

**BetaShares**

Exchange Traded Funds

12 March 2019

Market Announcements Office
ASX Limited

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

INTERIM FINANCIAL REPORT 2018

BetaShares Capital Ltd, the issuer of the following Funds, is pleased to provide the respective Interim Financial Report for the half-year ending 31 December 2018.

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

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

IMPORTANT INFORMATION: This information has been prepared by BetaShares Capital Ltd (ACN 139 566 868 AFS Licence 341181) ("BetaShares") the issuer of the Funds. It is general information only and does not take into account any person's objectives, financial situation or needs. The information does not constitute an offer of, or an invitation to purchase or subscribe for securities. You should read the relevant PDS and ASX announcements and seek professional legal, financial, taxation, and/or other professional advice before making an investment decision regarding any BetaShares Funds. For a copy of the PDS and more information about BetaShares Funds go to www.betashares.com.au or call 1300 487 577.

Units in BetaShares Funds trade on the ASX at market prices, not at NAV. An investment in any BetaShares Fund is subject to investment risk including possible delays in repayment and loss of income and principal invested. Neither BetaShares

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Booklet 4

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

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

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

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

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

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

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

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

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

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

Condensed Interim Financial Report

for the half-year ended 31 December 2018

Booklet 4
Condensed Interim Financial Report
for the half-year ended 31 December 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 condensed interim financial report of the Funds for the half-year ended 31 December 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 2018 to 31 December 2018	613 694 009
BetaShares Australia 200 ETF	Australia 200 ETF	1 July 2018 to 31 December 2018 (comparatives: 28 November 2017 to 31 December 2017)	623 014 326
BetaShares Australian Dividend Harvester Fund (managed fund)	Australian Dividend Harvester Fund	1 July 2018 to 31 December 2018	169 907 064
BetaShares Australian Small Companies Select Fund (managed fund)	Australian Small Companies Select Fund	1 July 2018 to 31 December 2018	613 693 431
BetaShares Australian Sustainability Leaders ETF	Australian Sustainability Leaders ETF	1 July 2018 to 31 December 2018	608 057 996
BetaShares EX-20 Portfolio Diversifier ETF	EX-20 Portfolio Diversifier ETF	1 July 2018 to 31 December 2018	613 691 688
BetaShares FTSE RAFI Australia 200 ETF	FTSE RAFI Australia 200 ETF	1 July 2018 to 31 December 2018	155 637 219
BetaShares Managed Risk Australian Share Fund (managed fund)	Managed Risk Australian Share Fund	1 July 2018 to 31 December 2018	602 666 384
BetaShares Australian Financials Sector ETF (formerly BetaShares S&P/ASX 200 Financials Sector ETF) ¹	Financials Sector ETF	1 July 2018 to 31 December 2018	143 220 964
BetaShares Australian Resources Sector ETF (formerly BetaShares S&P/ASX 200 Resources Sector ETF) ²	Resources Sector ETF	1 July 2018 to 31 December 2018	143 220 795

¹ On 11 February 2019 the Fund changed its name from BetaShares S&P/ASX 200 Financials Sector ETF to BetaShares Australian Financials Sector ETF.

² On 11 February 2019 the Fund changed its name from BetaShares S&P/ASX 200 Resources Sector ETF to BetaShares Australian Resources Sector 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 half-year.

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

Directors' report (continued)

Directors

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

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

Review and results of operations

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

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

Significant changes in state of affairs

On 5 May 2016, a new tax regime applying to Managed Investment Trusts was established under the *Tax Law Amendment (New Tax System for Managed Investment Trusts) Act 2016*. The Attribution Managed Investment Trust ("AMIT") regime allows Funds that meet certain requirements to make an irrevocable choice to be an AMIT. The Funds' Constitutions have been amended to allow them to operate as AMITs, and the conditions to adopt the AMIT tax regime have been met effective 1 July 2018. Consequently, the units in the Funds have been reclassified from a financial liability to equity on 1 July 2018 (see Note 3 for further information).

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

Matters subsequent to the end of the financial half-year

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

Fund	Net asset value changed by:
Resources Sector ETF	16.57%
FTSE RAFI Australia 200 ETF	10.28%
EX-20 Portfolio Diversifier ETF	12.63%
Australian Small Companies Select Fund	13.36%
Australian Sustainability Leaders ETF	10.29%
Australia 200 ETF	10.94%

Matters subsequent to the end of the financial half-year (continued)

No other matter or circumstance has arisen since 31 December 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.

S&P/ASX 200 Financials Sector ETF

- Change of name from 'BetaShares S&P/ASX 200 Financials Sector ETF' to 'BetaShares Australian Financials Sector ETF'
- Change of the index that QFN aims to track from 'S&P/ASX 200 Financial-x-A-REIT Index' to 'Solactive Australia Financials Ex-REITs Sector Index'
- Management fee has been reduced from 0.39%pa to 0.34%pa.

Likely developments and expected results of operations

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

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

Rounding of amounts to the nearest thousand dollars

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

Auditor's independence declaration

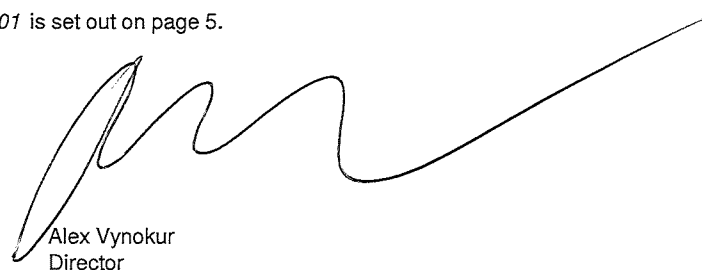
A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

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



David Nathanson
Director

Sydney
7 March 2019



Alex Vynokur
Director



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

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

BetaShares Active Australian Hybrids Fund (managed fund)

BetaShares Australia 200 ETF

BetaShares Australian Dividend Harvester Fund (managed fund)

BetaShares Australian Small Companies Select Fund (managed fund)

BetaShares Australian Sustainability Leaders ETF

BetaShares EX-20 Portfolio Diversifier ETF

BetaShares FTSE RAFI Australia 200 ETF

BetaShares Managed Risk Australian Share Fund (managed fund)

BetaShares Australian Financials Sector ETF (formerly known as
BetaShares S&P/ASX 200 Financials Sector ETF)

BetaShares Australian Resources Sector ETF (formerly known as
BetaShares S&P/ASX 200 Resources Sector ETF)

I declare that, to the best of my knowledge and belief, in relation to the review of the Schemes for the half-year ended 31 December 2018 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.


