- (S&P) and A1 (Moody's). At 30 June 2018, substantially all cash and cash equivalents, balances due from brokers and investments are held in custody by RBC Investor Services Trust.

(c) Liquidity risk

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

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

8 Financial risk management (continued)

(c) Liquidity risk (continued)

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

	Active Australian Hybrids Fund				Active Australian Hybrids Fund			
	On demand 30 June 2018 $'000	**Less than 6 months 30 June 2018 $'000**	**Greater than 6 months 30 June 2018 $'000**	**Total 30 June 2018 $'000**	On demand 30 June 2017 $'000	Less than 6 months 30 June 2017 $'000	Greater than 6 months 30 June 2017 $'000	Total 30 June 2017 $'000
Due to brokers - payable for securities purchased	-	1,551	-	1,551	-	-	-	-
Distributions payable	-	319	-	319	-	-	-	-
Other payables	-	94	-	94	-	-	-	-
Net assets attributable to unitholders	99,434	-	-	99,434	-	-	-	-
Contractual cash flows (excluding net settled derivatives)	99,434	413	-	99,847	-	-	-	-

	Australia 200 ETF			
	On demand 30 June 2018 $'000	**Less than 6 months 30 June 2018 $'000**	**Greater than 6 months 30 June 2018 $'000**	**Total 30 June 2018 $'000**
Due to brokers - payable for securities purchased	-	9	-	9
Distributions payable	-	97	-	97
Other payables	-	5	-	5
Net assets attributable to unitholders	49,343	-	-	49,343
Contractual cash flows (excluding net settled derivatives)	49,343	111	-	49,454

8 Financial risk management (continued)

(c) Liquidity risk (continued)

	Australian Dividend Harvester Fund				Australian Dividend Harvester Fund			
	On demand 30 June 2018 $'000	Less than 6 months 30 June 2018 $'000	Greater than 6 months 30 June 2018 $'000	Total 30 June 2018 $'000	On demand 30 June 2017 $'000	Less than 6 months 30 June 2017 $'000	Greater than 6 months 30 June 2017 $'000	Total 30 June 2017 $'000
Distributions payable	-	1,356	-	1,356	-	3,678	-	3,678
Other payables	-	308	-	308	-	341	-	341
Net assets attributable to unitholders	197,128	-	-	197,128	438,412	-	-	438,412
Contractual cash flows (excluding net settled derivatives)	197,128	1,664	-	198,792	438,412	4,019	-	442,431

	Australian Small Companies Select Fund				Australian Small Companies Select Fund			
	On demand 30 June 2018 $'000	Less than 6 months 30 June 2018 $'000	Greater than 6 months 30 June 2018 $'000	Total 30 June 2018 $'000	On demand 30 June 2017 $'000	Less than 6 months 30 June 2017 $'000	Greater than 6 months 30 June 2017 $'000	Total 30 June 2017 $'000
Due to brokers - payable for securities purchased	-	42	-	42	-	68	-	68
Distributions payable	-	796		796	-	-		-
Other payables	-	15	-	15	-	21	-	21
Net assets attributable to unitholders	21,460	-	-	21,460	9,086	-	-	9,086
Contractual cash flows (excluding net settled derivatives)	21,460	853	-	22,313	9,086	89	-	9,175

8 Financial risk management (continued)

(c) Liquidity risk (continued)

	Australian Sustainability Leaders ETF				Australian Sustainability Leaders ETF			
	On demand 30 June 2018 $'000	**Less than 6 months 30 June 2018 $'000**	**Greater than 6 months 30 June 2018 $'000**	**Total 30 June 2018 $'000**	On demand 30 June 2017 $'000	Less than 6 months 30 June 2017 $'000	Greater than 6 months 30 June 2017 $'000	Total 30 June 2017 $'000
Due to brokers - payable for securities purchased	-	11,119	-	11,119	-	-	-	-
Distributions payable	-	1,577		1,577	-	-		-
Other payables	-	110	-	110	-	-	-	-
Net assets attributable to unitholders	162,178	-	-	162,178	-	-	-	-
Contractual cash flows (excluding net settled derivatives)	162,178	12,806	-	174,984	-	-	-	-

