

3 April 2025

Market Announcements Office  
ASX Limited

### Product Disclosure Statement

Betashares Capital Ltd announces that the following Betashares Fund has changed its name in accordance with the revised naming conventions for Exchange Traded Products set out in ASIC Information Sheet 230:

ASX Code	Old Fund Name	New Fund Name
QAU	Betashares Gold Bullion ETF - Currency Hedged	Betashares Gold Bullion Currency Hedged ETF

A replacement product disclosure statement (PDS) has been issued today in respect of the Fund to reflect the name change. The replacement PDS supersedes the PDS dated 30 September 2022.

The Fund's investment objective, strategy, fees and other key features remain unchanged.

A copy of the PDS is attached.

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**IMPORTANT INFORMATION:** This information has been prepared by Betashares Capital Ltd (ABN 78 139 566 868 AFS Licence 341181) (Betashares), the issuer of the Betashares 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 Product Disclosure Statement (PDS), Target Market Determination (TMD) and ASX announcements and seek professional legal, financial, taxation, and/or other professional advice before making an investment decision regarding Betashares Funds. For a copy of the PDS, TMD and more information about Betashares Funds, go to [www.betashares.com.au](http://www.betashares.com.au) or call 1300 487 577.

Units in Betashares funds trade on the ASX at market prices, not at NAV. An investment in any Betashares Fund is subject to investment risk including possible delays in repayment and loss of income and principal invested. Neither Betashares Capital Ltd nor Betashares Holdings Pty Ltd guarantees the performance of any fund or the repayment of capital or any particular rate of return.

Product Disclosure Statement

# Betashares Gold Bullion Currency Hedged ETF

ASX: QAU

Betashares Capital Ltd ABN 78 139 566 868 | AFSL 341181



## IMPORTANT INFORMATION

### About this PDS

This Product Disclosure Statement (**PDS**) is dated 3 April 2025.

Betashares Capital Ltd ABN 78 139 566 868 AFS Licence 341181 is the issuer of this PDS and is responsible for its contents. In this PDS references to the "Responsible Entity", "Betashares", "we", "our" and "us" refer to Betashares Capital Ltd.

This PDS is the offer document for the following registered managed investment scheme: Betashares Gold Bullion Currency Hedged ETF (ARSN 150 081 851) (the "Fund").

A copy of this PDS has been lodged with the Australian Securities and Investments Commission (**ASIC**) on 3 April 2025. Neither ASIC nor ASX Limited takes any responsibility for the contents of this PDS.

The Fund commenced operations on 3 May 2011. An application was made to, and approved by, the ASX for Units to be quoted for trading on the AQUA market of the ASX. The Units are currently quoted for trading on the AQUA market of the ASX under the AQUA Rules.

A copy of the latest PDS for the Fund is available on the Betashares website at [www.betashares.com.au](http://www.betashares.com.au) or by contacting Betashares on (02) 9290 6888. A paper copy will be provided free of charge on request.

### The offer

The offer under this PDS is for certain financial institutions, called "Authorised Participants". Certain sections of the PDS (particularly those relating to applications for and redemptions of Units in the normal course) are of direct relevance to Authorised Participants only.

Other investors cannot apply for Units under this PDS, but can buy Units on the ASX through a stockbroker, or via a financial adviser. Such investors may use this PDS for information purposes only.

The offer to which this PDS relates is available to Authorised Participants receiving the PDS (electronically or otherwise) in Australia, or in certain overseas jurisdictions by direct arrangement with the Responsible Entity.

This PDS does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer.

No action has been taken to register or qualify the Fund in any jurisdiction outside Australia and New Zealand, although the Responsible Entity reserves the right to do so at any time. The distribution of this PDS outside Australia and New Zealand may be restricted by law and persons who come into possession of this PDS outside Australia and New Zealand should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law.

Units have not been registered under the United States Securities Act of 1933 (as amended) and except in a transaction which does not violate such Act, may not be directly or indirectly offered or sold in the United States of America or any of its territories or for the benefit of a US Person (as defined in Regulation S of such Act).

### PDS updates

Information in this PDS that is not materially adverse to investors is subject to change from time to time and may be updated by the Responsible Entity by publishing such information on the Betashares website at [www.betashares.com.au](http://www.betashares.com.au). A paper copy of any updated information will be provided free of charge on request. Any new or updated information that is materially adverse to investors will be available to investors via a supplementary or new PDS accessible via the ASX Market Announcements Platform.

### Risks

An investment in the Units is subject to risk (refer to section 4), which may include possible delays in repayment and loss of income and capital invested.

None of Betashares Holdings Pty Ltd, Betashares, or any of their related entities, directors or officers gives any guarantee or assurance as to the performance of, or the repayment of capital or income reinvested in, the Fund. Betashares Holdings Pty Ltd and its related entities may invest in, lend to or provide other services to the Fund.

### Not personal advice

This PDS is prepared for general information only and is not financial product advice. It is not intended to be a recommendation by the Responsible Entity, any of the Responsible Entity's associates or any other person to invest in the Fund. In preparing this PDS, the Responsible Entity did not take into account the investment objectives, financial situation or particular needs of any particular person. Before making an investment decision, investors need to consider whether an investment in the Fund is appropriate to their needs, objectives and circumstances.

Investors should consult a professional financial adviser and ensure they understand the risks of the Fund before investing.

### Definitions

Certain terms used in this PDS are defined in the Glossary in section 9.

For further details on Betashares Funds, please contact a stockbroker or financial adviser or visit [www.betashares.com.au](http://www.betashares.com.au).

PRODUCT DISCLOSURE STATEMENT  
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# 1 KEY FEATURES

## 1.1 ABOUT THE FUND

The Fund aims to provide investors with a return that tracks the performance of the price of gold bullion, with a currency hedge against movements in the AUD/USD exchange rate, before fees and expenses.

The Fund seeks to provide a convenient investment alternative for investors interested in gaining exposure to physical gold bullion (hedged into Australian dollars) without the inconvenience typically associated with directly purchasing, storing and insuring physical gold bullion.

In addition, because the Units of the Fund will be quoted on the ASX, investors can benefit from simple trading of their investment, including

the ability to buy and sell during the course of the trading day, much like listed shares.

The Fund is intended for use within a portfolio for an investor seeking capital growth and who has a very high risk and return profile for that portion of their investment portfolio.

The Fund carries certain investment risks. For information on the risks applicable to the Fund, see section 5.

## 1.2 SUMMARY OF KEY INFORMATION

The following table briefly summarises some of the key information contained in this PDS. It is not a complete summary of this PDS and you should read the PDS in its entirety. You should seek your own professional investment advice before deciding to invest in the Fund.

TABLE 1.2: SUMMARY OF KEY INFORMATION

TOPIC	SUMMARY	SECTION
Investment objective	<p>The Fund aims to provide investors with a return that tracks the performance of the price of gold bullion, with a currency hedge against movements in the AUD/USD exchange rate, before fees and expenses.</p> <p>The Fund aims to achieve this objective by adopting the investment strategy set out in sections 2.2.2 and 2.2.3.</p> <p>There is no assurance or guarantee that the returns of the Fund will meet the investment objective.</p>	2.2
Investment strategy	<p>The Responsible Entity will invest the Fund's assets into the purchase of physical gold bullion from the National Bank of Canada (the Gold Vendor) on the terms of the Gold Contract.</p> <p>All of the physical gold bullion purchased under the Gold Contract will be held in an allocated and segregated account maintained by the Gold Vendor with JPMorgan Chase Bank N.A. (the Gold Custodian), in JPMorgan's London vault premises (or, on a temporary basis, by an authorised sub-custodian). All such gold bullion will be certified "London Good Delivery".</p> <p>The gold will be subject to a registered charge in favour of the Fund (the Gold Charge).</p> <p>On any London Business Day, the Responsible Entity may require the Gold Vendor to deliver the gold to the Fund, or alternatively pay to the Fund the equivalent value of the gold in cash (based on the spot price of gold on that day). Accordingly, the value of the Units in the Fund is expected to vary based on the day to day movements in the spot price of gold.</p> <p>Since gold is priced in US dollars, the Fund will use forward foreign exchange contracts with the aim of reducing the currency risk for Australian investors. Amounts of cash will be held from time to time to meet Fund expenses.</p>	2.2.2 and 2.2.3
Investing	<p>The offer in this PDS is only available to Authorised Participants. However, Units are quoted on the ASX under the AQUA Rules. Subject to market conditions, therefore, other investors may purchase Units on the ASX.</p> <p>An application for Units under this PDS by an Authorised Participant may be made by a cash payment in Australian dollars equal to the Net Asset Value of the Units applied for. Applications are subject to an application fee described in section 4.</p> <p>The minimum application by an Authorised Participant under this PDS is \$1,000,000 or equivalent value in Units, unless the Responsible Entity agrees otherwise.</p>	6

TOPIC	SUMMARY	SECTION
	The purchase of Units on the ASX is not governed by the terms of this PDS and therefore the minimum investment does not apply to purchases of Units on the ASX.	
Redemptions	<p>Only Authorised Participants can redeem Units under this PDS. However, Units are quoted on the ASX under the AQUA Rules. Subject to market conditions, therefore, other investors may sell Units on the ASX.</p> <p>The amount payable to an Authorised Participant on redemption will be paid in cash in Australian dollars, unless the Responsible Entity agrees otherwise, and will be equal to the Net Asset Value of the Units redeemed, less a redemption fee described in section 4.</p> <p>The minimum redemption by an Authorised Participant under this PDS is 100,000 Units, unless the Responsible Entity agrees otherwise.</p> <p>In certain specified circumstances, redemption requests may be delayed, rejected or scaled down. See section 7.2.7 and 7.2.8 for further information.</p> <p>The sale of Units on the ASX is not governed by the terms of this PDS and therefore the minimum redemption does not apply to sales of Units on the ASX.</p>	6, 7.2.7 and 7.2.8.
Distributions	Any income generated by the Fund will be distributed to Unitholders at least annually.	2.4
Risks	<p>There are a number of risks associated with investing in the Fund. The key risks include the following:</p> <ul style="list-style-type: none"> <li>• Market volatility can cause the value of Units to decrease.</li> <li>• The value of Units will be affected by movements in the price of gold, which fluctuates as a result of many unpredictable factors.</li> <li>• There are risks associated with custody of the gold by the Gold Custodian.</li> <li>• There is no assurance that the Fund's currency hedging strategy will be effective.</li> <li>• The Fund may suffer loss if the Gold Vendor, the Gold Dealer, the Gold Custodian, or any other counterparty defaults on its obligations under the relevant contract.</li> <li>• In certain circumstances, the Responsible Entity can suspend or scale down applications or redemptions.</li> <li>• There is no assurance that there will be a liquid market for Units, and no assurance that there will be a liquid market for the Fund's investments.</li> <li>• The trading price of Units on the ASX may differ from the Net Asset Value per Unit.</li> </ul> <p>This is not a comprehensive summary of all the risks of investing in the Fund. Before investing, investors should carefully consider the risks associated with an investment in the Fund and obtain financial advice on whether an investment in the Fund is suitable for their objectives, financial situation and needs.</p> <p>For further details on the risks of investing, see section 5.</p>	5
Fees and other costs	Fees and other costs as set out in section 4 will apply.	4
Tax	Tax information of a general nature is set out in section 8. Investors should seek their own professional tax advice which takes into account their particular circumstances.	8
Complaints	The Responsible Entity has a process in place to deal with complaints from Unitholders.	7.2.22
Responsible Entity	Betashares Capital Ltd is the responsible entity of the Fund and is the issuer of this PDS.	1.3

### 1.3 ABOUT BETASHARES

Betashares Capital Ltd is the responsible entity of the Fund and is responsible for the ongoing management of the underlying assets of the Fund.

The Responsible Entity is an Australian asset management business located in Sydney which was established in 2009 to be a specialist provider of fund products that are exchange traded. The Responsible Entity launched its first funds in 2010. As at the date of this PDS, it manages over \$40 billion in assets and acts as responsible entity for more than 80 funds whose units are quoted for trading on the Australian Securities Exchange under the AQUA Rules. These funds provide exposure to the performance of specific equity strategies, equity indices, fixed income strategies, fixed income indices, currencies, commodities or commodity indices. The primary focus of the Responsible Entity's business is the operation of funds that are exchange traded.

Neither Betashares Capital Ltd nor any of its related entities, directors or officers gives any guarantee or assurance as to the performance of, or the repayment of capital invested in, the Fund.

The Responsible Entity has sufficient working capital to enable it to operate the Fund as outlined in this PDS.

### 1.4 ADMISSION TO TRADING UNDER THE AQUA RULES

Units in the Fund have been admitted to trading status on the ASX under the AQUA Rules. The AQUA Rules form part of the ASX

Operating Rules. The Fund will not be listed on the ASX under the ASX Listing Rules.

The AQUA Rules provide a tailored framework for the quotation of exchange traded funds and structured products on the ASX.

In operational terms, the market for products quoted under the AQUA Rules operates in the same way that it does for listed equities, with continuous matching of bids and offers and an opening and closing auction.