KPMG



Nicholas Buchanan

Partner

Sydney

7 March 2019

Booklet 4
Condensed interim statements of comprehensive income
For the half-year ended 31 December 2018

Condensed interim statements of comprehensive income

	Active Australian Hybrids Fund		Australia 200 ETF ¹		Australian Dividend Harvester Fund		Australian Small Companies Select Fund	
	31 December 2018 \$'000	31 December 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000
Notes								
Investment income								
Dividend/distribution income	38	82	4,655	-	7,514	18,557	417	219
Interest income	42	9	-	-	55	116	-	-
Net gains/(losses) on financial instruments held at fair value through profit or loss	121	43	(19,708)	-	(16,980)	(35,457)	(3,459)	1,328
Income on convertible instruments	3,163	-	-	-	-	-	-	-
Other operating income	70	-	8	-	-	-	-	-
Total net investment income/(loss)	3,434	134	(15,045)	-	(9,411)	(16,784)	(3,042)	1,547
Expenses								
Management fees	361	6	69	-	578	1,176	38	19
Performance fees	-	6	-	-	-	-	-	-
Expense recoveries	80	1	-	-	141	335	8	4
Transaction costs	51	11	5	-	5	11	2	2
Other operating expenses	30	3	-	-	2	31	13	12
Total operating expenses	522	27	74	-	726	1,553	61	37
Operating profit/(loss)	2,912	107	(15,119)	-	(10,137)	(18,337)	(3,103)	1,510
Finance costs attributable to unitholders								
Distributions to unitholders*	4	-	(105)	-	-	(17,848)	-	(183)
Change in net assets attributable to unitholders - liability*	3	-	(2)	-	-	36,185	-	(1,327)
Profit/(loss) for the half-year	3	2,912	-	(15,119)	-	(10,137)	(3,103)	-
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the half-year	2,912	-	(15,119)	-	(10,137)	-	(3,103)	-

* Net assets attributable to unitholders for all Funds are reclassified from liabilities to equity from 1 July 2018. As a result, the Funds' distributions are no longer classified as finance costs in the condensed interim statements of comprehensive income but rather as distributions to unitholders in the condensed interim statements of changes in equity. Refer to Note 1 for further detail.

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

¹ Refer to Note 1 for the financial reporting period.

Booklet 4
Condensed interim statements of comprehensive income
For the half-year ended 31 December 2018
(continued)

Condensed interim statements of comprehensive income

	Australian Sustainability Leaders ETF		EX-20 Portfolio Diversifier ETF		FTSE RAFI Australia 200 ETF	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Notes						
Investment income						
Dividend/distribution income	3,267	265	1,449	241	5,374	6,337
Interest income	-	-	-	-	1	1
Net gains/(losses) on financial instruments held at fair value through profit or loss	(9,225)	(332)	(11,322)	1,271	(19,422)	19,157
Other operating income	-	5	-	-	-	-
Total net investment income/(loss)	(5,958)	(62)	(9,873)	1,512	(14,047)	25,495
Expenses						
Management fees	349	17	76	14	342	418
Expense recoveries	90	5	19	4	114	139
Transaction costs	5	5	2	-	3	6
Other operating expenses	4	-	11	3	10	14
Total operating expenses	448	27	108	21	469	577
Operating profit/(loss)	(6,406)	(89)	(9,981)	1,491	(14,516)	24,918
Finance costs attributable to unitholders						
Distributions to unitholders*	4	(125)	-	(205)	-	(7,110)
Change in net assets attributable to unitholders - liability*	3	214	-	(1,286)	-	(17,808)
Profit/(loss) for the half-year	3	-	(9,981)	-	(14,516)	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the half-year	(6,406)	-	(9,981)	-	(14,516)	-

* Net assets attributable to unitholders for all Funds are reclassified from liabilities to equity from 1 July 2018. As a result, the Funds' distributions are no longer classified as finance costs in the condensed interim statements of comprehensive income but rather as distributions to unitholders in the condensed interim statements of changes in equity. Refer to Note 1 for further detail.

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

Booklet 4
Condensed interim statements of comprehensive income
For the half-year ended 31 December 2018
(continued)

Condensed interim statements of comprehensive income

	Managed Risk Australian Share Fund		Financials Sector ETF		Resources Sector ETF	
	31 December 2018 \$'000	31 December 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000
Notes						
Investment income						
Dividend/distribution income	529	664	655	722	1,217	302
Interest income	8	6	-	-	-	-
Net gains/(losses) on financial instruments held at fair value through profit or loss	(2,249)	1,545	(2,735)	(51)	(6,775)	7,450
Total net investment income/(loss)	(1,712)	2,215	(2,080)	671	(5,558)	7,752
Expenses						
Management fees	52	59	45	45	118	54
Expense recoveries	13	15	-	-	-	-
Transaction costs	1	1	-	-	1	1
Other operating expenses	2	6	1	4	3	4
Total operating expenses	68	81	46	49	122	59
Operating profit/(loss)	(1,780)	2,134	(2,126)	622	(5,680)	7,693
Finance costs attributable to unitholders						
Distributions to unitholders*	4	(776)	-	(923)	-	(246)
Change in net assets attributable to unitholders - liability*	3	(1,358)	-	301	-	(7,447)
Profit/(loss) for the half-year	3	-	(2,126)	-	(5,680)	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the half-year	(1,780)	-	(2,126)	-	(5,680)	-

* Net assets attributable to unitholders for all Funds are reclassified from liabilities to equity from 1 July 2018. As a result, the Funds' distributions are no longer classified as finance costs in the condensed interim statements of comprehensive income but rather as distributions to unitholders in the condensed interim statements of changes in equity. Refer to Note 1 for further detail.

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

Condensed interim statements of financial position

		Active Australian Hybrids Fund		Australia 200 ETF ¹		Australian Dividend Harvester Fund		Australian Small Companies Select Fund	
		31 December 2018 \$'000	30 June 2018 \$'000	31 December 2018 \$'000	30 June 2018 \$'000	31 December 2018 \$'000	30 June 2018 \$'000	31 December 2018 \$'000	30 June 2018 \$'000
	Notes								
Assets									
Cash and cash equivalents		6,474	2,904	95	35	11,562	7,300	1,045	766
Financial assets held at fair value through profit or loss	5	199,570	96,645	397,092	49,023	145,669	187,939	22,899	21,376
Due from brokers - receivable for securities sold		974	-	1,809	-	-	-	-	-
Other receivables		362	1,849	938	396	90	3,553	109	171
Total assets		207,380	101,398	399,934	49,454	157,321	198,792	24,053	22,313
Liabilities									
Financial liabilities held at fair value through profit or loss	5	-	-	-	-	620	-	-	-
Due to brokers - payable for securities purchased		819	1,551	-	9	-	-	-	42
Distributions payable	4	684	319	2,797	97	1,216	1,356	345	796
Other payables		111	94	36	5	119	308	9	15
Total liabilities (excluding net assets attributable to unitholders)		1,614	1,964	2,833	111	1,955	1,664	354	853
Net assets attributable to unitholders - liability*		-	99,434	-	49,343	-	197,128	-	21,460
Net assets attributable to unitholders - equity*	3	205,766	-	397,101	-	155,366	-	23,699	-

* Net assets attributable to unitholders are classified as equity at 31 December 2018 and as financial liability at 30 June 2018. Refer to Note 1 for further detail.