	EX-20 Portfolio Diversifier ETF				EX-20 Portfolio Diversifier ETF			
	On demand 30 June 2018 $'000	**Less than 6 months 30 June 2018 $'000**	**Greater than 6 months 30 June 2018 $'000**	**Total 30 June 2018 $'000**	On demand 30 June 2017 $'000	Less than 6 months 30 June 2017 $'000	Greater than 6 months 30 June 2017 $'000	Total 30 June 2017 $'000
Due to brokers - payable for securities purchased	-	1,807	-	1,807	-	-	-	-
Distributions payable	-	1,246	-	1,246	-	148	-	148
Other payables	-	15	-	15	-	2	-	2
Net assets attributable to unitholders	35,104	-	-	35,104	11,094	-	-	11,094
Contractual cash flows (excluding net settled derivatives)	35,104	3,068	-	38,172	11,094	150	-	11,244

8 Financial risk management (continued)

(c) Liquidity risk (continued)

	FTSE RAFI Australia 200 ETF				FTSE RAFI Australia 200 ETF			
	On demand 30 June 2018 $'000	**Less than 6 months 30 June 2018 $'000**	**Greater than 6 months 30 June 2018 $'000**	**Total 30 June 2018 $'000**	On demand 30 June 2017 $'000	Less than 6 months 30 June 2017 $'000	Greater than 6 months 30 June 2017 $'000	Total 30 June 2017 $'000
Due to brokers - payable for securities purchased	**-**	**-**	**-**	**-**	-	6	-	6
Distributions payable	**-**	**11,082**	**-**	**11,082**	-	4,786	-	4,786
Other payables	**-**	**294**	**-**	**294**	-	80	-	80
Net assets attributable to unitholders	**276,116**	**-**	**-**	**276,116**	239,914	-	-	239,914
Contractual cash flows (excluding net settled derivatives)	**276,116**	**11,376**	**-**	**287,492**	239,914	4,872	-	244,786

	Managed Risk Australian Share Fund				Managed Risk Australian Share Fund			
	On demand 30 June 2018 $'000	**Less than 6 months 30 June 2018 $'000**	**Greater than 6 months 30 June 2018 $'000**	**Total 30 June 2018 $'000**	On demand 30 June 2017 $'000	Less than 6 months 30 June 2017 $'000	Greater than 6 months 30 June 2017 $'000	Total 30 June 2017 $'000
Due to brokers - payable for securities purchased	**-**	**5**	**-**	**5**	-	18	-	18
Distributions payable	**-**	**323**	**-**	**323**	-	359	-	359
Other payables	**-**	**22**	**-**	**22**	-	13	-	13
Net assets attributable to unitholders	**21,319**	**-**	**-**	**21,319**	30,860	-	-	30,860
Contractual cash flows (excluding net settled derivatives)	**21,319**	**350**	**-**	**21,669**	30,860	390	-	31,250

8 Financial risk management (continued)

(c) Liquidity risk (continued)

	S&P/ASX 200 Financials Sector ETF				S&P/ASX 200 Financials Sector ETF			
	On demand 30 June 2018 $'000	**Less than 6 months 30 June 2018 $'000**	**Greater than 6 months 30 June 2018 $'000**	**Total 30 June 2018 $'000**	On demand 30 June 2017 $'000	Less than 6 months 30 June 2017 $'000	Greater than 6 months 30 June 2017 $'000	Total 30 June 2017 $'000
Due to brokers - payable for securities purchased	-	-	-	-	-	-	-	-
Distributions payable	-	302	-	302	-	305	-	305
Other payables	-	16	-	16	-	9	-	9
Net assets attributable to unitholders	21,910	-	-	21,910	27,090	-	-	27,090
Contractual cash flows (excluding net settled derivatives)	21,910	318	-	22,228	27,090	314	-	27,404