#### AQUA Rules: fundamental difference

The key distinction between products admitted under the ASX Listing Rules and those quoted under the AQUA Rules is the level of control and influence that the issuer of the relevant product has over the value of the underlying assets of the product.

Under the ASX Listing Rules, listed equity securities typically reflect the value of the business operated by the issuer. By contrast, the value of a product quoted under the AQUA Rules typically reflects the performance of the underlying assets.

The following table highlights the key specific differences between the AQUA Rules and the ASX Listing Rules.

ASX LISTING RULES	AQUA RULES
<b>Control</b>	
<p>An issuer of an entity listed under the ASX Listing Rules:</p> <ul style="list-style-type: none"> <li>controls the value of its own securities and the business it runs; and</li> <li>the value of those securities is directly influenced by the equity issuer's performance and conduct.</li> </ul> <p>For example, the management and board of a listed company generally control the fate of the business and, therefore, have direct influence over the share price.</p>	<p>An issuer of a product quoted under the AQUA Rules:</p> <ul style="list-style-type: none"> <li>does not control the value of the assets underlying its products, but</li> <li>offers products that give investors exposure to the underlying assets – such as shares, indices, currencies or commodities.</li> </ul> <p>The value (price) of products quoted under the AQUA Rules is dependent upon the performance of the underlying assets rather than the financial performance of the issuer itself e.g. an ETF issuer does not control the value of the shares it invests in.</p>
<b>Continuous Disclosure</b>	
<p>Issuers are subject to the continuous disclosure requirements under ASX Listing Rule 3.1 and Section 674 of the <i>Corporations Act</i>.</p>	<p>Issuers of products quoted under the AQUA Rules are not subject to the continuous disclosure requirements under ASX Listing Rule 3.1 and section 674 of the <i>Corporations Act</i> but must disclose information about:</p> <ul style="list-style-type: none"> <li>the Net Tangible Assets ("NTA") or the Net Asset Value ("NAV") of the fund;</li> <li>distributions declared; and</li> <li>any other information that is required to be disclosed to ASIC under section 675 of the <i>Corporations Act</i> must be disclosed via the ASX Market Announcements Platform at the same time it is disclosed to ASIC. The Responsible Entity also intends to post any such information on its website <a href="http://www.betashares.com.au">www.betashares.com.au</a> at the same time.</li> </ul>

ASX LISTING RULES	AQUA RULES
	AQUA Product issuers must also disclose to the ASX any information the non-disclosure of which may lead to the establishment of a false market in its products or would materially affect the price of its products.
<b>Periodic Disclosure</b>	
Issuers are required to disclose their half-yearly and annual financial information or annual reports to the ASX under Chapter 4 of the ASX Listing Rules.	Financial reports relating to the issuer itself are not required to be disclosed to the ASX. However, periodic financial reports relating to the AQUA Product must be disclosed to the ASX at the same time they are lodged with ASIC under Chapter 2M of the <i>Corporations Act</i> .
<b>Corporate Control</b>	
Requirements in the <i>Corporations Act</i> and the ASX Listing Rules in relation to matters such as takeover bids, share buy-backs, change of capital, new issues, restricted securities, disclosure of directors' interests and substantial shareholdings, apply to companies and listed schemes.	These requirements do not apply to AQUA Product issuers. Section 601FM of the <i>Corporations Act</i> continues to apply to the removal or change of the responsible entity. An extraordinary resolution would be required to change the responsible entity. An extraordinary resolution is a resolution passed by a majority of the total votes that may be cast by members entitled to vote on the resolution.
<b>Related Party Transactions</b>	
Chapter 10 of the ASX Listing Rules, which relates to transactions between an entity and persons in a position to influence the entity, specifies controls over related party transactions.	Chapter 10 of the ASX Listing Rules does not apply to AQUA Products. Products quoted under the AQUA Rules which are registered managed investment schemes remain subject to the related party requirements in Part 5C.7 and Chapter 2E of the <i>Corporations Act</i> .
<b>Auditor Rotation Obligations</b>	
There are specific requirements in relation to auditor rotation under Part 2M.4 Division 5 of the <i>Corporations Act</i> .	Issuers of products quoted under the AQUA Rules are not subject to the requirements under Part 2M.4 Division 5 of the <i>Corporations Act</i> . A responsible entity of a registered managed investment scheme will continue to be required to undertake an independent audit of its compliance with the scheme's compliance plan in accordance with Section 601HG of the <i>Corporations Act</i> and the auditor must not be the auditor of the scheme's financial statements (but may be from the same firm).

## 2 ABOUT THE FUND

### 2.1 RATIONALE FOR THE FUND

The purpose of the Fund is to provide investors with a cost-effective and convenient way to gain exposure to gold bullion, with protection against movements in the AUD/USD exchange rate.

Potential advantages of investing in the Fund include:

- **Easily accessible.** Units will be quoted on the ASX, providing investors with indirect access to the gold bullion market in an easily-accessible form.
- **Cost efficient.** The Responsible Entity expects that, for many investors, the costs associated with the purchase of Units on the ASX and the payment of the Fund's ongoing costs and expenses will be lower than those associated with buying, handling, storing and insuring physical gold.
- **Backed by physical gold.** The Fund has the benefit of a registered charge over gold that is held in the vaults of the Gold Custodian (or by an authorised sub-custodian). The gold is held by the Gold Custodian in the form of specifically allocated and identifiable gold bars (other than an amount held in unallocated form which is too small to make up a whole gold bar or which is held temporarily to effect a creation or redemption of Units). On any London Business Day, the Responsible Entity may require the Gold Vendor to deliver the gold to the Fund, or alternatively pay to the Fund the equivalent value of the gold in cash (based on the spot price of gold on that day).
- **Transparent.** The value of the Fund's assets and Net Asset Value per Unit will be reported on the Fund's website daily. A list of the specific gold bars that secure the assets of the Fund will also be available on the website.
- **Reduced currency risk.** Because gold is traded and priced in US dollars, the return on an investment in gold for Australian investors is affected by two variables: (i) the price return of gold in US dollars; and (ii) the variation in the AUD/USD exchange rate. To reduce the currency risk for Australian investors, the Fund will hedge substantially all of its US dollar exposure value back to the Australian dollar.

### 2.2 INVESTMENT POLICY

#### 2.2.1 Investment objective

The investment objective of the Fund is to provide an investment return, before fees and expenses, that closely tracks the performance of the price of gold bullion, with a currency hedge against movements in the AUD/USD exchange rate.

There is no assurance or guarantee that the return of the Fund will meet its investment objective.

#### 2.2.2 Investment strategy

The Fund will invest its assets into the purchase of physical gold bullion from the Gold Vendor on the terms of the Gold Contract. Rather than delivering physical gold to the Fund at the time of purchase, the Gold Vendor will retain legal ownership of the gold in its name and will secure its obligation to deliver gold to the Fund by way of a registered charge over the gold in favour of the Fund.

All of the physical gold that secures the performance of the Gold Vendor's obligations under the Gold Contract will be stored for the Gold Vendor by the Gold Custodian, being JPMorgan Chase Bank

N.A. The gold will be stored in JPMorgan's London vault premises or, on a temporary basis, by an authorised sub-custodian. Gold will be held in the form of specifically allocated gold bars, which will meet the specifications required for certification as "London Good Delivery Bars".

Any residual value that is too small to be split into standard gold bars will be held in unallocated gold (generally expected to be no more than 430 troy ounces at any time). Some gold may also be held in unallocated form on a short term basis when gold is in the process of being allocated or de-allocated in connection with Unit applications and redemptions.

The Fund will also hold forward foreign exchange contracts or similar instruments (to protect against movements in the AUD/USD exchange rate) and, from time to time, cash.

Other than by holding gold exposure as set out in this section, the Fund will not engage in any activities designed to protect against, or profit from, changes in gold prices.

#### 2.2.3 Hedging strategy

Since gold is priced in US dollars, the Fund will use forward foreign exchange contracts (or similar instruments) with the aim of reducing the currency risk for Australian investors. The Fund aims to hedge substantially all of its US dollar exposure back to the Australian dollar.

A forward foreign exchange contract is a contract between two parties to buy or sell a specific currency in the future at a pre-agreed rate. As at the date of this PDS, the counterparty to these contracts is JPMorgan Chase Bank ("FX counterparty"). The Responsible Entity intends to reset the forwards on a monthly basis. This process will generally trigger either a receipt of cash from the FX counterparty, or a payment of cash to the FX counterparty, depending on which way the exchange rate has moved. If a cash amount is received from the FX counterparty, the Responsible Entity will generally use the proceeds to purchase additional gold from the Gold Vendor under the Gold Contract. If a cash amount is payable to the FX counterparty, the Responsible Entity will generally direct the Gold Vendor to sell an amount of gold and will use the proceeds delivered to it under the Gold Contract to pay the FX counterparty.

Other than for this purpose, the Fund does not intend to use derivatives.

#### 2.2.4 Labour standards and environmental, social and ethical considerations

The Responsible Entity does not take into account labour standards or environmental, social or ethical considerations when selecting, retaining or realising investments.

The Fund does not pursue a sustainable investment strategy or have a sustainable investment objective, and will not be marketed as a sustainability related product. The Fund is not designed for investors who wish to screen out particular types of companies or investments or are looking for funds that meet specific environmental, social (which includes labour standards) and governance ("ESG") goals.

#### 2.2.5 Performance

Performance information for the Fund, and the Net Asset Value for the Fund, will be published on the Betashares website at [www.betashares.com.au](http://www.betashares.com.au). Information relating to past performance is not a reliable indicator of future performance.

## 2.2.6 Changes to investment objectives and strategy

The Responsible Entity may from time to time vary the investment mandate for the Fund as set out in this PDS (i.e. the investment objective and strategy described in sections 2.2.1 to 2.2.3).

Any significant change to the investment mandate will be notified to investors and potential investors via a supplementary or new PDS accessible through the ASX Market Announcements Platform.

Information in this PDS that is not materially adverse to investors is subject to change from time to time and may be updated by the Responsible Entity by publishing such information on the Betashares website at [www.betashares.com.au](http://www.betashares.com.au) (see "PDS updates" on page 1).

## 2.3 ABOUT THE GOLD VENDOR AND THE GOLD CUSTODIAN

National Bank of Canada ("NBC") serves as the Gold Vendor.

NBC is a chartered bank organised under the laws of Canada and regulated by the Office of the Superintendent of Financial Institutions, which is an independent agency of the Government of Canada. Founded in 1859, NBC had total assets of C\$484 billion as at January 2025.

JPMorgan Chase Bank, N.A. ("JPMorgan Chase Bank") serves as the custodian of the gold held by the Gold Vendor.

JPMorgan Chase Bank is a wholly owned bank subsidiary of JPMorgan Chase & Co., whose principal office is located in New York, New York. JPMorgan Chase Bank offers a wide range of banking services to its customers, both domestically and internationally. It is chartered and its business is subject to examination and regulation by the Office of the Comptroller of the Currency, an independent bureau of the US Department of the Treasury responsible for regulating and supervising national banks in the United States.

## 2.4 DISTRIBUTIONS

The Fund earns interest on cash balances held from time to time. The Fund also derives assessable income (and incurs deductions) under forward foreign exchange contracts used to protect against fluctuations in the AUD/USD exchange rate. Any such income will be distributed to Unitholders at least annually.

There is no guarantee that any income will be greater than the Fund's fees and expenses. As such, there is no guarantee that the Fund will distribute any income to Unitholders.

### 2.4.1 Distributions

Unitholders holding Units in the Fund at the end of a distribution period are entitled to a pro-rata share of the distributable income (if any) for that period based on the number of Units held in the Fund at the end of the distribution period.

Any income of the Fund will be distributed at least annually in respect of the period ending on 30 June each year. The amount of distributable income at the end of any distribution period will be determined by the Responsible Entity. Under the AMIT tax rules, the Fund may make cash distributions that differ from taxable income attributed by the Fund to Unitholders. See section 7 for further information.

The Fund's NAV per Unit will normally fall after the end of each distribution period if a distribution is payable. Consequently, if you invest just before the end of a distribution period, some of your capital may be returned to you as income in the form of a distribution.

Distributions will generally be paid within 15 business days of the end of the distribution period to which they relate by deposit to a Unitholder's nominated Australian bank, building society or credit union account.

The amount of any distribution will vary from period to period, and there may be periods when the Fund will not pay a distribution.

The Responsible Entity may, in its discretion, change the duration of a distribution period for the Fund (provided that distribution periods cannot be longer than one year).

Information about the timetable for each distribution and the declared distribution amount will be announced via the ASX Market Announcements Platform.

### 2.4.2 Tax statements

The Responsible Entity will, as soon as reasonably practicable after the end of each financial year, issue to each Unitholder who received an entitlement to the distributable income and/or who was attributed taxable income of the Fund during a financial year, a tax statement which outlines the amount and composition of the taxable income to which the Unitholder became entitled and/or was attributed. Where the Fund is an Attribution Managed Investment Trust ("AMIT") for the financial year, the tax statement is referred to as an AMIT member annual statement ("AMMA").