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

¹ Refer to Note 1 for the financial reporting period.

Condensed interim statements of financial position

		Australian Sustainability Leaders ETF		EX-20 Portfolio Diversifier ETF		FTSE RAFI Australia 200 ETF	
		31 December 2018 \$'000	30 June 2018 \$'000	31 December 2018 \$'000	30 June 2018 \$'000	31 December 2018 \$'000	30 June 2018 \$'000
	Notes						
Assets							
Cash and cash equivalents		400	195	49	55	25	322
Financial assets held at fair value through profit or loss	5	192,131	162,810	95,426	36,145	210,787	284,658
Due from brokers - receivable for securities sold		1,534	-	916	-	6,581	-
Other receivables		994	11,979	375	1,972	11,542	2,512
Total assets		195,059	174,984	96,766	38,172	228,935	287,492
Liabilities							
Due to brokers - payable for securities purchased		6	11,119	-	1,807	11,181	-
Distributions payable	4	2,831	1,577	1,293	1,246	6,889	11,082
Other payables		85	110	23	15	78	294
Total liabilities (excluding net assets attributable to unitholders)		2,922	12,806	1,316	3,068	18,148	11,376
Net assets attributable to unitholders - liability*		-	162,178	-	35,104	-	276,116
Net assets attributable to unitholders - equity*	3	192,137	-	95,450	-	210,787	-

* Net assets attributable to unitholders are classified as equity at 31 December 2018 and as financial liability at 30 June 2018. Refer to Note 1 for further detail.

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

Condensed interim statements of financial position

	Notes	Managed Risk Australian Share Fund		Financials Sector ETF		Resources Sector ETF	
		31 December	30 June	31 December	30 June	31 December	30 June
		2018	2018	2018	2018	2018	2018
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets							
Cash and cash equivalents		2,788	1,089	20	35	7	75
Financial assets held at fair value through profit or loss	5	34,270	20,384	29,533	21,821	33,136	146,916
Due from brokers - receivable for securities sold		195	-	985	-	1,784	-
Other receivables		86	196	4	372	4	13
Total assets		37,339	21,669	30,542	22,228	34,931	147,004
Liabilities							
Financial liabilities held at fair value through profit or loss	5	152	-	-	-	-	-
Due to brokers - payable for securities purchased		173	5	-	-	666	-
Distributions payable	4	605	323	978	302	1,096	1,286
Other payables		17	22	11	16	12	104
Total liabilities (excluding net assets attributable to unitholders)		947	350	989	318	1,774	1,390
Net assets attributable to unitholders - liability*		-	21,319	-	21,910	-	145,614
Net assets attributable to unitholders - equity*	3	36,392	-	29,553	-	33,157	-

* Net assets attributable to unitholders are classified as equity at 31 December 2018 and as financial liability at 30 June 2018. Refer to Note 1 for further detail.

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

Condensed interim statements of changes in equity

	Active Australian Hybrids Fund		Australia 200 ETF ¹		Australian Dividend Harvester Fund		Australian Small Companies Select Fund	
	31 December 2018 \$'000	31 December 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000
Total equity at the beginning of the half-year	-	-	-	-	-	-	-	-
Reclassification as equity due to AMIT tax regime implementation*	99,434	-	49,343	-	197,128	-	21,460	-
Comprehensive income for the half-year								
Profit/(loss) for the half-year	2,911	-	(15,119)	-	(10,137)	-	(3,103)	-
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income	2,911	-	(15,119)	-	(10,137)	-	(3,103)	-
Transactions with unitholders								
Applications	107,845	-	438,668	-	-	-	5,987	-
Redemptions	(1,263)	-	(72,439)	-	(24,668)	-	(318)	-
Reinvestment of distributions	118	-	1,305	-	683	-	18	-
Distributions to unitholders	(3,280)	-	(4,657)	-	(7,640)	-	(345)	-
Total transactions with unitholders	103,420	-	362,877	-	(31,625)	-	5,342	-
Total equity at the end of the half-year*	205,765	-	397,101	-	155,366	-	23,699	-

* Effective from 1 July 2018, the Funds' units have been reclassified from financial liability to equity. Refer Note 1 for further detail. As a result, equity transactions including distributions have been disclosed in the above statements for the half-year ended 31 December 2018.

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

¹ Refer to Note 1 for the financial reporting period.

Booklet 4
Condensed interim statements of changes in equity
For the half-year ended 31 December 2018
(continued)

Condensed interim statements of changes in equity

	Australian Sustainability Leaders ETF		EX-20 Portfolio Diversifier ETF		FTSE RAFI Australia 200 ETF	
	31 December 2018 \$'000	31 December 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000
Total equity at the beginning of the half-year	-	-	-	-	-	-
Reclassification as equity due to AMIT tax regime implementation*	162,178	-	35,104	-	276,116	-
Comprehensive income for the half-year						
Profit/(loss) for the half-year	(6,406)	-	(9,981)	-	(14,516)	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	(6,406)	-	(9,981)	-	(14,516)	-
Transactions with unitholders						
Applications	39,188	-	71,547	-	22,515	-
Redemptions	-	-	-	-	(69,366)	-
Reinvestment of distributions	8	-	73	-	2,927	-
Distributions to unitholders	(2,831)	-	(1,293)	-	(6,889)	-
Total transactions with unitholders	36,365	-	70,327	-	(50,813)	-
Total equity at the end of the half-year*	192,137	-	95,450	-	210,787	-

* Effective from 1 July 2018, the Funds' units have been reclassified from financial liability to equity. Refer Note 1 for further detail. As a result, equity transactions including distributions have been disclosed in the above statements for the half-year ended 31 December 2018.

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

Condensed interim statements of changes in equity

	Managed Risk Australian Share Fund		Financials Sector ETF		Resources Sector ETF	
	31 December 2018 \$'000	31 December 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000
Total equity at the beginning of the half-year	-	-	-	-	-	-
Reclassification as equity due to AMIT tax regime implementation*	21,319	-	21,910	-	145,614	-
Comprehensive income for the half-year						
Profit/(loss) for the half-year	(1,780)	-	(2,126)	-	(5,680)	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	(1,780)	-	(2,126)	-	(5,680)	-
Transactions with unitholders						
Applications	17,433	-	16,405	-	8,522	-
Redemptions	-	-	(5,683)	-	(115,274)	-
Reinvestment of distributions	25	-	25	-	1,071	-
Distributions to unitholders	(605)	-	(978)	-	(1,096)	-
Total transactions with unitholders	16,853	-	9,769	-	(106,777)	-
Total equity at the end of the half-year*	36,392	-	29,553	-	33,157	-

* Effective from 1 July 2018, the Funds' units have been reclassified from financial liability to equity. Refer Note 1 for further detail. As a result, equity transactions including distributions have been disclosed in the above statements for the half-year ended 31 December 2018.