	S&P/ASX 200 Resources Sector ETF				S&P/ASX 200 Resources Sector ETF			
	On demand 30 June 2018 $'000	**Less than 6 months 30 June 2018 $'000**	**Greater than 6 months 30 June 2018 $'000**	**Total 30 June 2018 $'000**	On demand 30 June 2017 $'000	Less than 6 months 30 June 2017 $'000	Greater than 6 months 30 June 2017 $'000	Total 30 June 2017 $'000
Due to brokers - payable for securities purchased	-	-	-	-	-	-	-	-
Distributions payable	-	1,286	-	1,286	-	207	-	207
Other payables	-	104	-	104	-	6	-	6
Net assets attributable to unitholders	145,614	-	-	145,614	16,188	-	-	16,188
Contractual cash flows (excluding net settled derivatives)	145,614	1,390	-	147,004	16,188	213	-	16,401

9 Offsetting financial assets and financial liabilities

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

Australia 200 ETF	Effects of offsetting on the statements of financial position			Related amounts not offset in the statements of financial position		
	Gross amounts of financial assets/ (liabilities) 30 June 2018 $'000	Gross amounts set off in the statements of financial position 30 June 2018 $'000	Net amount of financial assets/ (liabilities) presented in the statements of financial position 30 June 2018 $'000	Financial instruments (including non-cash collateral) 30 June 2018 $'000	Stock and cash collateral pledged 30 June 2018 $'000	Net amounts 30 June 2018 $'000
Financial assets						
Futures contracts	4	-	4	-	-	4
Total	4	-	4	-	-	4

Australian Dividend Harvester Fund	Effects of offsetting on the statements of financial position			Related amounts not offset in the statements of financial position			Effects of offsetting on the statements of financial position			Related amounts not offset in the statements of financial position		
	Gross amounts of financial assets/ (liabilities) 30 June 2018 $'000	Gross amounts set off in the statements of financial position 30 June 2018 $'000	Net amount of financial assets/ (liabilities) presented in the statements of financial position 30 June 2018 $'000	Financial instruments (including non-cash collateral) 30 June 2018 $'000	Stock and cash collateral pledged 30 June 2018 $'000	Net amounts 30 June 2018 $'000	Gross amounts of financial assets/ (liabilities) 30 June 2017 $'000	Gross amounts set off in the statements of financial position 30 June 2017 $'000	Net amount of financial assets/ (liabilities) presented in the statements of financial position 30 June 2017 $'000	Financial instruments (including non-cash collateral) 30 June 2017 $'000	Stock and cash collateral pledged 30 June 2017 $'000	Net amounts 30 June 2017 $'000
Financial assets												
Futures contracts	-	-	-	-	-	-	658	-	658	-	-	658
Total	-	-	-	-	-	-	658	-	658	-	-	658

9 Offsetting financial assets and financial liabilities (continued)

FTSE RAFI Australia 200 ETF	Effects of offsetting on the statements of financial position			Related amounts not offset in the statements of financial position			Effects of offsetting on the statements of financial position			Related amounts not offset in the statements of financial position		
	Gross amounts of financial assets/ (liabilities) 30 June 2018 $'000	Gross amounts set off in the statements of financial position 30 June 2018 $'000	Net amount of financial assets/ (liabilities) presented in the statements of financial position 30 June 2018 $'000	Financial instruments (including non-cash collateral) 30 June 2018 $'000	Stock and cash collateral pledged 30 June 2018 $'000	Net amounts 30 June 2018 $'000	Gross amounts of financial assets/ (liabilities) 30 June 2017 $'000	Gross amounts set off in the statements of financial position 30 June 2017 $'000	Net amount of financial assets/ (liabilities) presented in the statements of financial position 30 June 2017 $'000	Financial instruments (including non-cash collateral) 30 June 2017 $'000	Stock and cash collateral pledged 30 June 2017 $'000	Net amounts 30 June 2017 $'000
Financial assets												
Futures contracts	31	-	31	-	-	31	10	-	10	-	-	10
Total	31	-	31	-	-	31	10	-	10	-	-	10