### 2.4.3 Distribution Reinvestment Plan

The Responsible Entity has established a distribution reinvestment plan ("DRP") for the Fund.

Participation in the DRP is subject to the terms and conditions of the DRP policy document, which is available at no charge by contacting Betashares on 1300 487 577 (within Australia). The DRP is currently available only to Unitholders who have a registered address in Australia or New Zealand, unless otherwise determined by the Responsible Entity.

Unitholders can choose to:

- If eligible, participate in the DRP, meaning distributions from the Fund will be reinvested in additional Units in the Fund; or
- have the distributions paid directly to a nominated Australian bank, building society or credit union account.

Full or partial reinvestment is available. If no DRP election is made, the distributions will automatically be paid into the nominated Australian bank, building society or credit union account.

Eligible Unitholders can elect to participate in the DRP by completing an on-line form available on the Registrar's website or by contacting the Registrar.

# 3 ABOUT THE GOLD MARKET

## 3.1 INTRODUCTION

Gold is a physical asset that is accumulated, rather than consumed. As a result, virtually all the gold that has ever been mined still exists today. Gold is virtually indestructible and viewed by many around the world as a store of value which differentiates it from other commodities.

## 3.2 GOLD SUPPLY AND DEMAND

The primary source of gold supply is mine production. Additional supply comes from old scrap, which is gold that has been recovered from jewellery and other fabricated products and converted back into marketable gold.

Demand for gold is driven primarily by demand for jewellery and for investment purposes. Industrial applications are also an important source of demand.

## 3.3 OPERATION OF THE GOLD BULLION MARKET

### 3.3.1 Global gold trading

The majority of global gold trading takes place “over the counter” (“OTC”) on a 24-hour per day basis. These trades are conducted directly between counter-parties who negotiate their own terms and conditions, including risk and settlement arrangements. Market makers and other OTC market participants trade with each other and clients on a principal-to-principal basis, using relatively flexible terms for quotes, price, size, delivery location and other factors.

Most of the OTC activity takes place in London, New York and Zurich. Market participants, which include central banks, mining companies, jewellery manufacturers, investors and speculators, typically transact in one of these markets. Most of the world’s bullion dealers are either members or associate members of the London Bullion Market Association (“LBMA”).

In addition to the OTC market, there is also a developed market for exchange traded futures and options on gold.

### 3.3.2 The London bullion market

Although the market for physical gold is distributed globally, most OTC market trades are cleared through London. Among other things, the LBMA is the trade association that co-ordinates the activities conducted in the London bullion market, and acts as the principal point of contact between the market and its regulators.

A primary function of the LBMA is its involvement in the promotion of refining standards by maintenance of the “London Good Delivery Lists,” which are the lists of LBMA accredited melters and assayers (or inspection agencies) of gold. The LBMA also coordinates market clearing and vaulting, promotes good trading practices and develops standard documentation.

The LBMA publishes a list of specifications for a gold bar to be accepted for trading in the London bullion market – these requirements are set out in “The Good Delivery Rules for Gold and Silver Bars” published by the LBMA.

Specification criteria are set out for weight, dimensions, purity, identifying marks (e.g. assay stamps) and appearance. Gold bars meeting these requirements are described in this PDS as “London Good Delivery Bars”. All physical gold that will be owned by the Gold

Vendor (and over which the Fund will have a registered charge) will meet these standards.

A London Good Delivery Bar must contain between 350 and 430 fine troy ounces of gold, with a minimum fineness (or purity) of 995 parts per 1,000 (99.5%), must be of good appearance and must be easy to handle and stack. It must also bear the stamp of one of the melters and assayers that are on the LBMA approved list.

### 3.3.3 Trading unit

The trading unit for gold is one fine troy ounce – representing pure gold irrespective of the purity of a particular bar. The conversion factors used by the LBMA to convert between troy ounces and metric are: one troy ounce equals 31.1034768 grams and one kilogram equals 32.1507465 troy ounces.

### 3.3.4 Allocated Accounts

An allocated gold account is an account where the account holder has full title to the gold in the account, with the dealer holding as custodian on behalf of the account holder. The gold is stored in a vault which is owned and managed by a recognised bullion dealer or depository. Specific bars, numbered and identified by weight, hallmark and purity, are allocated to the account holder. These bars are segregated from other gold or metals held in the vault of the dealer. Gold held in allocated accounts cannot be traded, leased or loaned except on the specific instructions of the account holder.

### 3.3.5 Unallocated Accounts

An unallocated gold account is an account where specific bars are not set aside and the account holder has a general entitlement to the gold. It is the most convenient, cheapest and most commonly used method of holding gold. Transactions may be settled by credits or debits to the account while the balance represents the indebtedness between the two parties. Credit balances on the account do not entitle the account holder to specific bars of gold, but are backed by the general stock of the bullion dealer with whom the account is held. The account holder is an unsecured creditor and is exposed to the creditworthiness of the bank or dealer providing the service in the same way as with any other kind of account. Should the account holder wish to receive actual gold, this is done by “allocating” specific bars.

### 3.3.6 Loco London spot price

The majority of gold traded in London is done on a “loco London basis” and is based on US dollars per fine troy ounce of gold. “Loco London” gold refers to gold physically held in London that meets the requirements described in section 3.3.2. Settlement and delivery terms for the gold are two good business days in London after the day of the deal. Delivery can either be physical delivery or through the clearing systems to an unallocated account.

### 3.3.7 London AM and PM fix

Two times a day during London trading hours there is a “fix” which provides reference gold prices for that day’s trading. The fixing for gold occurs at 10:30 a.m. London time (the “London AM fix”) and at 3:00 p.m. London time (the “London PM fix”). The London fix is the most widely used benchmark for daily gold prices and is quoted by various financial information sources.

ICE Benchmark Administration administers the operation of an electronic, tradable and auditable over the counter auction market. The auction establishes a reference gold price for each day’s trading.

### **3.3.8 Clearing**

Some members of the London bullion market offer clearing services. The clearing members of the LBMA use the unallocated accounts they maintain between themselves for the settlement of mutual trades as well as third party transfers. These transfers are conducted on behalf of clients and other members of the London bullion market in settlement of their own loco London bullion activities. This system is designed to avoid the security risks and costs that would be involved in the physical movement of gold.

## 4 FEES AND OTHER COSTS

### DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

### TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** Moneysmart website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed funds fee calculator to help you check out different fee options.

### 4.1 FEES AND OTHER COSTS

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole.

Taxes are set out in another part of this PDS.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

TABLE 4.1: FEES AND COSTS SUMMARY

Betashares Gold Bullion Currency Hedged ETF		
TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
<b>Ongoing annual fees and costs</b>		
<b>Management fees and costs:</b>		
The fees and costs for managing your investment	0.59% per annum of the Fund's Net Asset Value.	
	As at the date of this PDS, the management fees and costs of the Fund consist of the following components:	
	<b>Management fee</b>	
	0.49% per annum of the Fund's Net Asset Value	The management fee is calculated and accrued daily as a percentage of the Fund's Net Asset Value, and reflected in the daily Net Asset Value per Unit. The amount is deducted from the Fund's assets monthly on or after the first day of the following month.
	<b>Plus</b>	
	<b>Recoverable expenses</b>	
	Estimated at 0.10% per annum of the Fund's Net Asset Value. <sup>1</sup>	The recoverable expenses are calculated and accrued daily as a percentage of the Fund's Net Asset Value, and reflected in the daily Net Asset Value per Unit. The amount is deducted from the Fund's assets monthly on or after the first day of the following month.
	<b>Plus</b>	
	<b>Indirect costs</b>	
	Estimated at 0.00% per annum of the Fund's Net Asset Value. <sup>2</sup>	The indirect costs are calculated and accrued daily as a percentage of the Fund's Net Asset Value, and reflected in the daily Net Asset Value per Unit. The amount is deducted from the Fund's assets as and when incurred.
<b>Performance fees:</b>	Nil.	Not applicable.

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Amounts deducted from your investment in relation to the performance of the product		
<b>Transaction costs:</b>  The costs incurred by the scheme when buying or selling assets	Estimated at 0.00% per annum of the Fund's Net Asset Value. <sup>3</sup>	Transaction costs reduce the Fund's Net Asset Value. How and when they are paid varies depending on the type of transaction cost. Certain costs, e.g. brokerage, are added to or deducted from the amounts payable from the Fund's assets or receivable by the Fund at the time of settlement in respect of investments purchased or sold for the Fund. Other costs, e.g. transactional custodian fees, are invoiced to the Fund and paid from the Fund's assets according to a regular monthly or quarterly cycle.
<b>Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)</b>		
<b>Establishment fee:</b>  The fee to open your investment	Nil.	Not applicable.
<b>Contribution fee:</b>  The fee on each amount contributed to your investment	If you are not an Authorised Participant - \$0.  If you are an Authorised Participant – up to \$750 plus 0.02% of the value of the application amount.	Payable only by Authorised Participants. <sup>4</sup>  This fee will be payable by Authorised Participants together with the application consideration at the time of applying for Units.
<b>Buy-sell spread:</b>  An amount deducted from your investment representing costs incurred in transactions by the scheme	Nil. <sup>5</sup>	Not applicable.
<b>Withdrawal fee:</b>  The fee on each amount you take out of your investment	If you are not an Authorised Participant - \$0  If you are an Authorised Participant – up to \$1,500 plus 0.02% of the value of the redemption amount.	Payable only by Authorised Participants. <sup>4</sup>  This fee will be deducted from the redemption proceeds at the time of the redemption.
<b>Exit fee:</b>  The fee to close your investment	Nil.	Not applicable.
<b>Switching fee:</b>  The fee for changing investment options	Nil.	Not applicable.

<sup>1</sup> This figure reflects the estimated recoverable expenses incurred by the Fund for the previous financial year ended 30 June 2024 and may include the Responsible Entity's reasonable estimates where the Responsible Entity was unable to determine the exact amount or the information was not available at the date of the PDS. For more information on recoverable expenses, please see section 4.3.3 in the "Additional Explanation of Fees and Costs" section below.

<sup>2</sup> This figure reflects the estimated indirect costs incurred by the Fund for the previous financial year ended 30 June 2024 and may include the Responsible Entity's reasonable estimates where the Responsible Entity was unable to determine the exact amount or information was not available at the date of this PDS. For more information on the meaning and calculation of indirect costs, see "Indirect costs" under the heading "Additional Explanation of Fees and Costs".

<sup>3</sup> This figure reflects the estimated transaction costs incurred by the Fund for the previous financial year ended 30 June 2024 and may include the Responsible Entity's reasonable estimates where the Responsible Entity was unable to determine the exact amount or information was not available at the date of this PDS. This estimate is net of estimated transaction costs for which the Responsible Entity reimburses the Fund out of the application and redemption fees it receives from Authorised Participants, as described in section 4.3.6. For more information on transaction costs and the application and redemption fees payable by Authorised Participants see "Transaction costs" and "Application and redemption fees for Authorised Participants" under the heading "Additional Explanation of Fees and Costs".

<sup>4</sup> An Authorised Participant is a financial institution which is a participant in relation to a financial market (or which has engaged a participant to act on its behalf) which has entered into an agreement with the Responsible Entity in relation to Unit applications and redemptions. For an explanation of the contribution fees and withdrawal fees (also referred to in this PDS as application fees and redemption fees) please see section 4.3.6 "Application and Redemption Fees for Authorised Participants" in the "Additional Explanation of Fees and Costs" section.

<sup>5</sup> While the Fund does not charge a buy-sell spread, as the Fund is traded on a securities exchange, investors may incur a bid-offer spread when trading on the exchange.

Certain additional costs may apply. See the "Additional Explanation of Fees and Costs" section below for more information.

Each fee set out in this table may in some cases be negotiated with wholesale clients. For more information, refer to the explanation of "Differential fees, rebates and related payments" in the "Additional Explanation of Fees and Costs" section below.

All fees and costs in the table above include Goods and Services Tax ("GST") net of any reduced input tax credits and any applicable stamp duty and are shown without any other adjustment in relation to any tax deduction available to the Responsible Entity or the extent to which any tax deduction may be passed on to unitholders.

## 4.2 EXAMPLE OF ANNUAL FEES AND COSTS

This table gives an example of how the ongoing annual fees and costs in the Fund can affect your investment over a one year period. You should use this table to compare this product with other products offered by managed investment schemes.