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

Condensed interim statements of cash flows

	Active Australian Hybrids Fund		Australia 200 ETF ¹		Australian Dividend Harvester Fund		Australian Small Companies Select Fund	
	31 December 2018 \$'000	31 December 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000
Cash flows from operating activities								
Proceeds from sale of financial instruments held at fair value through profit or loss	42,120	905	77,924	-	421,170	1,001,530	1,238	2,377
Payments for purchases of financial instruments held at fair value through profit or loss	(146,630)	(21,046)	(447,519)	-	(395,260)	(885,252)	(6,262)	(7,116)
Dividends/distributions received	38	59	4,117	-	10,969	27,097	406	212
Interest received	37	2	-	-	54	121	-	-
Income on convertible instruments	3,144	-	-	-	-	-	-	-
Other operating income received	70	-	21	-	-	-	-	-
Management fees paid	(359)	-	(55)	-	(715)	(1,261)	(43)	(17)
Expense recoveries paid	(80)	-	-	-	(184)	(358)	(9)	(4)
Performance fees paid	-	-	-	-	-	-	-	(18)
Transaction costs paid	(51)	(11)	(5)	-	(5)	(11)	(2)	(2)
Other operating expenses paid	(22)	(4)	-	-	(2)	(64)	(13)	(14)
Net cash inflow/(outflow) from operating activities	(101,733)	(20,095)	(365,517)	-	36,027	141,802	(4,685)	(4,582)
Cash flows from financing activities								
Proceeds from applications by unitholders	109,372	21,347	438,668	-	-	-	6,060	6,026
Payments for redemptions by unitholders	(1,263)	-	(72,439)	-	(24,668)	(133,647)	(318)	(1,038)
Distributions paid	(2,806)	-	(652)	-	(7,097)	(17,466)	(778)	-
Net cash inflow/(outflow) from financing activities	105,303	21,347	365,577	-	(31,765)	(151,113)	4,964	4,988
Net increase/(decrease) in cash and cash equivalents	3,570	1,252	60	-	4,262	(9,311)	279	406
Cash and cash equivalents at the beginning of the half-year	2,904	-	35	-	7,300	21,807	766	257
Cash and cash equivalents at the end of the half-year	6,474	1,252	95	-	11,562	12,496	1,045	663
Non-cash financing activities								
Units issued upon reinvestment of distributions	118	-	1,305	-	683	1,655	18	-

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

¹ Refer to Note 1 for the financial reporting period.

Condensed interim statements of cash flows

	Australian Sustainability Leaders ETF		EX-20 Portfolio Diversifier ETF		FTSE RAFI Australia 200 ETF	
	31 December 2018 \$'000	31 December 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000
Cash flows from operating activities						
Proceeds from sale of financial instruments held at fair value through profit or loss	13,521	118	6,227	592	79,739	5,943
Payments for purchases of financial instruments held at fair value through profit or loss	(64,714)	(52,998)	(79,553)	(10,895)	(20,690)	(59,008)
Dividends/distributions received	3,073	8	1,233	218	7,521	7,637
Interest received	-	-	-	-	1	1
Other operating income received	-	5	-	-	-	-
Management fees paid	(372)	-	(73)	(12)	(498)	(396)
Expense recoveries paid	(95)	-	(18)	(3)	(166)	(132)
Transaction costs paid	(5)	(5)	(2)	-	(3)	(6)
Other operating expenses paid	(4)	(1)	(11)	(4)	(12)	(39)
Net cash inflow/(outflow) from operating activities	(48,596)	(52,873)	(72,197)	(10,104)	65,892	(46,000)
Cash flows from financing activities						
Proceeds from applications by unitholders	50,370	53,015	73,364	10,286	11,332	51,406
Payments for redemptions by unitholders	-	-	-	-	(69,366)	-
Distributions paid	(1,569)	-	(1,173)	(139)	(8,155)	(2,654)
Net cash inflow/(outflow) from financing activities	48,801	53,015	72,191	10,147	(66,189)	48,752
Net increase/(decrease) in cash and cash equivalents	205	142	(6)	43	(297)	2,752
Cash and cash equivalents at the beginning of the half-year	195	-	55	4	322	236
Cash and cash equivalents at the end of the half-year	400	142	49	47	25	2,988
Non-cash financing activities						
Units issued upon reinvestment of distributions	8	-	73	9	2,927	2,132

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

Condensed interim statements of cash flows

	Managed Risk Australian Share Fund		Financials Sector ETF		Resources Sector ETF	
	31 December 2018 \$'000	31 December 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000	31 December 2018 \$'000	31 December 2017 \$'000
Cash flows from operating activities						
Proceeds from sale of financial instruments held at fair value through profit or loss	846	6,500	5,695	9,514	118,046	1,617
Payments for purchases of financial instruments held at fair value through profit or loss	(16,856)	(582)	(17,128)	(16,002)	(12,159)	(54,240)
Dividends/distributions received	641	869	1,023	972	1,217	302
Interest received	7	6	-	-	-	-
Management fees paid	(57)	(61)	(49)	(42)	(201)	(39)
Expense recoveries paid	(14)	(15)	-	-	-	-
Transaction costs paid	(1)	(1)	-	-	(1)	(1)
Other operating expenses paid	(2)	(9)	(1)	(6)	(3)	(7)
Net cash inflow/(outflow) from operating activities	(15,436)	6,707	(10,460)	(5,564)	106,899	(52,368)
Cash flows from financing activities						
Proceeds from applications by unitholders	17,433	-	16,405	15,565	8,522	52,556
Payments for redemptions by unitholders	-	(6,490)	(5,683)	(9,268)	(115,274)	-
Distributions paid	(298)	(347)	(277)	(284)	(215)	(198)
Net cash inflow/(outflow) from financing activities	17,135	(6,837)	10,445	6,013	(106,967)	52,358
Net increase/(decrease) in cash and cash equivalents	1,699	(130)	(15)	449	(68)	(10)
Cash and cash equivalents at the beginning of the half-year	1,089	1,068	35	28	75	23
Cash and cash equivalents at the end of the half-year	2,788	938	20	477	7	13
Non-cash financing activities						
Units issued upon reinvestment of distributions	25	12	25	21	1,071	9

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

Contents of the notes to the condensed interim financial statements

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1 General information

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

Abbreviated Fund name	Registered date	Commenced date	Financial reporting period
Active Australian Hybrids Fund	26 July 2016	13 November 2017	1 July 2018 to 31 December 2018
Australia 200 ETF	28 November 2017	7 May 2018	1 July 2018 to 31 December 2018 (comparatives: 28 November 2017 to 31 December 2017)
Australian Dividend Harvester Fund	16 June 2014	29 October 2014	1 July 2018 to 31 December 2018
Australian Small Companies Select Fund	26 July 2016	7 April 2017	1 July 2018 to 31 December 2018
Australian Sustainability Leaders ETF	11 September 2015	27 November 2017	1 July 2018 to 31 December 2018
EX-20 Portfolio Diversifier ETF	26 July 2016	5 October 2016	1 July 2018 to 31 December 2018
FTSE RAFI Australia 200 ETF	22 February 2012	10 July 2013	1 July 2018 to 31 December 2018
Managed Risk Australian Share Fund	16 June 2014	10 November 2015	1 July 2018 to 31 December 2018
Financials Sector ETF ¹	3 May 2010	10 December 2010	1 July 2018 to 31 December 2018
Resources Sector ETF ²	3 May 2010	10 December 2010	1 July 2018 to 31 December 2018

¹ On 11 February 2019 the Fund changed its name from BetaShares S&P/ASX 200 Financials Sector ETF to BetaShares Australian Financials Sector ETF.