Managed Risk Australian Share Fund	Effects of offsetting on the statements of financial position			Related amounts not offset in the statements of financial position			Effects of offsetting on the statements of financial position			Related amounts not offset in the statements of financial position		
	Gross amounts of financial assets/ (liabilities) 30 June 2018 $'000	Gross amounts set off in the statements of financial position 30 June 2018 $'000	Net amount of financial assets/ (liabilities) presented in the statements of financial position 30 June 2018 $'000	Financial instruments (including non-cash collateral) 30 June 2018 $'000	Stock and cash collateral pledged 30 June 2018 $'000	Net amounts 30 June 2018 $'000	Gross amounts of financial assets/ (liabilities) 30 June 2017 $'000	Gross amounts set off in the statements of financial position 30 June 2017 $'000	Net amount of financial assets/ (liabilities) presented in the statements of financial position 30 June 2017 $'000	Financial instruments (including non-cash collateral) 30 June 2017 $'000	Stock and cash collateral pledged 30 June 2017 $'000	Net amounts 30 June 2017 $'000
Financial assets												
Futures contracts	-	-	-	-	-	-	20	-	20	-	-	20
Total	-	-	-	-	-	-	20	-	20	-	-	20

10 Fair value measurements

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

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

Fair value estimation

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

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

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

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

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

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

(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.

10 Fair value measurements (continued)

Fair value estimation (continued)

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

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

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

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

(iii) Recognised fair value measurements

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

	Active Australian Hybrids Fund				Active Australian Hybrids Fund			
	Level 1 30 June 2018 $'000	**Level 2 30 June 2018 $'000**	**Level 3 30 June 2018 $'000**	**Total 30 June 2018 $'000**	Level 1 30 June 2017 $'000	Level 2 30 June 2017 $'000	Level 3 30 June 2017 $'000	Total 30 June 2017 $'000
Financial assets								
Financial assets designated at fair value through profit or loss:								
Listed securities	2,503	-	-	2,503	-	-	-	-
Listed & unlisted hybrid and debt securities	94,142	-	-	94,142	-	-	-	-
Total	96,645	-	-	96,645	-	-	-	-

	Australia 200 ETF			
	Level 1 30 June 2018 $'000	Level 2 30 June 2018 $'000	Level 3 30 June 2018 $'000	Total 30 June 2018 $'000
Financial assets				
Financial assets held for trading:				
Futures contracts	4	-	-	4
Financial assets designated at fair value through profit or loss:				
Listed securities	49,019	-	-	49,019
Total	49,023	-	-	49,023

10 Fair value measurements (continued)

Fair value estimation (continued)

(iii) Recognised fair value measurements (continued)

	Australian Dividend Harvester Fund				Australian Dividend Harvester Fund			
	Level 1 30 June 2018 $'000	Level 2 30 June 2018 $'000	Level 3 30 June 2018 $'000	Total 30 June 2018 $'000	Level 1 30 June 2017 $'000	Level 2 30 June 2017 $'000	Level 3 30 June 2017 $'000	Total 30 June 2017 $'000
Financial assets								
Financial assets held for trading:								
Futures contracts	-	-	-	-	658	-	-	658
Financial assets designated at fair value through profit or loss:								
Listed securities	187,939	-	-	187,939	408,032	-	-	408,032
Total	187,939	-	-	187,939	408,690	-	-	408,690

	Australian Small Companies Select Fund				Australian Small Companies Select Fund			
	Level 1 30 June 2018 $'000	Level 2 30 June 2018 $'000	Level 3 30 June 2018 $'000	Total 30 June 2018 $'000	Level 1 30 June 2017 $'000	Level 2 30 June 2017 $'000	Level 3 30 June 2017 $'000	Total 30 June 2017 $'000
Financial assets								
Financial assets designated at fair value through profit or loss:								
Listed securities	21,376	-	-	21,376	8,793	-	-	8,793
Total	21,376	-	-	21,376	8,793	-	-	8,793

10 Fair value measurements (continued)

Fair value estimation (continued)

(iii) Recognised fair value measurements (continued)

	Australian Sustainability Leaders ETF				Australian Sustainability Leaders ETF			
	Level 1	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
	30 June 2018	**30 June 2018**	**30 June 2018**	**30 June 2018**	30 June 2017	30 June 2017	30 June 2017	30 June 2017
	$'000	**$'000**	**$'000**	**$'000**	$'000	$'000	$'000	$'000
Financial assets								
Financial assets held for trading through profit and loss:								
Listed securities	162,810	-	-	162,810	-	-	-	-
Total	162,810	-	-	162,810	-	-	-	-

