



29 April 2020

Market Announcements Office
ASX Limited

**UPDATE REGARDING TEMPORARY CHANGE TO OOO'S UNDERLYING FUTURES
EXPOSURE FROM ONE-MONTH TO THREE-MONTH WTI CRUDE OIL FUTURES CONTRACTS**

We refer to the announcement made on 23 April 2020 regarding the BetaShares Crude Oil Index ETF – Currency Hedged (synthetic) (the “Fund”) to temporarily replace its investment exposure to the one-month (currently June 2020) WTI crude oil futures contract with exposure to the three-month (currently September 2020) contract until further notice, to reduce the risk to the Fund of the June 2020 futures contract trading at negative prices in the unprecedented global oil market conditions evident since last week.

We wish to advise that S&P Dow Jones Indices, the provider of the S&P GSCI Crude Oil Index Excess Return (the “Index”), whose AUD-hedged performance the Fund aims to track before fees and expenses, has announced an unscheduled roll of the WTI crude oil futures contract comprising the Index away from the June 2020 contract, in view the high level of risk associated with that exposure. The Index provider has made this change “based on the potential for the June 2020 WTI Crude Oil contract to price at or below zero as well as the steady decline in open interest for the June 2020 contract.” The Index will implement a roll from the June 2020 contract to the July 2020 contract on 28 April 2020 (U.S. time)ⁱ

The Index provider’s standard procedure for rolling from one futures contract to the next under the index methodology is to implement the roll over a period of 5 days on a scheduled basis, but in this case the roll is to be implemented over a one-day period, reflecting a desire for prompt action.

While the Fund does not have exposure to the June 2020 contract or the July 2020 contract due to the move to obtain exposure to the September 2020 contract announced on 23 April 2020, the announcement by the Index provider is further confirmation of the high level of risk associated with exposure to the near-term WTI crude oil futures contract.

The Index provider has also announced that it will issue a public consultation shortly requesting feedback on the current market conditions and additional measures that its Index Committee should consider.¹ As issuer of the Fund, BetaShares will take into account any developments when considering any further decisions regarding the Fund.

As previously announced, the Fund’s exposure to the three-month futures contract can be expected to temporarily result in a higher level of tracking error for Fund performance relative to the Index than would otherwise be the case (as the Index will continue to reflect the one-month contract).

As this information does not take into account the personal circumstances of any particular investor, investors should consider consulting their financial adviser regarding this announcement.

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ⁱ Source: S&P Dow Jones Indices, Index Announcement titled "Treatment of WTI Crude Oil in S&P Dow Jones Commodity Indices", New York, 27 April 2020.