² On 11 February 2019 the Fund changed its name from BetaShares S&P/ASX 200 Resources Sector ETF to BetaShares Australian Resources Sector 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.

On 5 May 2016, a new tax regime applying to Managed Investment Trusts was established under the Tax Law Amendment (*New Tax System for Managed Investment Trusts*) Act 2016. The Attribution Managed Investment Trust (AMIT) regime allows funds that meet certain requirements to make an irrevocable choice to be AMITs. The Funds' Constitutions have been amended to allow them to operate as AMITs and the conditions to adopt the AMIT tax regime have been met. The Responsible Entity elected into the AMIT regime for the Funds effective from 1 July 2018. Under the AMIT regime the units in the Funds have been reclassified from financial liability to equity from 1 July 2018.

The condensed interim financial statements were authorised for issue by the directors of the Responsible Entity on 7 March 2019. The directors of the Responsible Entity have the power to amend and reissue the condensed interim financial statements.

The condensed interim financial statements are presented in Australian dollars, which 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, except for the new accounting standards effective 1 July 2018, as discussed in note 2 (b) below.

2 Summary of significant accounting policies (continued)

(a) Basis of preparation

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

These condensed interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2018 and any continuous disclosure requirements of the *Corporations Act 2001*.

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

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

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

Use of estimates and judgement

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.

Change in accounting estimate

During the half-year, the Funds changed their valuation inputs for the fair value of listed financial assets and liabilities recognised in the financial statements from bid prices to last traded prices to be consistent with the inputs used for the calculation of unit prices. Therefore there is no difference between the valuation of Funds' assets for unit pricing and financial reporting purposes from 1 July 2018 onwards. This change does not affect the valuation of investments for unit pricing purposes. The use of last traded price is considered by management to be an appropriate estimate of fair value.

2 Summary of significant accounting policies (continued)

(b) Changes in accounting policies

Except as disclosed below, the accounting policies adopted in these condensed interim financial statements are consistent with those of the previous financial year. On 1 July 2018 the Funds adopted AASB 9 *Financial instruments* and AASB 15 *Revenue from Contracts with Customers*. The impact of these standards and interpretations is set out below:

- AASB 9: *Financial Instruments* (effective 1 July 2018) (AASB 9)

AASB 9 contains requirements in relation to the classification, measurement and de-recognition of financial assets and liabilities, replacing the recognition and measurement requirements in AASB 139 *Financial instruments: Recognition and Measurement*. Under the new requirements the four current categories of financial assets are replaced with three measurement categories: fair value through profit or loss, fair value through other comprehensive income, and amortised cost. Financial assets can only be measured at amortised cost where very specific conditions are met.

AASB 9 introduces a new hedge accounting requirements including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures. There are no material impacts to the Funds on adoption of AASB 9 hedge accounting requirements.

There was no impact on the Funds upon adoption of AASB 9 as the Funds currently classify financial assets and financial liabilities at fair value through profit or loss.

Derivative financial instruments such as futures and swaps are recognised at fair value through profit or loss. Only the Australian Dividend Harvester Fund and Managed Risk Australian Share Fund designate derivatives as hedges in a hedging relationship.

AASB 9 also introduces a new impairment model. However, as the Funds' investments are all held at fair value through profit or loss, the change in impairment rules did not have a material impact on the Funds.

- AASB 15 : *Revenue From Contracts With Customers* (effective 1 July 2018) (AASB 15)

AASB 15 supersedes AASB 18 *Revenue* and AASB 111 *Construction Contracts*. Although AASB 15 is principles-based, it is a significant change from the current revenue requirements and will involve more judgements and estimates as revenue is recognised when control of a good or service transfers to a customer, or on satisfaction of performance obligations under contracts, which replaces the existing notion of risk and rewards.

There was no impact on the Funds upon the adoption of AASB 15 as the Funds' revenue recognition of interest, dividend and distribution income, investment gains/(losses) and foreign exchange gains/(losses) were unaffected as these items are excluded from the scope of AASB 15.

3 Net assets attributable to unitholders

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

Prior to 1 July 2018 the Funds classified their net assets attributable to unitholders as liabilities in accordance with AASB 132. Effective 1 July 2018, the Funds have elected into the AMIT tax regime. The net assets attributable to unitholders of the Funds meet the criteria set out under AASB 132 and are classified as equity from 1 July 2018 onwards.

3 Net assets attributable to unitholders

As a result of the reclassification of net assets attributable to unitholders from liabilities to equity, the Funds' distributions are no longer classified as finance cost in the condensed interim statements of comprehensive income, but rather as distributions to unitholders in the condensed interim statements of changes in equity.

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

	Active Australian Hybrids Fund				Australia 200 ETF			
	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	Units '000	Units '000	\$'000	\$'000	Units '000	Units '000	\$'000	\$'000
Net assets attributable to unitholders								
Opening balance*	10,020	-	99,434	-	480	-	49,343	-
Applications	10,753	2,176	107,845	21,863	4,470	-	438,668	-
Redemptions	(126)	-	(1,263)	-	(750)	-	(72,439)	-
Units issued upon reinvestment of distributions	12	-	118	-	13	-	1,305	-
Change in net assets attributable to unitholders*	-	-	-	2	-	-	-	-
Distributions to unitholders	-	-	(3,280)	-	-	-	(4,657)	-
Profit/(loss) for the half-year	-	-	2,912	-	-	-	(15,119)	-
Closing balance*	20,659	2,176	205,766	21,865	4,213	-	397,101	-

	Australian Dividend Harvester Fund				Australian Small Companies Select Fund			
	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017
	Units '000	Units '000	\$'000	\$'000	Units '000	Units '000	\$'000	\$'000
Net assets attributable to unitholders								
Opening balance*	12,404	23,640	197,128	438,412	6,400	3,008	21,460	9,086
Applications	-	-	-	-	1,862	1,868	5,987	5,963
Redemptions	(1,600)	(7,700)	(24,668)	(133,647)	(99)	(317)	(318)	(1,038)
Units issued upon reinvestment of distributions	44	93	683	1,655	6	-	18	-
Change in net assets attributable to unitholders*	-	-	-	(36,185)	-	-	-	1,327
Distributions to unitholders	-	-	(7,640)	-	-	-	(345)	-
Profit/(loss) for the half-year	-	-	(10,137)	-	-	-	(3,103)	-
Closing balance*	10,848	16,033	155,366	270,235	8,169	4,559	23,699	15,338

* Net assets attributable to unitholders are classified as equity at 31 December 2018 and as financial liability at 31 December 2017. Refer to Note 1 for further detail.