	EX-20 Portfolio Diversifier ETF				EX-20 Portfolio Diversifier ETF			
	Level 1	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
	30 June 2018	**30 June 2018**	**30 June 2018**	**30 June 2018**	30 June 2017	30 June 2017	30 June 2017	30 June 2017
	$'000	**$'000**	**$'000**	**$'000**	$'000	$'000	$'000	$'000
Financial assets								
Financial assets held for trading through profit and loss:								
Listed securities	36,145	-	-	36,145	11,191	-	-	11,191
Total	36,145	-	-	36,145	11,191	-	-	11,191

	FTSE RAFI Australia 200 ETF				FTSE RAFI Australia 200 ETF			
	Level 1	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
	30 June 2018	**30 June 2018**	**30 June 2018**	**30 June 2018**	30 June 2017	30 June 2017	30 June 2017	30 June 2017
	$'000	**$'000**	**$'000**	**$'000**	$'000	$'000	$'000	$'000
Financial assets								
Financial assets held for trading:								
Futures contracts	31	-	-	31	10	-	-	10
Financial assets designated at fair value through profit or loss:								
Listed securities	284,608	-	19	284,627	242,782	-	16	242,798
Total	284,639	-	19	284,658	242,792	-	16	242,808

10 Fair value measurements (continued)

Fair value estimation (continued)

(iii) Recognised fair value measurements (continued)

	Managed Risk Australian Share Fund				Managed Risk Australian Share Fund			
	Level 1 30 June 2018 $'000	Level 2 30 June 2018 $'000	Level 3 30 June 2018 $'000	Total 30 June 2018 $'000	Level 1 30 June 2017 $'000	Level 2 30 June 2017 $'000	Level 3 30 June 2017 $'000	Total 30 June 2017 $'000
Financial assets								
Financial assets held for trading:								
Futures contracts	-	-	-	-	20	-	-	20
Financial assets designated at fair value through profit or loss:								
Listed securities	20,384	-	-	20,384	29,902	-	-	29,902
Total	20,384	-	-	20,384	29,922	-	-	29,922

	S&P/ASX 200 Financials Sector ETF				S&P/ASX 200 Financials Sector ETF			
	Level 1 30 June 2018 $'000	Level 2 30 June 2018 $'000	Level 3 30 June 2018 $'000	Total 30 June 2018 $'000	Level 1 30 June 2017 $'000	Level 2 30 June 2017 $'000	Level 3 30 June 2017 $'000	Total 30 June 2017 $'000
Financial assets								
Financial assets designated at fair value through profit or loss:								
Listed securities	21,821	-	-	21,821	27,123	-	-	27,123
Total	21,821	-	-	21,821	27,123	-	-	27,123

	S&P/ASX 200 Resources Sector ETF				S&P/ASX 200 Resources Sector ETF			
	Level 1 30 June 2018 $'000	Level 2 30 June 2018 $'000	Level 3 30 June 2018 $'000	Total 30 June 2018 $'000	Level 1 30 June 2017 $'000	Level 2 30 June 2017 $'000	Level 3 30 June 2017 $'000	Total 30 June 2017 $'000
Financial assets								
Financial assets designated at fair value through profit or loss:								
Listed securities	146,916	-	-	146,916	16,376	-	-	16,376
Total	146,916	-	-	146,916	16,376	-	-	16,376

10 Fair value measurements (continued)

Fair value estimation (continued)

(iv) Transfers between levels

The Funds listed below had transfers between levels during the period ended 30 June 2017.

FTSE RAFI Australia 200 ETF	Level 1 30 June 2018 $'000	Level 2 30 June 2018 $'000	Level 3 30 June 2018 $'000	Level 1 30 June 2017 $'000	Level 2 30 June 2017 $'000	Level 3 30 June 2017 $'000
Transfers between levels 1 and 3:						
Listed securities	-	-	-	(25)	-	25

(v) Movement in level 3 instruments

The following table presents the Funds that had movement in level 3 instruments for the periods ended 30 June 2018 and 30 June 2017 by class of financial instrument:

	Listed securities	
	FTSE RAFI Australia 200 ETF 30 June 2018 $'000	FTSE RAFI Australia 200 ETF 30 June 2017 $'000
Opening balance	16	-
Purchases	3	47
Sales	-	(4)
Transfers into/(out) from level 3	-	25
Gains/(losses) recognised in profit or loss	-	(52)
Closing balance	19	16
Total gains/(losses) for the period included in the statements of comprehensive income for financial assets and liabilities held at the end of the period	-	(52)

10 Fair value measurements (continued)

Fair value estimation (continued)

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

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

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

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.