TABLE 4.2: EXAMPLE OF ANNUAL FEES AND COSTS

EXAMPLE – BETASHARES GOLD BULLION CURRENCY HEDGED ETF	AMOUNT	BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 <sup>1</sup> DURING THE YEAR
<b>CONTRIBUTION FEES<sup>2</sup></b>		For every additional \$5,000 you put in, you will be charged:
	\$0 if you are not an Authorised Participant; or	\$0 if you are not an Authorised Participant; or
	\$750 plus 0.02% of the value of the application amount if you are an Authorised Participant <sup>2</sup>	\$751 if you are an Authorised Participant.
<b>PLUS MANAGEMENT FEES AND COSTS<sup>3</sup></b>	0.59% p.a. of the Fund's Net Asset Value	<b>And</b> , for every \$50,000 you have in the Fund you will be charged or have deducted from your investment \$295 each year.
<b>PLUS PERFORMANCE FEES<sup>4</sup></b>	Nil	<b>And</b> , you will be charged or have deducted from your investment \$0 in performance fees each year. <sup>4</sup>
<b>PLUS TRANSACTION COSTS<sup>5</sup></b>	Estimated at 0.00% of the Fund's Net Asset Value	<b>And</b> , you will be charged or have deducted from your investment \$0 in transaction costs.
<b>EQUALS COST OF FUND</b>		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 <sup>6</sup> during that year, you would be charged fees and costs of:  <b>\$295 (if you are not an Authorised Participant) or \$1,046 (if you are an Authorised Participant for the Fund).*</b>  <b>What it costs you will depend on whether you are an Authorised Participant, the investment option you choose and the fees you negotiate.</b>

\* Additional fees may apply. An Authorised Participant who redeems Units directly will also be charged a withdrawal fee up to \$1,500 plus 0.02% of the value of the redemption amount based on a balance of \$50,000.

Each fee in this table may in some cases be negotiated with wholesale clients. For more information, refer to the explanation of "Differential fees, rebates and related payments" in the "Additional Explanation of Fees and Costs" section below.

<sup>1</sup> Please note the minimum investment in the Fund by an Authorised Participant is \$1,000,000 or equivalent value in Units, unless the Responsible Entity agrees otherwise.

<sup>2</sup> Assumes the maximum contribution fee set out in Table 3.1 applies.

<sup>3</sup> Management fees and costs are made up of the management fee, recoverable expenses and indirect costs. For more information, refer to the "Additional Explanation of Fees and Costs" section below.

<sup>4</sup> The Fund does not charge, and there is no right for the Responsible Entity to charge, a performance fee.

<sup>5</sup> This figure reflects the estimated net transaction costs incurred by the Fund for the previous financial year ended 30 June 2024 and may include the Responsible Entity's reasonable estimates where the Responsible Entity was unable to determine the exact amount or information was not available at the date of this PDS. For more information, refer to "Transaction costs" under the "Additional Explanation of Fees and Costs" section below.

<sup>6</sup> Assumes the \$50,000 is invested for the entire year and the \$5,000 investment occurs on the last day of the year and therefore the fees and costs in this example are calculated using the \$50,000 balance only.

## 4.3 ADDITIONAL EXPLANATION OF FEES AND COSTS

### 4.3.1 Management fees and costs

The management fees and costs for the Fund incorporate all relevant ongoing fees and other costs involved in managing the Fund and deriving investment returns. The management fees and costs comprise:

- Responsible Entity's management fee;
- recoverable expenses; and
- indirect costs.

Management fees and costs do not include:

- transaction costs, such as brokerage, transactional custodian fees, and other transaction fees associated with buying and selling the Fund's assets; and
- other costs that an investor would ordinarily incur when investing directly in the Fund's underlying assets.

(These costs are therefore not included in the management fees and costs set out in Table 4.1 and Table 4.2 above, but they are paid out of the Fund's assets).

### 4.3.2 Management fee

The management fee is charged by the Responsible Entity for managing the Fund and making it available to investors. It is calculated and accrued daily as a percentage of the Fund's Net Asset Value, and reflected in the daily Net Asset Value per Unit. The amount is deducted from the Fund's assets monthly on or after the first day of the following month.

### 4.3.3 Recoverable expenses

The recoverable expenses represent the operating expenses incurred in the operation of the Fund. The Fund's Constitution allows all properly incurred expenses to be recovered from the Fund and does not place any limit on the amount or types of expenses that can be recovered.

The expenses normally incurred in the day to day operation of the Fund include custodian, Gold Vendor, fund administration, unit registry, ASX and audit costs (other than transaction costs described above). These expenses normally incurred and charged to the Fund will be capped at 0.10% per annum of the Fund's Net Asset Value while this PDS is current. Any such expenses in excess of the cap will be paid by the Responsible Entity out of its own resources. The Responsible Entity has the right to be reimbursed for them at a later time, provided that the cap will not be exceeded at the time of reimbursement. The Responsible Entity may withdraw or replace this PDS at any time.

The management fees and costs figure disclosed in Table 4.1 includes recoverable expenses normally incurred of 0.10% p.a. of the Fund's Net Asset Value, which is the amount incurred by the Fund for the previous financial year ended 30 June 2024.

Extraordinary expenses are expenses that are not normally incurred in the day to day operation of the Fund and are not necessarily incurred in any given year. They may include costs associated with holding unitholder meetings, changing the Fund's constitution, or defending or pursuing legal proceedings. Extraordinary expenses are not included in the cap on expenses described in this section. Extraordinary expenses will not be paid out of the Responsible Entity's own resources. Any such expenses will be recovered from the Fund and reflected in its Net Asset Value per Unit. The management fees and costs figure disclosed in Table 4.1 includes extraordinary expenses of nil, which is the amount incurred by the Fund for the previous financial year ended 30 June 2024.

### 4.3.4 Indirect costs

Indirect costs are any amounts that we know or where required, reasonably estimate, will reduce the Fund's returns that are paid from the Fund's assets (other than the management fee, recoverable expenses, and transaction costs described elsewhere in this section) or that are paid from the assets of any interposed vehicle (such as an underlying fund) in which the Fund may invest.

The management fees and costs figure disclosed in Table 4.1 includes indirect costs of nil, which is the Responsible Entity's estimate of the amount incurred by the Fund for the previous financial year ended 30 June 2024.

### 4.3.5 Transaction costs

The Fund incurs transaction costs, such as brokerage, clearing costs, transactional custodian fees and other transaction fees associated with buying and selling the Fund's assets.

Transaction costs also include costs incurred by an interposed vehicle that would be transaction costs if they had been incurred by the Fund. As transaction costs reduce the Fund's Net Asset Value and are reflected in the daily Net Asset Value per unit, they are an additional cost to you and are not a fee paid to the Responsible Entity. The impact of transaction costs can be offset in part by the application and redemption fees the Responsible Entity receives as described in section 4.3.6.

How and when they are paid varies depending on the type of transaction cost. Certain costs, e.g. brokerage, are added to or deducted from the amounts payable from the Fund's assets or receivable by the Fund at the time of settlement in respect of investments purchased or sold for the Fund. Other costs, e.g. transactional custodian fees, are invoiced and paid from the Fund's assets according to a regular monthly or quarterly cycle. Table 4.1 includes the net transaction costs borne by the Fund for the previous financial year ended 30 June 2024 which are estimated at 0.00% p.a. of the Fund's Net Asset Value (or \$0 for every \$50,000 you have in the Fund). These net transaction costs represent estimated total gross transaction costs of 0.00% p.a. minus the estimated transaction costs for which the Responsible Entity reimburses the Fund out of the application and redemption fees it receives, as described in section 4.3.6. These net transaction costs are borne by the Fund.

The transaction costs estimate shown in the fees and costs summary in Table 4.1 is shown net of any amount for which the Responsible Entity reimburses the Fund out of the application and redemption fees it receives from Authorised Participants.

The amount of these costs can be expected to vary from year to year depending on the volume and value of transactions undertaken.

### 4.3.6 Application and redemption fees for Authorised Participants

No application fees or redemption fees are payable by investors who buy and sell Units on the ASX. However, brokerage charges may apply.

Application fees and redemption fees will only be payable by Authorised Participants on an application for or redemption of Units directly with the Fund.

The applicable application and redemption fees are set out in Table 4.1 above and are paid by Authorised Participants to the Responsible Entity. Out of these fees, the Responsible Entity pays directly, or reimburses the Fund for, the estimated transaction costs associated with the application or redemption.

The application and redemption fees payable by Authorised Participants seek to ensure that the transaction costs associated with applications and redemptions are borne by the transacting Authorised Participants and not by other investors.

#### **4.3.7 Stockbroker fees**

Investors may incur customary brokerage fees and commissions when buying and selling Units on the ASX, as for any listed or quoted security. Please consult a stockbroker for more information in relation to their fees and charges.

#### **4.3.8 Can fees and costs change and what are the maximums?**

Yes, fees and costs can change subject to maximums in the Fund's Constitution.

The Constitution limits the amount of the Responsible Entity's management fee to a maximum of 3% p.a. of the Fund's Net Asset Value (plus GST). The Constitution of the Fund provides for the following maximum fees:

- a maximum contribution fee of 5% of the aggregate Issue Price of the Units applied for (plus GST);
- a maximum withdrawal fee of 5% of the aggregate Withdrawal Amount of the relevant Units (plus GST).

The Responsible Entity also has the right under the Constitution to recover from the Fund all expenses properly incurred in the performance of its duties.

As at the date of this PDS, the Responsible Entity does not have any intention to change the fees and costs described in this PDS, although it has the right to do so at any time without investor consent. Any increase in the fees for the Fund will be announced to the ASX via the Market Announcements Platform at least 30 days before it occurs.

Any estimates of fees and costs in this PDS are based on information available as at the date of this PDS. As such, the actual fees and costs may differ and are subject to change from time to time. Information in this PDS that is not materially adverse to investors is subject to change from time to time and may be updated by the Responsible Entity by publishing such information on the Betashares website at [www.betashares.com.au](http://www.betashares.com.au). A paper copy of any updated information will be provided free of charge on request.

#### **4.3.9 Differential fees, rebates and related payments**

The Responsible Entity may, from time to time, agree with wholesale clients to rebate or reduce some of the management or other fees on a case by case basis. The amount of fee reduction is at the Responsible Entity's discretion. The Responsible Entity will achieve these reductions and meet any rebates in relation to management fees by payments from its own resources. For more information, please contact the Responsible Entity at the address specified in the "Directory" section of the PDS.

Any reduction in management fees offered by the Responsible Entity to a wrap platform or master trust operator may be passed on to the clients of the operator or retained by the operator.

Subject to applicable law, the Responsible Entity may also pay one-off or annual product access payments to wrap platform or master trust operators for including the Fund in their offering. As of the date of this PDS, no product access payments have been made. The Responsible Entity would make any such payment from its own resources.

#### **4.3.10 Indirect investors**

Indirect investors investing through a wrap platform or master trust should note that the fees outlined in this section 4 are in addition to any other fees and costs imposed by the wrap platform or master trust operator.

#### **4.3.11 Financial advisers**

Additional fees may be paid to a financial adviser if you have consulted a financial adviser. You should refer to the Statement of Advice provided by your financial adviser in which details of the fees are set out.

#### **4.3.12 Taxation**

Information in relation to taxation is set out in section 8 of this PDS.

## 5 RISKS

Unitholders in the Fund face a number of investment risks. There are risks associated with any investment. Generally, the higher the expected return of an investment, the higher the risk and the greater the variability of returns.

The market price and Net Asset Value per Unit can fluctuate within a wide range. When considering an investment in the Fund, personal tolerance for fluctuating market values should be taken into account.

The most common risks associated with investing in the Fund are described below, but there could be other risks that affect the performance of the Fund. The discussion below is general in nature.

The Responsible Entity does not provide assurances or guarantees on future profitability, returns, distributions or return of capital. An investment in the Fund could lose money over short or long periods.

You should seek your own professional advice on the appropriateness of this investment to your circumstances. You should also consider how an investment in the Fund fits into your overall investment portfolio.

### 5.1 MARKET RISK

Investment returns are influenced by the performance of financial markets as a whole. This means that the value of the Units can be affected by factors such as changes in interest rates, investor sentiment and global events (such as natural disasters, wars and other conflicts, and outbreaks of infectious diseases), depending on which markets or asset classes you invest in. Markets are volatile and fluctuate from day-to-day. This volatility may cause the value of an investment in the Fund to decrease.

### 5.2 GOLD PRICES

The value of Units in the Fund will be affected by movements in the price of gold. Gold prices fluctuate as a result of many unpredictable international, economic, monetary and political factors, including but not limited to:

- Global or regional political, economic or financial events and situations, particularly war, terrorism, expropriation and other activities which might lead to disruptions to supply from countries that are major gold producers;
- Global gold supply and demand, which is influenced by such factors such as production and cost levels in major gold-producing countries such as South Africa, the United States and Australia, jewellery demand, industrial product demand, gold scrap recycling activity, forward selling by gold producers, purchases made by gold producers to unwind gold hedge positions and central bank purchases and sales;
- Financial activities including investment trading and hedging activities conducted by large trading houses, producers, users, hedge funds, commodities funds, governments or other speculators which could impact global gold supply or demand; and
- Financial market factors such as investors' expectations with respect to the future rates of inflation, movements in world financial markets, interest rates and currency exchange rates, particularly the strength of and confidence in the US dollar.

### 5.3 GOLD VENDOR RISK

Under the Gold Contract, the Responsible Entity will purchase gold from the Gold Vendor on a deferred delivery basis. This means the gold is not delivered to the Fund at the time of purchase. Instead, pending delivery to the Fund or payment of an equivalent value in cash, legal ownership of the gold remains with the Gold Vendor and the gold is held by the Gold Custodian (in the Gold Custody Accounts) on behalf of the Gold Vendor and not on behalf of the Fund. The rights and economic exposure of the Fund in relation to gold arise pursuant to the Gold Contract and not through a physical holding of gold. However, the obligations of the Gold Vendor to deliver gold or cash to the Responsible Entity under the Gold Contract are secured by way of a registered charge over all the gold held in the Gold Custody Accounts (the Gold Charge).