3 Net assets attributable to unitholders (continued)

	Australian Sustainability Leaders ETF				EX-20 Portfolio Diversifier ETF			
	31 December 2018 Units '000	31 December 2017 Units '000	31 December 2018 \$'000	31 December 2017 \$'000	31 December 2018 Units '000	31 December 2017 Units '000	31 December 2018 \$'000	31 December 2017 \$'000
Net assets attributable to unitholders								
Opening balance*	10,300	-	162,178	-	2,001	700	35,104	11,094
Applications	2,500	3,500	39,188	53,015	4,100	600	71,547	10,286
Redemptions	-	-	-	-	-	-	-	-
Units issued upon reinvestment of distributions	-	-	8	-	4	1	73	9
Change in net assets attributable to unitholders*	-	-	-	(214)	-	-	-	1,286
Distributions to unitholders	-	-	(2,831)	-	-	-	(1,293)	-
Profit/(loss) for the half-year	-	-	(6,406)	-	-	-	(9,981)	-
Closing balance*	12,800	3,500	192,137	52,801	6,105	1,301	95,450	22,675

	FTSE RAFI Australia 200 ETF				Managed Risk Australian Share Fund			
	31 December 2018 Units '000	31 December 2017 Units '000	31 December 2018 \$'000	31 December 2017 \$'000	31 December 2018 Units '000	31 December 2017 Units '000	31 December 2018 \$'000	31 December 2017 \$'000
Net assets attributable to unitholders								
Opening balance*	20,611	18,900	276,116	239,914	1,312	2,001	21,319	30,860
Applications	1,800	5,400	22,515	72,213	1,100	-	17,433	-
Redemptions	(5,100)	-	(69,366)	-	-	(400)	-	(6,490)
Units issued upon reinvestment of distributions	218	168	2,927	2,132	1	1	25	12
Change in net assets attributable to unitholders*	-	-	-	17,808	-	-	-	1,358
Distributions to unitholders	-	-	(6,889)	-	-	-	(605)	-
Profit/(loss) for the half-year	-	-	(14,516)	-	-	-	(1,780)	-
Closing balance*	17,529	24,468	210,787	332,067	2,413	1,602	36,392	25,740

* Net assets attributable to unitholders are classified as equity at 31 December 2018 and as financial liability at 31 December 2017. Refer to Note 1 for further detail.

3 Net assets attributable to unitholders (continued)

	Financials Sector ETF				Resources Sector ETF			
	31 December 2018 Units '000	31 December 2017 Units '000	31 December 2018 \$'000	31 December 2017 \$'000	31 December 2018 Units '000	31 December 2017 Units '000	31 December 2018 \$'000	31 December 2017 \$'000
Net assets attributable to unitholders								
Opening balance*	1,961	2,355	21,910	27,090	23,642	3,640	145,614	16,188
Applications	1,500	1,300	16,405	15,565	1,400	10,000	8,522	52,556
Redemptions	(500)	(800)	(5,683)	(9,268)	(19,200)	-	(115,274)	-
Units issued upon reinvestment of distributions	2	2	25	21	174	2	1,071	9
Change in net assets attributable to unitholders*	-	-	-	(301)	-	-	-	7,447
Distributions to unitholders	-	-	(978)	-	-	-	(1,096)	-
Profit/(loss) for the half-year	-	-	(2,126)	-	-	-	(5,680)	-
Closing balance*	2,963	2,857	29,553	33,107	6,016	13,642	33,157	76,200

* Net assets attributable to unitholders are classified as equity at 31 December 2018 and as financial liability at 31 December 2017. Refer to Note 1 for further detail.

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 until 30 June 2018. 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 half-year were as follows:

	Active Australian Hybrids Fund				Australia 200 ETF			
	31 December 2018 \$ '000	31 December 2018 CPU	31 December 2017 \$ '000	31 December 2017 CPU	31 December 2018 \$'000	31 December 2018 CPU	31 December 2017 \$ '000	31 December 2017 CPU
Distributions paid - July	405	3.50	-	-	-	-	-	-
Distributions paid - August	462	3.31	-	-	-	-	-	-
Distributions paid - September	484	3.02	-	-	1,860	112.77	-	-
Distributions paid - October	625	3.50	-	-	-	-	-	-
Distributions paid - November	620	3.14	-	-	-	-	-	-
Distributions payable - December	684	3.31	105	4.81	2,797	66.39	-	-
Total distributions	3,280		105		4,657		-	

	Australian Dividend Harvester Fund				Australian Small Companies Select Fund			
	31 December 2018 \$'000	31 December 2018 CPU	31 December 2017 \$'000	31 December 2017 CPU	31 December 2018 \$'000	31 December 2018 CPU	31 December 2017 \$'000	31 December 2017 CPU
Distributions paid - July	1,357	11.21	3,504	15.00	-	-	-	-
Distributions paid - August	1,313	11.21	3,236	15.00	-	-	-	-
Distributions paid - September	1,292	11.21	3,029	15.00	-	-	-	-
Distributions paid - October	1,236	11.21	2,836	15.00	-	-	-	-
Distributions paid - November	1,226	11.21	2,838	15.00	-	-	-	-
Distributions payable - December	1,216	11.21	2,405	15.00	345	4.22	183	4.02
Total distributions	7,640		17,848		345		183	

4 Distributions to unitholders (continued)

	Australian Sustainability Leaders ETF				EX-20 Portfolio Diversifier ETF			
	31 December 2018 \$'000	31 December 2018 CPU	31 December 2017 \$'000	31 December 2017 CPU	31 December 2018 \$'000	31 December 2018 CPU	31 December 2017 \$'000	31 December 2017 CPU
Distributions payable - December	2,831	22.11	125	3.59	1,293	21.17	205	15.79
Total distributions	2,831		125		1,293		205	

	FTSE RAFI Australia 200 ETF				Managed Risk Australian Share Fund			
	31 December 2018 \$'000	31 December 2018 CPU	31 December 2017 \$'000	31 December 2017 CPU	31 December 2018 \$'000	31 December 2018 CPU	31 December 2017 \$'000	31 December 2017 CPU
Distributions payable - December	6,889	39.30	7,110	29.06	605	25.07	776	48.44
Total distributions	6,889		7,110		605		776	

	Financials Sector ETF				Resources Sector ETF			
	31 December 2018 \$'000	31 December 2018 CPU	31 December 2017 \$'000	31 December 2017 CPU	31 December 2018 \$'000	31 December 2018 CPU	31 December 2017 \$'000	31 December 2017 CPU
Distributions payable - December	978	33.01	923	32.31	1,096	18.23	246	1.80
Total distributions	978		923		1,096		246	