Certain Funds hold the following derivative instruments:

Futures

Futures are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities. Changes in futures contracts' values are usually settled net daily with the exchange.

11 Derivative financial instruments (continued)

The following Funds held derivative instruments (amounts in positive indicates long/buy and amounts in negative indicates short/sell):

Australia 200 ETF		Fair values	
	Contract/ notional 30 June 2018 $'000	Assets 30 June 2018 $'000	Liabilities 30 June 2018 $'000
Futures contracts	307	4	-
	307	4	-

Australian Dividend Harvester Fund		Fair values			Fair values	
	Contract/ notional 30 June 2018 $'000	Assets 30 June 2018 $'000	Liabilities 30 June 2018 $'000	Contract/ notional 30 June 2017 $'000	Assets 30 June 2017 $'000	Liabilities 30 June 2017 $'000
Futures contracts	-	-	-	(133,599)	658	-
	-	-	-	(133,599)	658	-

FTSE RAFI Australia 200 ETF		Fair values			Fair values	
	Contract/ notional 30 June 2018 $'000	Assets 30 June 2018 $'000	Liabilities 30 June 2018 $'000	Contract/ notional 30 June 2017 $'000	Assets 30 June 2017 $'000	Liabilities 30 June 2017 $'000
Futures contracts	2,152	31	-	1,553	10	-
	2,152	31	-	1,553	10	-

Managed Risk Australian Share Fund		Fair values			Fair values	
	Contract/ notional 30 June 2018 $'000	Assets 30 June 2018 $'000	Liabilities 30 June 2018 $'000	Contract/ notional 30 June 2017 $'000	Assets 30 June 2017 $'000	Liabilities 30 June 2017 $'000
Futures contracts	-	-	-	(7,202)	20	-
	-	-	-	(7,202)	20	-

12 Auditor's remuneration

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

	Active Australian Hybrids Fund		Australia 200 ETF	Australian Dividend Harvester Fund		Australian Small Companies Select Fund	
	30 June 2018	30 June 2017	30 June 2018	30 June 2018	30 June 2017	30 June 2018	30 June 2017
KPMG	$	$	$	$	$	$	$
Audit and other assurance service							
Audit and review of financial reports	7,345	-	3,660	7,345	7,345	4,860	3,660
Audit of compliance plan	1,200	-	1,200	1,200	1,200	1,200	1,200
Total remuneration of audit and other assurance services	8,545	-	4,860	8,545	8,545	6,060	4,860

	Australian Sustainability Leaders ETF		EX-20 Portfolio Diversifier ETF		FTSE RAFI Australia 200 ETF	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017
KPMG	$	$	$	$	$	$
Audit and other assurance service						
Audit and review of financial reports	3,660	-	4,860	3,660	4,860	4,860
Audit of compliance plan	1,200	-	1,200	1,200	1,200	1,200
Total remuneration of audit and other assurance services	4,860	-	6,060	4,860	6,060	6,060

	Managed Risk Australian Share Fund		S&P/ASX 200 Financials Sector ETF		S&P/ASX 200 Resources Sector ETF	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017
KPMG	$	$	$	$	$	$
Audit and other assurance service						
Audit and review of financial reports	7,345	7,345	4,860	4,860	4,860	4,860
Audit of compliance plan	1,200	1,200	1,200	1,200	1,200	1,200
Total remuneration of audit and other assurance services	8,545	8,545	6,060	6,060	6,060	6,060

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 period are:

(a) Directors

Executive Directors:	Non-Executive Directors:
David Nathanson (appointed 21 September 2009)	Taeyong Lee (appointed 12 August 2015, resigned 31 August 2018)
Alex Vynokur (appointed 21 September 2009)	Thomas Park (appointed 12 August 2015)
	Jungho Rhee (appointed 1 September 2018)

(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 period.