If the Gold Vendor defaults on its obligations in connection with the Gold Contract, the Responsible Entity may enforce the Gold Charge. There may be delays and/or costs associated with enforcing the charge that may adversely affect the Fund and the value of the Units.

### 5.4 CUSTODY RISK

Gold will be held for the Gold Vendor by the Gold Custodian at its London vault premises (or held temporarily until transported to such vault by a sub-custodian appointed by the Gold Custodian or by a delegate of a sub-custodian). Access to such gold could be restricted by natural events (e.g. earthquake or flooding) or human actions (e.g. war or terrorist attack). Any such event may adversely affect the operations of the Fund and, consequently, the value of the Units.

The Gold Custodian will make such insurance arrangements in connection with its custodial obligations with respect to gold as it considers appropriate, and will be responsible for all costs, fees and expenses in relation to such insurance policy or policies. Neither the Gold Vendor nor the Fund will be a beneficiary of any such insurance and neither has the ability to dictate the existence, nature or amount of coverage. Unitholders cannot be assured that the Gold Custodian will maintain adequate insurance or any insurance with respect to the gold held by it on behalf of the Gold Vendor. The Gold Vendor will not insure the gold that secures its obligations to the Fund and is not responsible for ensuring that adequate insurance arrangements have been made.

The Gold Custodian will not require any direct or indirect sub-custodians to be insured or bonded with respect to their custodial activities or in respect of the gold held by them on behalf of the Gold Vendor. Further, the Gold Custodian will only be responsible for loss or damage suffered as a direct result of any negligence, fraud or wilful default on its part in the performance of its duties, and in such case its liability will not exceed the market value of the gold lost or damaged at the time such negligence, fraud or wilful default is discovered. Consequently, a loss may be suffered with respect to the gold that is held by the Gold Vendor which is not covered by insurance and for which the Gold Custodian is not liable in damages.

Neither the Gold Custodian, the Gold Vendor or the Responsible Entity independently confirms the fineness or weight of the gold. While the Responsible Entity intends to employ independent gold auditors to check the quality of the gold held by the Gold Custodian at least annually, the gold may be different from the reported

fineness or weight required by the standards of the LBMA for bars of gold delivered in settlement of a trade in gold, in which case the value of the Units might decrease. (See section 7.3 for more information on the Gold Custody Agreement.)

## 5.5 GOLD CUSTODIAN INSOLVENCY

Amounts of gold will be held for a time by the Gold Vendor in the Unallocated Account in connection with the creation or redemption of Units or the withdrawal of gold in connection with the payment of accrued fees and expenses. Also, any residual amount of gold that is too small to make up a whole London Good Delivery Bar will be held in the Unallocated Account.

Gold held in the Unallocated Account will not be segregated from the Gold Custodian's assets, and any such gold will represent an unsecured credit risk against the Gold Custodian.

Neither the Fund nor the Gold Vendor has a proprietary interest in unallocated gold. If the Gold Custodian becomes insolvent, its assets may not be adequate to satisfy the claims of the Gold Vendor.

## 5.6 GOLD DEALER RISK

Under the Gold Dealing Agreement, the Gold Vendor may buy gold from, and sell gold to, the Gold Dealer in support of its obligations to the Responsible Entity. The Fund relies on the ability of the Gold Dealer to perform its obligations under the Gold Dealing Agreement. In the event that the Gold Dealer defaults on its obligations, the Fund may suffer a loss. In addition, in the event that the Gold Dealer became insolvent, the Fund may also suffer a loss.

## 5.7 CURRENCY HEDGING

As gold is priced in US dollars, the return on an investment in gold for Australian investors will be affected by two variables: (i) the price return of gold in US dollars; and (ii) the variation in the AUD/USD exchange rate. The Responsible Entity will hedge substantially all of the Fund's US dollar exposure back to the Australian dollar.

The Fund intends to enter into forward foreign exchange contracts or other derivatives designed to offset the Fund's exposure to the US dollar. A forward foreign exchange contract is a contract between two parties to buy or sell a specific currency in the future at a pre-agreed rate. There is no assurance that the currency hedging strategy will be effective. The strategy is designed to minimise the impact of currency fluctuations on the Fund's returns, but it does not eliminate exposure to all currency fluctuations. The return of the forward foreign exchange contracts will not perfectly offset the actual fluctuations in the AUD/USD exchange rate.

Currency hedging also involves costs and implementation risks due to the volatility of currency markets. The primary risks associated with the use of forward foreign exchange contracts ("forward contracts") are:

- the values of the forward contracts failing to move in line with the underlying currency;
- the potential lack of liquidity of the forward contracts;
- possibility that the forward contracts are difficult or costly to manage or reverse;
- the Fund may not be able to meet payment obligations as they arise;
- the counterparty or counterparties to the forward contracts may not meet their obligations under the contracts or there may be a

dispute about the value of the forward contracts or any other matter; and

- other factors cause the forward contracts to terminate early.

## 5.8 GENERAL REGULATORY RISK

There is a risk that a government or regulator may introduce regulatory or tax changes, or that a court makes a decision in relation to the interpretation of the law or the underlying contracts that establish the Fund (including the Fund's security interest under the Gold Charge) which affects the enforceability of those contracts or the tax treatment of the Fund or Unitholders or which generally affects the value of the Units. There is a general legal risk that the underlying contracts that establish the Fund are unenforceable or invalid or do not operate as intended.

The Fund may also be affected by changes to legislation or government policy or political developments both in Australia and in other countries. These changes are monitored by the Responsible Entity and action is taken, where appropriate, to facilitate the achievement of the investment objective of the Fund. The Responsible Entity may not always be in a position to take such action.

## 5.9 TAX RISK

Taxation law is complex and subject to changes by the Australian Government, possibly with retrospective effect.

As the circumstances of each investor are different, the Responsible Entity strongly recommends that prior to investing in the Fund investors obtain professional tax advice relating to the tax implications of investing in and dealing in Units.

General information in relation to taxation matters is provided within this PDS in section 8.

## 5.10 MANAGER RISK

There is a risk that the Responsible Entity's investment strategy is not successful, or not successfully implemented, resulting in the Fund failing to meet its objectives. No assurance can be given that the trading systems and strategies utilised by the Responsible Entity will prove successful under all or any market conditions.

## 5.11 FUND RISK

There is a risk that the Fund could terminate, that the Fund's investment objective or investment strategy or fees and expenses could change or that the Responsible Entity could be replaced as responsible entity of the Fund.

The Fund is not actively managed and no attempt will be made to buy or sell gold to protect against, or to profit from, fluctuations in the price of gold.

## 5.12 CONTRACT PERFORMANCE RISK

The Fund may suffer a loss if the Gold Vendor, the Gold Dealer, the Gold Custodian, or any counterparty to other contracts that the Responsible Entity is party to, defaults on its obligations under the relevant contract. There is also a risk that the Fund may suffer a loss if the Gold Contract, the Gold Dealing Agreement or the Gold Charge do not operate as intended.

## 5.13 CONCENTRATION RISK

The Fund aims to track the performance of the price of gold, with a currency hedge against movements in the AUD/USD exchange

rate, before fees and expenses. As such, the Fund's holdings will not be diversified which may result in a greater degree of volatility in the net asset value of the Fund over time, relative to the value of a more broadly diversified portfolio.

## 5.14 OPERATIONAL RISK

The Fund's day to day operations may be adversely affected by circumstances beyond the reasonable control of the Responsible Entity, such as failure of technology or infrastructure, or natural disasters. A breakdown in administrative procedures and risk control measures implemented by the Responsible Entity or its service providers, including with respect to cyber-security, may also adversely affect the operation and performance of the Fund.

## 5.15 TRADING RISK

In certain circumstances, the ASX may suspend trading of the Units of the Fund and therefore Unitholders will not be able to buy or sell Units of the Fund on the ASX. In these circumstances, the Responsible Entity may suspend the application and redemption process.

There may be other occasions where the Responsible Entity may suspend the application and redemption process, such as around the end of a distribution period or where other factors prevent the accurate calculation of Unit prices. The Responsible Entity may also scale down redemption requests on a pro-rata basis, if the Responsible Entity receives one or more redemption requests in respect of a particular valuation time that seek the redemption in aggregate of more than 10% of the total number of Units on issue.

The ASX also imposes certain requirements for Units to continue to be quoted. The Responsible Entity will endeavour to meet these requirements at all times to ensure the Units remain quoted, although there can be no assurance that Units will remain quoted on the ASX. Under these circumstances, the Responsible Entity may take measures such as suspending the application and redemption process or potentially terminating the Fund.

## 5.16 LIQUIDITY RISK

Although the Units are quoted on the AQUA market of the ASX there can be no assurances that there will be a liquid market for Units. The Responsible Entity has in place market making arrangements to assist in maintaining liquidity for the Fund on the ASX. The Responsible Entity cannot guarantee that the market maker will fulfil its obligations or that a market maker will continue to be appointed. The market making arrangements agreed by the Responsible Entity also specify certain permitted circumstances where the market making obligations may be suspended (such as operational disruptions, market disruptions or unusual conditions, other events set out in the ASX Operating Rules, the suspension or rejection of applications for Units or redemption requests, or the market maker not having ASIC relief to allow short selling of Units). If the market maker defaults on its obligations, the Responsible Entity may seek to replace the market maker, although the arrangements with the market maker may limit or exclude any liability on the part of the market maker.

In addition, there is the risk that the assets held by the Fund may be difficult or impossible to sell, preventing the Fund from closing out its position in a timely manner and at a fair price. This may be due to factors specific to that investment or to prevailing market conditions. A lack of liquidity could potentially result in the suspension of redemptions, which may cause the Fund's Units to be suspended from trading on the ASX.

## 5.17 TRADING PRICE OF UNITS MAY DIFFER FROM NET ASSET VALUE PER UNIT

As with any exchange traded fund, it is possible that the trading price of Units on the ASX may differ from the Net Asset Value per Unit. The trading price is dependent on a number of factors including the demand for and supply of Units, investor confidence, the availability of market maker services during the course of the trading day, and the bid-offer spread charged by a market maker. The trading price may be affected if there is a suspension of the application and redemption process. The application and redemption facility is designed to reduce the likelihood of Units trading at a significant discount or premium to the Net Asset Value per Unit. If the application or redemption facility for the Fund is closed on a particular day, the trading price might diverge further from the Net Asset Value per Unit.

Periods of increased market volatility or disruptions to the market making function may result in wider bid-offer spreads for Units and trading prices that differ significantly from the Fund's Net Asset Value per Unit. This risk may be higher in the period shortly after the ASX opens for trading and near the close of trading. If an investor purchases Units at a time when the market price is at a premium to the Net Asset Value per Unit or sells at a time when the market price is at a discount to the Net Asset Value per Unit, then the investor may sustain losses. Investors should consider placing "limit orders" to reduce the risk of trading at unfavourable prices.

The Fund's monthly average bid-offer spread will be reported in the ASX Investment Products Monthly Update, which can be viewed on the ASX's website at [www.asx.com.au](http://www.asx.com.au).

## 5.18 GOLD MARKET DISRUPTION RISK

If the arrangements for the trading of gold through LMBA members breaks down, it may be difficult or impossible for the Responsible Entity and the Gold Vendor to buy and sell gold. Under these circumstances, the Responsible Entity may take measures such as suspending the application and redemption process or potentially terminating the Fund.

## 5.19 SETTLEMENT RISK

The application and redemption processes associated with the issue or redemption of Units for Authorised Participants are subject to the normal settlement procedures through CHES. The Fund is exposed to some risk if an Authorised Participant fails to comply with its settlement obligations. These risks are mitigated by the fact that Authorised Participants and other market participants are subject to usual CHES trading practices including sanctions for failure to comply with obligations. The Fund may also suffer loss if an Authorised Participant fails to deliver the application consideration for Units, or redeliver Units in relation to a redemption, by the settlement time and the Fund has entered into transactions in reliance on delivery occurring.

## 5.20 CYBER-SECURITY RISK

With the increased use of technology to conduct business, the Responsible Entity, the Fund and their service providers can be susceptible to information security and related risks including cyber-security attacks or incidents.

Cyber incidents can result from deliberate attacks or unintentional events, and include gaining unauthorised access to digital systems, networks or devices for purposes of misappropriating assets or sensitive information, corrupting data, or causing

operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorised access, such as causing denial-of-service attacks on websites (i.e. efforts to make network services unavailable to intended users).

Cyber-security breaches may cause disruptions to the Fund's operations, potentially resulting in financial loss.