5 Financial instruments held at fair value through profit or loss

	Active Australian Hybrids Fund		Australia 200 ETF		Australian Dividend Harvester Fund	
	31 December 2018 \$'000	30 June 2018 \$'000	31 December 2018 \$'000	30 June 2018 \$'000	31 December 2018 \$'000	30 June 2018 \$'000
Financial assets						
Held for trading						
Futures contracts	-	-	-	4	-	-
Total held for trading	-	-	-	4	-	-
Designated at fair value through profit or loss						
Listed securities	5,007	2,503	397,092	49,019	145,669	187,939
Listed & unlisted hybrid and debt securities	194,563	94,142	-	-	-	-
Total designated at fair value through profit or loss	199,570	96,645	397,092	49,019	145,669	187,939
Total financial assets held at fair value through profit or loss	199,570	96,645	397,092	49,023	145,669	187,939
Financial liabilities						
Held for trading						
Futures contracts	-	-	-	-	620	-
Total held for trading	-	-	-	-	620	-
Total financial liabilities held at fair value through profit or loss	-	-	-	-	620	-
	Australian Small Companies Select Fund		Australian Sustainability Leaders ETF		EX-20 Portfolio Diversifier ETF	
	31 December 2018 \$'000	30 June 2018 \$'000	31 December 2018 \$'000	30 June 2018 \$'000	31 December 2018 \$'000	30 June 2018 \$'000
Financial assets						
Designated at fair value through profit or loss						
Listed securities	22,899	21,376	192,131	162,810	95,426	36,145
Total designated at fair value through profit or loss	22,899	21,376	192,131	162,810	95,426	36,145
Total financial assets held at fair value through profit or loss	22,899	21,376	192,131	162,810	95,426	36,145

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

	FTSE RAFI Australia 200 ETF		Managed Risk Australian Share Fund		Financials Sector ETF	
	31 December 2018 \$'000	30 June 2018 \$'000	31 December 2018 \$'000	30 June 2018 \$'000	31 December 2018 \$'000	30 June 2018 \$'000
Financial assets						
Held for trading						
Futures contracts	-	31	-	-	-	-
Total held for trading	-	31	-	-	-	-
Designated at fair value through profit or loss						
Listed securities	210,787	284,627	34,270	20,384	29,533	21,821
Total designated at fair value through profit or loss	210,787	284,627	34,270	20,384	29,533	21,821
Total financial assets held at fair value through profit or loss	210,787	284,658	34,270	20,384	29,533	21,821
Financial liabilities						
Held for trading						
Index swaps	-	-	152	-	-	-
Total held for trading	-	-	152	-	-	-
Total financial liabilities held at fair value through profit or loss	-	-	152	-	-	-
					Resources Sector ETF	
					31 December 2018 \$'000	30 June 2018 \$'000
Financial assets						
Designated at fair value through profit or loss						
Listed securities					33,136	146,916
Total designated at fair value through profit or loss					33,136	146,916
Total financial assets held at fair value through profit or loss					33,136	146,916

6 Fair value measurements

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

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

Fair value estimation

The carrying amounts of the Funds' assets and liabilities at the end of each reporting period approximate their fair values.

Financial assets and liabilities 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 condensed interim statements of comprehensive income.

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

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

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

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

In the prior year, the current bid or asking price was used for the quoted market price. There has been no material impact on the valuation of assets and liabilities from this change in estimates.

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.

6 Fair value measurements (continued)

Fair value estimation (continued)

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

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

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

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

(iii) Recognised fair value measurements

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

	Active Australian Hybrids Fund				Active Australian Hybrids Fund			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	31 December	31 December	31 December	31 December	30 June	30 June	30 June	30 June
	2018	2018	2018	2018	2018	2018	2018	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Financial assets designated at fair value through profit or loss:								
Listed securities	5,007	-	-	5,007	2,503	-	-	2,503
Listed & unlisted hybrid and debt securities	176,892	17,671	-	194,563	94,142	-	-	94,142
Total	181,899	17,671	-	199,570	96,645	-	-	96,645

	Australia 200 ETF				Australia 200 ETF			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	31 December	31 December	31 December	31 December	30 June	30 June	30 June	30 June
	2018	2018	2018	2018	2018	2018	2018	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Financial assets held for trading:								
Futures contracts	-	-	-	-	4	-	-	4
Financial assets designated at fair value through profit or loss:								
Listed securities	397,092	-	-	397,092	49,019	-	-	49,019
Total	397,092	-	-	397,092	49,023	-	-	49,023

6 Fair value measurements (continued)

Fair value estimation (continued)

(iii) Recognised fair value measurements (continued)

	Australian Dividend Harvester Fund				Australian Dividend Harvester Fund			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	31 December	31 December	31 December	31 December	30 June	30 June	30 June	30 June
	2018	2018	2018	2018	2018	2018	2018	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Financial assets designated at fair value through profit or loss:								
Listed securities	145,669	-	-	145,669	187,939	-	-	187,939
Total	145,669	-	-	145,669	187,939	-	-	187,939
Financial liabilities								
Financial liabilities held for trading:								
Futures contracts	620	-	-	620	-	-	-	-
Total	620	-	-	620	-	-	-	-
	Australian Small Companies Select Fund				Australian Small Companies Select Fund			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	31 December	31 December	31 December	31 December	30 June	30 June	30 June	30 June
	2018	2018	2018	2018	2018	2018	2018	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Financial assets designated at fair value through profit or loss:								
Listed securities	22,899	-	-	22,899	21,376	-	-	21,376
Total	22,899	-	-	22,899	21,376	-	-	21,376
	Australian Sustainability Leaders ETF				Australian Sustainability Leaders ETF			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	31 December	31 December	31 December	31 December	30 June	30 June	30 June	30 June
	2018	2018	2018	2018	2018	2018	2018	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Financial assets held for trading:								
Listed securities	192,131	-	-	192,131	162,810	-	-	162,810
Total	192,131	-	-	192,131	162,810	-	-	162,810

6 Fair value measurements (continued)

Fair value estimation (continued)

(iii) Recognised fair value measurements (continued)

Financial assets

Financial assets held for trading:

 Listed securities

Total

EX-20 Portfolio Diversifier ETF				EX-20 Portfolio Diversifier ETF			
Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
31 December 2018	31 December 2018	31 December 2018	31 December 2018	30 June 2018	30 June 2018	30 June 2018	30 June 2018
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
95,426	-	-	95,426	36,145	-	-	36,145
95,426	-	-	95,426	36,145	-	-	36,145

Financial assets

Financial assets held for trading:

 Futures contracts

Financial assets designated at fair value through profit or loss:

 Listed securities

Total

FTSE RAFI Australia 200 ETF				FTSE RAFI Australia 200 ETF			
Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
31 December 2018	31 December 2018	31 December 2018	31 December 2018	30 June 2018	30 June 2018	30 June 2018	30 June 2018
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
-	-	-	-	31	-	-	31
210,768	-	19	210,787	284,608	-	19	284,627
210,768	-	19	210,787	284,639	-	19	284,658