13 Related party transactions (continued)

Responsible Entity's management fees and other transactions

The Responsible Entity's fees are calculated in accordance with the Funds' constitutions. The Responsible Entity's fees comprise a management fee and (if applicable) expense recoveries (after taking account of GST and reduced input tax credits), which are calculated as a percentage of the net asset value of the Funds and are disclosed in the statements of comprehensive income. A performance fee may be payable by certain Funds, namely Australian Small Companies Select Fund. The fee is calculated based on the relevant Fund's performance relative to its benchmark. The fee is calculated and accrued each business day. Provided the relevant Fund outperforms the benchmark for a performance fee period (quarter ending 31 March, 30 June, 30 September and 31 December), a performance fee may be payable. The following table discloses the Responsible Entity's fees for 30 June 2018 and 30 June 2017 as there has been no change in the fees during the period:

Funds	Management fee %	Expense recoveries %	Performance fee %
Active Australian Hybrids Fund	0.45	0.10	15.50
Australia 200 ETF	0.07	-	-
Australian Dividend Harvester Fund	0.65	0.25	-
Australian Small Companies Select Fund	0.32	0.07	15.50
Australian Sustainability Leaders ETF	0.39	0.10	-
EX-20 Portfolio Diversifier ETF	0.20	0.05	-
FTSE RAFI Australia 200 ETF	0.30	0.10	-
Managed Risk Australian Share Fund	0.39	0.10	-
S&P/ASX 200 Financials Sector ETF	0.39	-	-
S&P/ASX 200 Resources Sector ETF	0.39	-	-

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

	Active Australian Hybrids Fund		Australia 200 ETF	Australian Dividend Harvester Fund		Australian Small Companies Select Fund	
	30 June 2018 $	30 June 2017 $	30 June 2018 $	30 June 2018 $	30 June 2017 $	30 June 2018 $	30 June 2017 $
Management fees expensed to the Responsible Entity	147,709	-	4,926	1,899,859	2,288,698	48,650	5,721
Management fees payable to the Responsible Entity at reporting date	69,898	-	5,265	235,202	256,910	11,920	2,444
Performance fees expensed to the Responsible Entity	6,397	-	-	-	-	67	17,189
Performance fees payable to the Responsible Entity at reporting date	-	-	-	-	-	-	18,375
Expense recoveries expensed to the Responsible Entity	32,824	-	-	540,729	618,773	10,642	1,252
Expense recoveries payable to the Responsible Entity as at reporting date	15,533	-	-	66,942	73,121	2,608	535

13 Related party transactions (continued)

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

	Australian Sustainability Leaders ETF		EX-20 Portfolio Diversifier ETF		FTSE RAFI Australia 200 ETF	
	30 June 2018 $	30 June 2017 $	30 June 2018 $	30 June 2017 $	30 June 2018 $	30 June 2017 $
Management fees expensed to the Responsible Entity	204,646	-	40,609	7,459	854,015	433,626
Management fees payable to the Responsible Entity at reporting date	87,816	-	11,598	1,827	217,191	58,586
Expense recoveries expensed to the Responsible Entity	52,473	-	10,152	1,866	284,672	144,542
Expense recoveries payable to the Responsible Entity as at reporting date	22,517	-	2,899	457	72,397	19,529

	Managed Risk Australian Share Fund		S&P/ASX 200 Financials Sector ETF		S&P/ASX 200 Resources Sector ETF	
	30 June 2018 $	30 June 2017 $	30 June 2018 $	30 June 2017 $	30 June 2018 $	30 June 2017 $
Management fees expensed to the Responsible Entity	108,492	118,289	79,394	86,316	271,255	49,766
Management fees payable to the Responsible Entity at reporting date	17,700	10,705	14,850	8,108	104,146	5,598
Expense recoveries expensed to the Responsible Entity	27,818	30,330	-	-	-	-
Expense recoveries payable to the Responsible Entity as at reporting date	4,538	2,745	-	-	-	-

Related party unitholdings

As at 30 June 2018, AMP Capital Dynamic Markets Fund (Hedge Fund) holds 41,398 units in FTSE RAFI Australia 200 ETF and 345,164 units in S&P/ASX 200 Resources Sector ETF. As at 30 June 2018, BetaShares Capital Ltd holds 100,000 units (1.01% interest) in Active Australian Hybrids Fund. As at 30 June 2018, Active Australian Hybrids Fund holds 49,901 in BetaShares Australian High Interest cash ETF. No other parties related to the Funds (including BetaShares Capital Ltd, its related parties and other schemes managed by BetaShares Capital Ltd) held any units in the Funds for the period ended 30 June 2018.