## 6 HOW TO BUY AND SELL UNITS

**NOTE: Only Authorised Participants may apply for Units directly through this PDS. Accordingly, the material below that relates to applications for and redemptions of Units is of direct relevance to such persons only.**

**Other investors may buy and sell Units by trading on the ASX through a stockbroker, or via a financial adviser.**

Prior to being issued Units, an Authorised Participant must execute an Authorised Participant Agreement that deals with, amongst other things, the rights and obligations of the Authorised Participant in relation to applying for Units. See section 7.4 for further information about Authorised Participant Agreements.

To effect an application or redemption, Authorised Participants must also complete the Application Form or Redemption Form that accompanies this PDS or is available from [www.betashares.com.au/authorised-participants](http://www.betashares.com.au/authorised-participants) or by calling Client Services on +1300 487 577 (within Australia) +61 2 9290 6888 (outside Australia).

### 6.1 MINIMUM APPLICATIONS AND REDEMPTIONS

Unless otherwise agreed with the Responsible Entity, .:

- the minimum application amount for Authorised Participants is \$1,000,000 or the equivalent value in Units; and
- minimum redemption amount for Authorised Participants is 100,000 Units.

### 6.2 PROCESSING APPLICATIONS AND REDEMPTIONS

Application and Redemption forms may only be lodged by Authorised Participants on a day that is both an ASX Business Day and a London Business Day (referred to in this PDS as a "Business Day").

Application or Redemption forms received from Authorised Participants before the Dealing Deadline on a Business Day are processed at the Issue Price or Withdrawal Amount (being the Net Asset Value per Unit) for the Fund applicable to that day.

Application or Redemption forms received from Authorised Participants after the Dealing Deadline on a Business Day, or on a day that is not a Business Day, will be treated as being received on the next Business Day.

By signing an Authorised Participant Agreement, an Authorised Participant agrees to be bound by certain execution and settlement procedures in relation to applications for and redemptions of Units which are set out in the Authorised Participant Agreement.

The procedures allow the Responsible Entity to (amongst other things) cancel an application or redemption in certain circumstances. The Responsible Entity may also reject any application in whole or in part at any time, without giving reasons.

### 6.3 APPLICATIONS

Unless otherwise agreed with the Responsible Entity, Authorised Participants must deliver to the Responsible Entity or custodian an

amount of Australian dollars equal to the Issue Price for the relevant Units, plus the application fee. In return, they will receive the relevant Units.

If the application is made for a dollar amount rather than an amount of Units, on T+1, the Responsible Entity will advise the Authorised Participant of the number of Units (rounded down to the nearest Unit) that equates to the value of the application.

Settlement of the application will generally occur through CHES.

The Responsible Entity will use the application consideration to purchase gold from the Gold Vendor under the terms of the Gold Contract. The Gold Vendor will use the application consideration to purchase gold from the Gold Dealer under the Gold Dealing Agreement, and such gold will be delivered by the Gold Dealer into the Unallocated Account. Once gold is received in the Unallocated Account, the Gold Custodian will allocate all the gold (other than an amount less than one London Good Delivery Bar) by transferring such gold to the Allocated Account. Allocation is generally expected to be completed the same day.

### 6.4 REDEMPTIONS

Unless otherwise agreed with the Responsible Entity, an Authorised Participant will receive cash in Australian dollars on redemption of Units.

Redemptions will be effected by the Gold Vendor selling gold to the Gold Dealer under the terms of the Gold Dealing Agreement and then paying the proceeds to the Responsible Entity under the Gold Contract. The proceeds will be used by the Fund to fund the redemption.

The Authorised Participant must deliver the relevant Units to the Responsible Entity or custodian, in return for a cash payment equal to the aggregate Net Asset Value of the Units being redeemed, less the redemption fee. Settlement of the redemption generally occurs through CHES.

Where agreed with the Responsible Entity, and subject to entering into a separate agreement with the Gold Vendor, Authorised Participants may be able to purchase gold from the Gold Vendor by directing the Responsible Entity to pay the proceeds in connection with a redemption to the Gold Vendor. In order to obtain gold in this way, Authorised Participants must have an unallocated gold account with a bullion dealer in London that is a member of the LBMA.

### 6.5 SUSPENSIONS OF APPLICATIONS AND REDEMPTIONS

There may be occasions where the Responsible Entity may suspend applications or delay or reject redemption requests. This may occur, for example, around the end of a distribution period when the Responsible Entity is calculating and paying the distributable income (if any) for the relevant period or where there are factors, as determined by the Responsible Entity, which prevent the accurate calculation of Unit prices. The Responsible Entity will advise Unitholders of any general suspension of applications or delay or rejection of redemptions.

The Responsible Entity may also scale down redemptions in certain circumstances.

See section 7.2.7 and 7.2.8 for further information.

## 6.6 VALUATIONS AND PRICING

After the Units are quoted, the amount per Unit payable by an Authorised Participant upon an application for Units is known as the Issue Price, and is equal to the Net Asset Value per Unit.

The amount per Unit to which an Authorised Participant is entitled on the redemption of Units is known as the Withdrawal Amount, and is equal to the Net Asset Value per Unit.

The Issue Price and the Withdrawal Amount are calculated in the same manner and will have the same value at any time. This value is determined by dividing the Net Asset Value of the Fund by the number of Units on issue in the Fund at the time the Issue Price and/or Withdrawal Amount are determined (the valuation time).

The valuation time for the Fund is generally 10.30am London time (being the time of the London AM gold fix).

The Withdrawal Amount paid to an Authorised Participant on the redemption of Units may include an entitlement to the distributable

income of the Fund. (Please refer to section 8 of this PDS for details regarding how this entitlement is determined).

The Net Asset Value of the Fund is calculated by deducting from the aggregate value of the assets of the Fund all liabilities such as accrued fees and other costs, and provisions relating to the Fund. Fees and other costs, including the Responsible Entity's fees, are normally accrued daily. The value of any assets or liabilities denominated in a foreign currency is converted to Australian dollars using the applicable closing spot and forward rates as of the valuation time for the Fund. The Fund's assets reflect their market value. The valuation methods applied by the Responsible Entity to value the Fund's assets and liabilities are consistent with applicable industry standards and result in Net Asset Value per Unit calculations that are independently verifiable.

Details of the daily Net Asset Value per Unit (and hence the Issue Price and Withdrawal Amount) will be made available on the Betashares website at [www.betashares.com.au](http://www.betashares.com.au).

# 7 ADDITIONAL INFORMATION

## 7.1 THE ROLE OF CERTAIN ENTITIES IN REGARD TO THE FUND

There are a number of parties, in addition to the Responsible Entity, involved in the ongoing operation and administration of the Fund or who otherwise provide services in connection with the Fund:

### 7.1.1 Gold Vendor

The Responsible Entity will buy gold from the Gold Vendor on a deferred delivery basis under the Gold Contract. The Gold Vendor will hold the gold subject to a registered charge in favour of the Fund (the Gold Charge). (See section 2.3 for information about the Gold Vendor, which is National Bank of Canada.) The Responsible Entity may change the Gold Vendor.

### 7.1.2 Gold Dealer

The Gold Dealer has agreed to sell gold to, or buy gold from, the Gold Vendor, from time to time on the terms of the Gold Dealing Agreement. (See section 2.3 for information about the Gold Dealer, which is JPMorgan Chase Bank, N.A.) The Responsible Entity, with the agreement of the Gold Vendor, may change the Gold Dealer.

### 7.1.3 Gold Custodian

The Gold Custodian will serve as the custodian of the gold held in the name of the Gold Vendor. See section 2.3 for information about the Gold Custodian, which is JPMorgan Chase Bank, N.A. The Responsible Entity, with the agreement of the Gold Vendor, may change the Gold Custodian.

### 7.1.4 Custodian and administrator

The custodian provides certain custodial services to the Responsible Entity, including holding the assets of the Fund (primarily cash). The custodian has a limited role and has no obligation to monitor whether the Responsible Entity is complying with its obligations as responsible entity of the Fund. The custodian may, from time to time, appoint sub-custodians. It is not intended that the Fund or the Fund's custodian will hold gold. As discussed in section 7.1.3, the Gold Custodian will serve as the custodian of the gold held in the name of the Gold Vendor.

The administrator provides administration services to the Responsible Entity. These services include fund accounting, maintenance of books and records, calculating distribution amounts, calculating the Issue Price and Withdrawal Amount, and taxation and other services.

The Responsible Entity may change the custodian and administrator without prior notice to Unitholders.

As of the date of this PDS, the custodian and administrator is:

Citigroup Pty Limited  
Level 23  
2 Park Street  
Sydney NSW 2000

### 7.1.5 Registrar

As for any quoted security, the role of the Registrar is to keep a record of the Unitholders in the Fund. This includes details such as the quantity of securities held and tax file numbers (if provided). The Responsible Entity may change the Registrar without prior notice to Unitholders.

As of the date of this PDS, the registrar is:

MUFG Corporate Markets (AU) Limited  
Level 12  
680 George Street  
Sydney NSW 2000

### 7.1.6 Market maker

The role of a market maker is to provide liquidity in the market for Units and to satisfy supply and demand for Units. They do this by:

- Subject to certain conditions, providing liquidity to the market through acting as the buyer and seller of Units during a significant part of the trading day; and
- Creating and redeeming Units in the primary market pursuant to this PDS, which helps to ensure the number of Units on issue matches supply and demand.

The Responsible Entity seeks to appoint market making firms: that have experience in making markets in exchange-traded securities both in Australia and internationally; that have the necessary skill and expertise to perform market making functions; and that are ASX participants (or trade through an ASX participant). To qualify for admission as an ASX participant, a firm must meet admission requirements set out in the ASX Operating Rules, which require the firm to hold an Australian financial services licence that authorises it to carry on its business as a market participant and to satisfy ASX of various matters including organisational competence and business integrity.

Information about the market maker(s) selected by the Responsible Entity from time to time can be obtained by contacting the Responsible Entity.

The arrangements with the market maker specify certain permitted circumstances where the market making obligations may be suspended (such as operational disruptions, market disruptions or unusual conditions, other events set out in the ASX Operating Rules, the suspension or rejection of applications for Units or redemption requests, or the market maker not having ASIC relief to allow short selling of Units). If a market maker defaults on its obligations, the Responsible Entity may seek to replace the market maker, although the arrangements with the market maker may limit or exclude any liability on the part of the market maker. The arrangements with the market maker may also provide that the market maker has no liability or responsibility to Unitholders for any act or omission made in connection with the market making arrangements.

Unitholders should be aware that a market maker will retain for its own account any trading profit and bear any loss which may be generated by its market making activities. Subject to the AQUA Rules and the agreement with the market maker, the Responsible Entity may appoint or terminate a market maker in respect of the Fund. The Responsible Entity may determine to no longer appoint a market maker in respect of the Fund in circumstances where it is no longer required to do so under the AQUA Rules.

### 7.1.7 Auditor

The Responsible Entity has appointed KPMG as the auditor of the financial statements of the Fund and of the Responsible Entity's compliance plan for the Fund.

### 7.1.8 Monitoring of service providers

The Responsible Entity has procedures in place to monitor the performance of those service providers to whom functions have been outsourced. Monitoring methods include, where appropriate, daily observation of service provider performance, review of regular compliance and audit reports, regular meetings with service providers and performance assessments.

## 7.2 OTHER INFORMATION YOU NEED TO KNOW

### 7.2.1 Betashares as the responsible entity

Betashares, as the responsible entity, is responsible for the management and administration of the Fund. The Responsible Entity holds an Australian Financial Services Licence (AFSL 341181) that authorises it to act as the responsible entity of the Fund. The powers and duties of the Responsible Entity are set out in the Constitution of the Fund, the *Corporations Act* and general trust law.

The Responsible Entity has the power to appoint an agent, or otherwise engage a person, to do anything that it is authorised to do in connection with the Fund and, for the purpose of determining whether the Responsible Entity has properly performed its duties as responsible entity, the Responsible Entity is taken to have done (or failed to do) anything that the agent or person has done (or failed to do) because of the appointment or engagement, even if they were acting fraudulently or outside the scope of their authority or engagement.

### 7.2.2 The Constitution

The Fund is a registered managed investment scheme governed by the Constitution. Under the Constitution of the Fund, the Responsible Entity has all the powers it is possible to confer on a trustee as though it were the absolute owner of the Fund's assets and acting in its personal capacity. The Constitution for the Fund sets out the rights of the Unitholders and the obligations of the Responsible Entity, as responsible entity of the Fund. This PDS outlines some of the more important provisions of the Constitution of the Fund.

A copy of the Constitution may be inspected by Unitholders at the Responsible Entity's office, during business hours. The Responsible Entity will provide Unitholders with a copy of the Constitution upon request by contacting Betashares on 1300 487 577 (within Australia) or +61 2 9290 6888 (outside Australia).

### 7.2.3 Amendments to the Constitution

The Responsible Entity may amend the Constitution of the Fund from time to time, subject to the provisions of the Constitution and the *Corporations Act*. Generally, the Responsible Entity can only amend the Constitution where the Responsible Entity reasonably considers that the change will not adversely affect the rights of Unitholders. Otherwise the Constitution can only be amended if approved at a meeting of Unitholders by a resolution approved by at least 75% of the votes cast by Unitholders entitled to vote on the resolution.