6 Fair value measurements (continued)

Fair value estimation (continued)

(iii) Recognised fair value measurements (continued)

Financial assets

Financial assets designated at fair value through profit or loss:

Listed securities

Total

Financial liabilities

Financial liabilities held for trading:

Index swaps

Total

Managed Risk Australian Share Fund				Managed Risk Australian Share Fund			
Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
31 December	31 December	31 December	31 December	30 June	30 June	30 June	30 June
2018	2018	2018	2018	2018	2018	2018	2018
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
34,270	-	-	34,270	20,384	-	-	20,384
34,270	-	-	34,270	20,384	-	-	20,384
152	-	-	152	-	-	-	-
152	-	-	152	-	-	-	-

Financials Sector ETF

Financials Sector ETF

Financial assets

Financial assets designated at fair value through profit or loss:

Listed securities

Total

Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
31 December	31 December	31 December	31 December	30 June	30 June	30 June	30 June
2018	2018	2018	2018	2018	2018	2018	2018
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
29,533	-	-	29,533	21,821	-	-	21,821
29,533	-	-	29,533	21,821	-	-	21,821

6 Fair value measurements (continued)

Fair value estimation (continued)

(iii) Recognised fair value measurements (continued)

	Resources Sector ETF				Resources Sector ETF			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	31 December	31 December	31 December	31 December	30 June	30 June	30 June	30 June
	2018	2018	2018	2018	2018	2018	2018	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Financial assets designated at fair value through profit or loss:								
Listed securities	33,136	-	-	33,136	146,916	-	-	146,916
Total	33,136	-	-	33,136	146,916	-	-	146,916

(iv) Transfers between levels

There were no transfers between levels during the half-year ended 31 December 2018.

(v) Movement in level 3 instruments

The following table presents the Funds that had movement in level 3 instruments for the half-year ended 31 December 2018 and 30 June 2018 by class of financial instrument:

	Listed securities		Listed securities		Listed securities	
	Australian Small Companies Select Fund	Australian Small Companies Select Fund	EX-20 Portfolio Diversifier ETF	EX-20 Portfolio Diversifier ETF	FTSE RAFI Australia 200 ETF	FTSE RAFI Australia 200 ETF
	31 December	30 June	31 December	30 June	31 December	30 June
	2018	2018	2018	2018	2018	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance	-	-	-	-	19	16
Purchases	17	-	51	-	31	3
Sales	-	-	(41)	-	(103)	-
Transfers into/(out) from level 3	84	-	24	-	128	-
Gains/(losses) recognised in profit or loss	(101)	-	(34)	-	(56)	-
Closing balance	-	-	-	-	19	19
Total gains/(losses) for the period included in the condensed interim statements of comprehensive income for financial assets and liabilities held at the end of the half-year	(101)	-	(34)	-	(56)	-

6 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 unitholders' 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 half-year.

7 Related party transactions

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

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

8 Events occurring after the reporting period

S&P/ASX 200 Financials Sector ETF

- Change of name from 'BetaShares S&P/ASX 200 Financials Sector ETF' to 'BetaShares Australian Financials Sector ETF'
- Change of the index that QFN aims to track from 'S&P/ASX 200 Financial-x-A-REIT Index' to 'Solactive Australia Financials Ex-REITs Sector Index'
- Management fee has been reduced from 0.39%pa to 0.34%pa.

S&P/ASX 200 Resources Sector ETF

- Change of name from 'BetaShares S&P/ASX 200 Resources Sector ETF' to 'BetaShares Australian Resources Sector ETF'
- Change of the index that QRE aims to track from 'S&P/ASX 200 Resources Index' to 'Solactive Australia Resources Sector Index'
- Management fee has been reduced from 0.39%pa to 0.34%pa.

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

Fund	Net asset value changed by:
Resources Sector ETF	16.57%
FTSE RAFI Australia 200 ETF	10.28%
EX-20 Portfolio Diversifier ETF	12.63%
Australian Small Companies Select Fund	13.36%
Australian Sustainability Leaders ETF	10.29%
Australia 200 ETF	10.94%

8 Events occurring after the reporting period (continued)

No other significant events have occurred since the end of the reporting period which would impact on the financial position of the Funds disclosed in the condensed interim statements of financial position as at 31 December 2018 or on the results and cash flows of the Funds for the period ended on that date.

9 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 31 December 2018 and 30 June 2018.

Directors' declaration

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

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

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

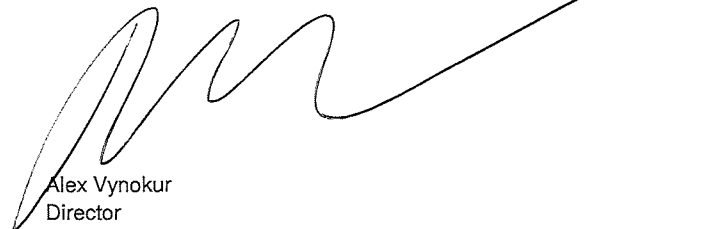
- (a) the condensed interim financial statements and notes set out on pages 6 to 35 are in accordance with the *Corporations Act 2001*, including:
- (i) complying with AASB 134 *Interim Financial Reporting, the Corporations Regulations 2001*; and
 - (ii) giving a true and fair view of the Funds' financial positions as at 31 December 2018 and of their performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that the Funds will be able to pay their debts as and when they become due and payable.

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



David Nathanson
Director

Sydney
7 March 2019



Alex Vynokur
Director



Independent Auditor's Review Report

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

BetaShares Active Australian Hybrids Fund (managed fund)

BetaShares Australia 200 ETF

BetaShares Australian Dividend Harvester Fund (managed fund)

BetaShares Australian Small Companies Select Fund (managed fund)

BetaShares Australian Sustainability Leader ETF

BetaShares EX-20 Portfolio Diversifier ETF

BetaShares FTSE RAFI Australia 200 ETF

BetaShares Managed Risk Australian Share Fund (managed fund)

BetaShares Australian Financials Sector ETF (formerly known as BetaShares S&P/ASX 200 Financials Sector ETF)

BetaShares Australian Resources Sector ETF (formerly known as BetaShares S&P/ASX 200 Resources Sector ETF)

Conclusion

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

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

- giving a true and fair view of the Schemes' financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Condensed Interim Financial Reports** comprise:

- Condensed interim statements of financial position as at 31 December 2018
- Condensed interim statements of comprehensive income, Condensed interim statements of changes in equity and Condensed interim statements of cash flows for the half-year ended on that date
- Notes 1 to 9 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.



Responsibilities of the Directors for the Condensed Interim Financial Reports

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

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

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

Our responsibility is to express a conclusion on the Condensed Interim Financial Reports based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Condensed Interim Financial Reports are not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Schemes financial position as at 31 December 2018 and their performance for the half-year ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of the Schemes, *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a Condensed Interim Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards*

and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

KPMG

Nicholas Buchanan

Partner

Sydney

7 March 2019