14 Events occurring after the reporting period

The Responsible Entity has elected into the Attribution Managed Investment Trust ('AMIT') regime for the Funds for the year ending 30 June 2019 and subsequent years. Under the AMIT regime the units in the Funds will be reclassified from financial liability to equity from 1 July 2018.

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 2018 or on the results and cash flows of the Funds for the period ended on that date.

15 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2018 and 30 June 2017.

Directors' declaration

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

BetaShares Active Australian Hybrids Fund (managed fund)
BetaShares Australia 200 ETF
BetaShares Australian Dividend Harvester Fund (managed fund)
BetaShares Australian Small Companies Select Fund (managed fund)
BetaShares Australian Sustainability Leaders ETF (formerly BetaShares Investment Fund No. 13)
BetaShares EX-20 Portfolio Diversifier ETF
BetaShares FTSE RAFI Australia 200 ETF
BetaShares Managed Risk Australian Share Fund (managed fund)
BetaShares S&P/ASX 200 Financials Sector ETF
BetaShares S&P/ASX 200 Resources Sector 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 6 to 56 are in accordance with the *Corporations Act 2001,* including:

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

(ii) giving a true and fair view of the Funds' financial positions as at 30 June 2018 and of their performance for the financial period ended on that date; and

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

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

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

David Nathanson
Director

Alex Vynokur
Director

Sydney
17 September 2018

KPMG

Independent Auditor's Report

To the respective unitholders of the following Schemes:

BetaShares Active Australian Hybrids Fund (managed fund)

BetaShares Australia 200 ETF

BetaShares Australian Dividend Harvester Fund (managed fund)

BetaShares Australian Small Companies Select Fund (managed fund)

BetaShares Australian Sustainability Leaders ETF

BetaShares EX-20 Portfolio Diversifier ETF

BetaShares FTSE RAFI Australia 200 ETF

BetaShares Managed Risk Australian Share Fund (managed fund)

BetaShares S&P/ASX 200 Financial Sector ETF

BetaShares S&P/ASX 200 Resources Sector 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 2018 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 2018;
- 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 Ltd (the Responsible Entity).

Basis for opinions

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

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

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

Key Audit Matters

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

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

The ***Key Audit Matter*** we identified for each of the Schemes is:

- Valuation and existence of financial instruments.

Valuation and existence of financial instruments (BetaShares Active Australian Hybrids Fund (managed fund) $96,645,000, BetaShares Australia 200 ETF $49,023,000, BetaShares Australian Dividend Harvester Fund (managed fund) $187,939,000, BetaShares Australian Small Companies Select Fund (managed fund) $21,376,000, BetaShares Australian Sustainability Leaders ETF $162,810,000, BetaShares EX-20 Portfolio Diversifier ETF $36,145,000, BetaShares FTSE RAFI Australia 200 ETF $284,658,000, BetaShares Managed Risk Australian Share Fund (managed fund) $20,384,000, BetaShares S&P/ASX 200 Financial Sector ETF $21,821,000, BetaShares S&P/ASX 200 Resources Sector ETF $146,916,000).

Refer to Note 6 to the Financial Reports.

The Key Audit Matter	How the matter was addressed in our audits
Valuation and existence of financial instruments is a Key Audit Matter due to the significance of the balance to the financial statements and as the key driver of operations and performance results.	Our procedures included: • Read the Responsible Entity's fund administrator's and custodian's ASAE 3402 *Assurance Reports on Controls at a Service Organisation* (ASAE 3402) report to assess the control environment at the fund administrator and custodian and the impact on our procedures. • Assessed the scope, competency and objectivity of the auditors of the ASAE 3402 report. • Checked the valuation of financial instruments in the general ledger, to externally quoted market prices. • Checked the Responsible Entity's external custody reports to assess the ownership of the financial instruments.

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: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our Auditor's Report.

KPMG

Michael O Connell

Partner

Sydney

17 September 2018

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