### 7.2.4 The compliance plan

The Responsible Entity has prepared and lodged a compliance plan for the Fund with ASIC. The compliance plan sets out the key criteria that the Responsible Entity will follow to ensure that it is complying with the *Corporations Act* and the Constitution. Each year the compliance plan, and the Responsible Entity's compliance with the compliance plan, will be independently audited, as required by the *Corporations Act*, and the auditor's report will be lodged with ASIC.

### 7.2.5 The compliance committee

The Responsible Entity has established a compliance committee with a majority of members that are external to the Responsible Entity. The compliance committee's functions include:

- monitoring the Responsible Entity's compliance with the compliance plan and reporting its findings to the Responsible Entity;
- reporting breaches of the *Corporations Act* or the Constitution to the Responsible Entity;
- reporting to ASIC if the committee is of the view that the Responsible Entity has not taken or does not propose to take appropriate actions to deal with breaches reported to it by the committee; and
- assessing the adequacy of the compliance plan, recommending any changes and reporting these to the Responsible Entity.

### 7.2.6 Unit pricing policy

The Responsible Entity has documented its policy on how it exercises discretions when determining Unit prices for the Fund. The policy has been designed to meet the ASIC requirements and is available on request to all Unitholders and prospective Unitholders at no charge.

### 7.2.7 Suspensions of applications and redemptions

The Constitution of the Fund allows the Responsible Entity to suspend the issue of Units in the Fund by publishing a notice to that effect. Application forms received from Authorised Participants during a period of suspension may be rejected or treated as received when the period of suspension ceases. The Responsible Entity may also reject any application by Authorised Participants in whole or in part at any time, without giving reasons.

The Constitution of the Fund provides that, in some circumstances, the period for satisfaction of redemption requests (generally two ASX Business Days) may be extended, or that redemption requests may be suspended or rejected for as long as the relevant circumstances apply. Those circumstances are where:

- i. the Responsible Entity has taken all reasonable steps to realise sufficient assets to pay amounts due in respect of Units to which a redemption request applies and is unable to do so due to circumstances outside its control, such as restricted or suspended trading in the market for an asset;
- ii. the Responsible Entity believes that it is impracticable or not possible to transfer, in the manner acceptable to the Responsible Entity, sufficient assets to satisfy the redemption request (for example, because of disruption to a settlement or clearing system);
- iii. the Responsible Entity believes that it is not practicable or desirable to carry out the calculations necessary to satisfy the redemption request (for example, because a relevant index, exchange rate or other reference price is not compiled or published, or it is impracticable or undesirable to calculate the Net Asset Value because of restricted or suspended trading in the market for an asset or because the value of any asset cannot otherwise promptly or accurately be ascertained);
- iv. the quotation of any Units on the ASX is suspended or the trading of any Units is otherwise halted, interrupted or restricted by the ASX;
- v. the Units cease to be admitted to trading status on the ASX;
- vi. a redemption request is received in a financial year and the Responsible Entity determines that the date on which the completion of the redemption of the Units would otherwise occur would be in the next financial year;

- vii. a redemption request is received during the period commencing on the Fund's ex-distribution date for distributions and expiring at the end of the relevant distribution period;
- viii. the Responsible Entity does not consider that it is in the best interests of Unitholders of the Fund taken as a whole to transfer or realise sufficient assets to satisfy the redemption request; or
- ix. the Responsible Entity believes that assets cannot be realised at prices that would be obtained if assets were realised in an orderly fashion over a reasonable period in a stable market.

#### 7.2.8 Spreading redemption requests

The Constitution of the Fund provides that, if the Responsible Entity receives one or more redemption requests in respect of a particular valuation time that seek the redemption in aggregate of more than 10% of the total number of Units on issue, the Responsible Entity may scale down pro rata each redemption request so that no more than 10% of the number of Units on issue will be redeemed in respect of that valuation time. If a redemption request is scaled down in this way, the relevant Unitholder shall be deemed to have made a redemption request with respect to the unsatisfied balance of the Units the subject of the redemption request and that request will be deemed to have been received immediately following the first valuation time. The balance of such unsatisfied redemption request will be satisfied in priority to any subsequently received redemption request and will generally be satisfied in full no later than the 10<sup>th</sup> valuation time following the first valuation time.

#### 7.2.9 Non-Authorised Participant redemption request

Generally, investors who are not Authorised Participants may only buy and sell their Units on the ASX and may not redeem Units directly under this PDS. If there are no Authorised Participants, however, the Responsible Entity may accept a redemption request from a person who is not an Authorised Participant, provided such person is an Australian resident at the time of giving the redemption request. In such a case Unitholders should note that they may become entitled to distributable income of the Fund on the redemption of their Units. See section **Error! Reference source not found.** for further information.

#### 7.2.10 Information relating to redemptions

The information in section 6 relating to redemptions assumes that the Fund is liquid within the meaning of section 601KA of the *Corporations Act*. The Fund will be liquid if at least 80% of its assets, by value, are liquid assets under the *Corporations Act*. Broadly, liquid assets include money in an account or on deposit with a bank, bank accepted bills, marketable securities and other property which the Responsible Entity reasonably expects can be realised for its market value within the period specified in the Constitution for satisfying redemption requests. At the date of this PDS, the Responsible Entity expects that the Fund will be liquid under the *Corporations Act*. If the Fund is not liquid, a Unitholder will not have a right to redeem Units and can only redeem where the Responsible Entity makes a withdrawal offer to Unitholders in accordance with the *Corporations Act*. The Responsible Entity is not obliged to make such offers.

#### 7.2.11 Rights of a Unitholder

A Unit confers a beneficial interest on a Unitholder in the assets of the Fund but not an entitlement or interest in any particular part of the Fund or any asset.

The terms and conditions of the Fund's Constitution are binding on each Unitholder in the Fund and all persons claiming through them respectively, as if the Unitholder or person were a party to the Constitution.

#### 7.2.12 Reimbursement of expenses

In addition to any other indemnity which the Responsible Entity may have under the Fund's Constitution or at law, the Responsible Entity is indemnified and entitled to be reimbursed out of, or paid from, the assets of the Fund for all liabilities, losses and expenses incurred in relation to the proper performance of its duties as responsible entity of the Fund. The Fund may sell gold from time to time to generate cash in connection with payment of the Fund's fees, expenses and other amounts payable under the Fund's Constitution.

#### 7.2.13 Retirement of Betashares

Betashares may retire as responsible entity of the Fund by calling a meeting of Unitholders to enable Unitholders to vote on a resolution to choose a company to be the new responsible entity. The Responsible Entity may be removed from office by an extraordinary resolution (i.e. a resolution passed by at least 50% of the total votes that may be cast by Unitholders entitled to vote on the resolution) passed at a meeting of Unitholders, in accordance with the *Corporations Act*.

#### 7.2.14 Termination

The Responsible Entity may wind up the Fund at any time. Following winding up, the net proceeds will be distributed to Unitholders pro-rata according to the number of Units they hold.

#### 7.2.15 Limitation of liability of Unitholders

The Constitution of the Fund provides that the liability of each Unitholder is limited to the consideration (if any) which remains outstanding in relation their subscription subject to:

- i. the indemnities each Unitholder gives the Responsible Entity for losses or liabilities incurred by the Responsible Entity:
  - a) in relation to the Unitholder's failure to provide requested information;
  - b) for tax or user pays fees as a result of any act or omission by the Unitholder or any matter arising in connection with the Units held by the Unitholder;
- ii. application/redemption fees and management fees; and
- iii. execution and settlement procedures prescribed by the Responsible Entity that relate to the issue and redemption of Units.

Subject to the matters described above, a Unitholder is not required to indemnify the Responsible Entity or a creditor of the Responsible Entity against any liability of the Responsible Entity in respect of the Fund. However, no complete assurance can be given in this regard, as the ultimate liability of a Unitholder has not been finally determined by the courts.

#### 7.2.16 Meeting of Unitholders

The Responsible Entity may convene a meeting of Unitholders of the Fund at any time, (e.g. to approve certain amendments to the Fund's Constitution or to wind up the Fund). The *Corporations Act* provides that Unitholders also have limited rights to call meetings and have the right to vote at any Unitholder meetings. Except where the Fund's Constitution provides otherwise, or the *Corporations Act* requires otherwise, a resolution of Unitholders must be passed by Unitholders who hold Units exceeding 50% in value of the total value of all Units held by Unitholders who vote on the resolution.

A resolution passed at a meeting of Unitholders held in accordance with the Fund's Constitution binds all Unitholders of the Fund.

### 7.2.17 Indemnities and limitation of liability of the Responsible Entity

The Responsible Entity is indemnified out of the assets of the Fund for any liability incurred by it in properly performing or exercising any of its powers or duties in relation to the Fund. To the extent permitted by the *Corporations Act*, the indemnity includes any liability incurred by the Responsible Entity as a result of any act or omission of a delegate or agent appointed by the Responsible Entity.

The Responsible Entity is not liable in contract, tort or otherwise to Unitholders for any loss suffered in any way relating to the Fund except to the extent that the *Corporations Act* imposes such liability.

### 7.2.18 Defective applications

The Constitution of the Fund allows the Responsible Entity to cancel Units in certain circumstances including where the Responsible Entity determines that the applicant was not entitled to apply for or hold the Units, the application form was incorrectly executed or was otherwise defective or where the execution and settlement procedures were not complied with.

### 7.2.19 Discretionary redemptions

The Constitution of the Fund allows the Responsible Entity to redeem some or all of a Unitholder's Units at any time.

### 7.2.20 Information from Unitholders

The Constitution of the Fund provides that the Responsible Entity may request any information from Unitholders where it believes that such information is necessary to (a) comply with any law or regulatory request; or (b) lessen the risk of the Fund or any Unitholder suffering a material detriment. If a Unitholder fails to provide the requested information, the Unitholder must indemnify the Responsible Entity for any loss suffered by the Responsible Entity in relation to such failure.

### 7.2.21 Borrowings

The Fund's Constitution places no formal limits on borrowing. It is not the Responsible Entity's intention to enter into borrowing for the Fund, except that temporary overdrafts may be used occasionally to manage certain cash flows. Any borrowing costs would be borne by the Fund.

### 7.2.22 If you have a complaint

If a Unitholder has a complaint regarding the Fund or services provided by the Responsible Entity, please contact Client Services on 1300 487 577 (within Australia) or +61 2 9290 6888 (outside Australia) from 9:00 am to 5:00 pm Sydney time, Monday to Friday, or refer the matter in writing to:

[complaints@betashares.com.au](mailto:complaints@betashares.com.au); or

Manager Client Services  
Betashares Capital Ltd  
Level 46, 180 George Street  
Sydney NSW 2000

A copy of the complaints handling policy can be obtained at no charge by contacting the Responsible Entity.

To expedite a resolution of the matter, copies of all relevant documentation and other information supporting the complaint should be provided when making the complaint.

The Responsible Entity will try to resolve complaints as soon as possible, but in any event, will inform the Unitholder in writing of its determination regarding the complaint within 30 days of receiving the initial complaint.

In the event that a Unitholder is not satisfied with the outcome of a complaint, the Unitholder has the right to request the Responsible Entity to review its decision or to refer the matter to an external complaints resolution scheme. The Responsible Entity is a member of the Australian Financial Complaints Authority ("AFCA"). AFCA provides independent financial services complaint resolution that is free to consumers. Unitholders can contact AFCA as follows:

Website: [www.afca.org.au](http://www.afca.org.au)  
Email: [info@afca.org.au](mailto:info@afca.org.au)  
Phone: 1800 931 678 (free call)  
In writing to: Australian Financial Complaints Authority Limited  
GPO Box 3, Melbourne VIC 3001

Certain eligibility requirements apply for AFCA to hear a complaint, as set out in AFCA's complaint resolution scheme rules. AFCA is only available to retail clients.

### 7.2.23 Privacy policy

Privacy laws regulate, among other matters, the way organisations collect, use, disclose, keep secure and give people access to their personal information.

The Responsible Entity is committed to respecting the privacy of a Unitholder's personal information. The Responsible Entity's privacy policy states how the Responsible Entity manages personal information.

The Responsible Entity may collect personal information in the course of managing the Fund. Some information must be collected for the purposes of compliance with the *Anti-Money Laundering and Counter Terrorism Financing Act 2006*.

The Responsible Entity may provide personal information to a Unitholder's adviser if written consent is provided to the Responsible Entity. The Responsible Entity may disclose personal information to authorities investigating criminal or suspicious activity and to the Australian Transaction Reports and Analysis Centre (AUSTRAC) in connection with anti-money laundering and counter-terrorism financing.

The Responsible Entity may provide a Unitholder's personal information to its service providers for certain related purposes (as described under the *Privacy Act 1988*) such as account administration and the production and mailing of statements. The Responsible Entity may also use a Unitholder's personal information and disclose it to its service providers to improve customer service (including companies conducting market research) and to keep Unitholders informed of the Responsible Entity's or its partners' products and services, or to their financial adviser or broker to provide financial advice and ongoing service.

The Responsible Entity will assume consent to personal information being used for the purposes of providing information on services offered by the Responsible Entity and being disclosed to market research companies for the purposes of analysing the Responsible Entity's investor base unless otherwise advised.

To obtain a copy of the privacy policy at no charge, contact Betashares on 1300 487 577 (within Australia) or +61 2 9290 6888 (outside Australia).

### 7.2.24 Anti-money laundering

The Responsible Entity is bound by laws regarding the prevention of money laundering and the financing of terrorism, including the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (AML/CTF Laws). By completing the Application or Redemption Form, the Unitholder agrees that:

- it does not subscribe to the Fund under an assumed name;
- any money used to invest in the Units is not derived from or related to any criminal activities;
- any proceeds of the investment will not be used in relation to any criminal activities;
- if the Responsible Entity requests, the Unitholder will provide to it any additional information that is reasonably required for the purposes of AML/CTF Laws (including information about the investor, any beneficial interest in the Units, or the source of funds used to invest);
- the Responsible Entity may obtain information about the Unitholder or any beneficial owner of a Unit from third parties if it is believed this is necessary to comply with AML/CTF Laws; and
- in order to comply with AML/CTF Laws, the Responsible Entity may be required to take action, including:
  - delaying or refusing the processing of any application or redemption, or disclosing information that the Responsible Entity holds about the Unitholder or any beneficial owner of the Units to its related bodies corporate or service providers, or relevant regulators of AML/CTF Laws (whether in or outside of Australia);
  - disclosing information that the Responsible Entity holds about the Unitholder or any beneficial owner of the Units to the Responsible Entity's related bodies corporate or service providers, or relevant regulators of AML/CTF Laws (whether in or outside of Australia).

#### **7.2.25 Interest on amounts awaiting investment or redemption**

Amounts paid to the Fund may accrue interest in the Fund's accounts pending the issue of Units or the return of application monies. Similarly, amounts made available to satisfy a redemption request may also accrue interest pending payment. Any such interest will be retained by the Responsible Entity as an asset of the Fund.

#### **7.2.26 Other services**

The Responsible Entity in its personal capacity, or companies related to the Responsible Entity, may provide services to the Fund. Any fees for such services will be at arm's length commercial rates.

#### **7.2.27 Indicative Net Asset Value per Unit**

As at the date of this PDS, the Responsible Entity intends to make available, or may designate other persons to make available on its behalf, an estimated indicative Net Asset Value per Unit (**iNAV**) for the Fund from time to time, for informational purposes. Such information, if made available (on the Betashares website or via one or more financial data vendors) on any ASX Business Day, will be calculated based upon information available to the Responsible Entity or its designate during the ASX Business Day or any portion of the ASX Business Day.

Any iNAV is not, and should not be taken to be or relied on as being, the value of a Unit or the price at which Units may be applied for or redeemed, or bought or sold on the ASX, and may not reflect the true value of a Unit. Investors interested in applying for or redeeming Units, or buying or selling Units on the ASX, should not rely on any iNAV which is made available in making investment decisions but should consider other market information and relevant economic factors. Neither the Responsible Entity nor any designate or other service provider to the Responsible Entity shall be liable to any person who relies on the iNAV.

No assurance can be given that any iNAV will be published continuously, will be up to date or free from error.

#### **7.2.28 Foreign Account Tax Compliance Act (FATCA) & OECD Common Reporting Standard (CRS)**

FATCA was enacted by the US Congress to target non-compliance by US taxpayers using foreign accounts. In order to prevent FATCA withholding tax being applied to any US connected payments made to the Fund in Australia, the Fund is required to collect and report information to the Australian Taxation Office relating to certain US accounts, which may be exchanged with the US Internal Revenue Service.

Similar to FATCA, the CRS is the single global standard for the collection, reporting and exchange of financial account information on foreign tax residents. Australian financial institutions need to collect and report financial account information regarding non-residents to the Australian Taxation Office.

Accordingly, the Fund may request that you provide certain information about yourself (for individual investors) or your controlling persons (where you are an entity) in order for the Fund to comply with its FATCA or CRS compliance obligations.

#### **7.2.29 Other services**

The Responsible Entity in its personal capacity, or companies related to the Responsible Entity, may invest in or provide services to the Fund. Any such services will be provided on terms that would be reasonable if the parties were dealing at arm's length.

#### **7.2.30 Warning statement for New Zealand investors**

The following disclosure is made to enable the Fund's Units to be offered by the Responsible Entity in New Zealand under the mutual recognition scheme between Australia and New Zealand:

1. This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.
2. This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Aust) and the regulations made under that Act set out how the offer must be made.
3. There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.
4. The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.
5. Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.
6. The taxation treatment of Australian financial products is not the same as for New Zealand financial products.
7. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of a financial advice provider.

## Currency exchange risk

1. The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.
2. If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

## Trading on financial product market

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

## Dispute resolution process

The dispute resolution process described in this offer document is available only in Australia and is not available in New Zealand.

### 7.2.31 No minimum Unit holding requirement

The Responsible Entity does not require an investor who invests through an Australian securities exchange to hold a minimum number of Units in the Fund and therefore permits such an investor to establish a holding in the Fund of one Unit or more. The Responsible Entity may, after giving at least 60 days' notice to Unitholders, update this PDS to specify a minimum number of Units which must be held at any time. Where a minimum holding amount has been set and an existing Unitholder's holding is below the minimum holding amount, in accordance with the Fund's Constitution we may choose to redeem that Unitholder's holding, after giving 60 days' notice to the Unitholder.

This does not affect the minimum application and redemption amounts applicable to Authorised Participants who apply for, or redeem, Units directly with the Fund.

## 7.3 SUMMARY OF THE GOLD AGREEMENTS

The Responsible Entity has entered into a number of agreements in relation to the Fund in connection with the purchase and sale of gold.

Certain key provisions of these agreements are summarised below.

In this section 7.3, "Gold" means gold in physical form complying with the rules of the LBMA and/or any credit balance in the Unallocated Account as the context requires. This summary is not intended to set out in detail all the provisions of the agreements.

### 7.3.1 Gold Contract and Gold Dealing Agreement

The Gold Contract is between the Responsible Entity and the Gold Vendor (National Bank of Canada). Under it, the Gold Vendor agrees to sell Gold to the Responsible Entity on a deferred delivery basis. This means the Gold purchased by the Responsible Entity for the Fund is not delivered at the time of purchase. Instead, the Gold Vendor has an obligation to: (a) deliver the Gold; or (b) convert the obligation to deliver the Gold into US dollars ("USD") and pay the

proceeds to the Responsible Entity, in either case as and when directed by the Responsible Entity in accordance with the Gold Contract. The Responsible Entity intends to direct the Gold Vendor to cash settle the Gold Contract in all cases.

The Gold Dealing Agreement is between the Responsible Entity, the Gold Vendor and the Gold Dealer (JPMorgan Chase Bank, N.A.). Under it, the Gold Vendor may, from time to time, request that the Gold Dealer sells Gold to the Gold Vendor or buys Gold from the Gold Vendor.

On any London Business Day, if the Responsible Entity wishes to purchase Gold under the Gold Contract then it provides the Gold Vendor with a notification that sets out the aggregate Australian dollar amount ("AUD Amount") of Gold to be purchased.

At the same time, under the Gold Dealing Agreement, the Gold Dealer agrees to sell the AUD Amount of Gold to the Gold Vendor, with the number of fine troy ounces of Gold determined by the AUD/USD spot exchange rate (as at the valuation time of the Fund) and the applicable Gold reference price (being the London a.m. gold fixing price.)

On the second following London Business Day, the Gold Dealer delivers the amount of Gold purchased by the Gold Vendor into the Unallocated Account, and the Gold Vendor pays the aggregate purchase price to the Gold Dealer. On the same date, the Responsible Entity pays to the Gold Vendor the same aggregate purchase price as is payable by the Gold Vendor under the Gold Dealing Agreement.

On any London Business Day the Responsible Entity may request delivery of an amount of the Gold which has been purchased by it from the Gold Vendor under the Gold Contract. This Gold is to be delivered by the Gold Vendor on the second following London Business Day to such unallocated Gold account as the Responsible Entity specifies.

On any London Business Day, the Responsible Entity may require the Gold Vendor to convert its obligation under the Gold Contract to deliver some or all of the Gold to the Fund into an obligation to pay the equivalent value of the Gold in cash (in USD). If the Responsible Entity wishes to do this, it provides the Gold Vendor with a notification that sets out the relevant number of fine troy ounces of Gold to be sold and converted into USD. The Responsible Entity intends to direct the Gold Vendor to cash settle the Gold Contract in all cases.

At the same time, under the Gold Dealing Agreement, the Gold Vendor agrees to sell to the Gold Dealer the relevant number of fine troy ounces of Gold, with the purchase price determined by the applicable Gold reference price (being the London a.m. gold fixing price.)

On the second following London Business Day, the Gold Vendor delivers the Gold to the Gold Dealer in return for payment of the USD purchase price by the Gold Dealer. Under the Gold Contract, the amount of USD payable by the Gold Vendor to the Responsible Entity is equal to the amount payable by the Gold Dealer to the Gold Vendor for the sale by the Gold Vendor under the Gold Dealing Agreement.

Fees are payable by the Responsible Entity to the Gold Vendor under the Gold Contract. While this PDS is current, the Responsible Entity will reimburse the Fund for any fees payable to the Gold Vendor to the extent that such amounts would exceed 0.1% per annum of the Fund's Net Asset Value.

The Gold Dealer can refuse to act on instructions given to it under the Gold Dealing Agreement if they are unclear or ambiguous. The Gold

Contract and the Gold Dealing Agreement are governed by English law.

### **7.3.2 Gold Charge**

The Gold Charge is between the Responsible Entity and the Gold Vendor. Under it, the Gold Vendor charges to the Responsible Entity, as security for the Gold Vendor's obligations under the Gold Contract, all of the Gold Vendor's right, title and interest in connection with the Gold Custody Accounts (including the Gold in those accounts) and in connection with the Gold Dealing Agreement and the Gold Contract. The Gold Vendor agrees to not withdraw Gold from the Gold Custody Accounts, amend or terminate the Gold Dealing Agreement or Gold Contract or dispose or otherwise deal with any of the charged property, without the Responsible Entity's consent as chargee.

If an event of default occurs under the Gold Charge (including events such as a failure by the Gold Vendor to perform the obligations which are secured or if the Gold Vendor becomes insolvent) then the Gold Charge permits the Responsible Entity to enforce the Gold Charge against the property secured (including the Gold in the Gold Custody Accounts).

The Gold Vendor's liability to pay an amount under the Gold Charge is limited to the property charged under it. However, this limitation does not apply in certain circumstances such as the Gold Vendor's fraud, negligence or wilful default in connection with certain documents including the Gold Dealing Agreement, the Gold Contract and the Gold Custody Agreements or the failure of the Gold Vendor to perform obligations under those documents other than the obligation to pay money or deliver Gold. The Gold Charge is governed by English law.

Since the Gold Vendor is a Canadian chartered bank whose registered office is located in the Province of Québec, additional security in the form of a "Québec hypothec" has been granted by the Gold Vendor in favour of the Responsible Entity over the same property and rights as are subject to the Gold Charge in order to secure the same obligations secured under the Gold Charge, on substantially the same terms as the Gold Charge.

### **7.3.3 Gold Custody Agreements**

The Gold Custody Agreements are the Allocated Account Agreement between the Responsible Entity, the Gold Vendor and the Gold Custodian (JPMorgan Chase Bank, N.A.) and the Unallocated Account Agreement between the same parties. They are governed by English law. The Allocated Account and the Unallocated Account (the "Gold Custody Accounts") have been established pursuant to the terms of the Gold Custody Agreements.

#### **7.3.3.1 Gold Custody Accounts**

The Gold Custodian will open and maintain the Gold Custody Accounts in the name of the Gold Vendor. The Gold Custody Accounts shall evidence and record the withdrawals of Gold from, and deposits of Gold to, the accounts. The Gold Custody Accounts will be denominated in fine troy ounces.

The Gold Vendor (but only with the consent of the Responsible Entity as chargee) shall be the only party able to make instructions in relation to the Gold Custody Accounts.

The Gold Custodian will provide reports to the Responsible Entity and the Gold Vendor by the close of each London Business Day (only if there have been any changes). The Gold Custodian retains the right to reverse recording errors with retrospective effect.

### **7.3.4 Deposits and withdrawals**

Instructions relating to intended deposits and withdrawals of Gold to and from a Gold Custody Account must be delivered in accordance with the provisions of the relevant Gold Custody Agreement. The Gold Custodian may amend the procedure for deposits or withdrawals or impose additional procedures as it considers appropriate in certain circumstances. It is intended that, in order to withdraw Gold from the Allocated Account, such Gold will first be "de-allocated" by being transferred to the Unallocated Account.

### **7.3.5 Refusal to act on instructions**

The Gold Custodian may refuse to act on instructions given to it if they are unclear, ambiguous or contrary to the rules of the LBMA or applicable law.

### **7.3.6 Custody services**

The Gold Custodian will segregate the Gold credited to the Allocated Account from any other Gold which it owns or holds for itself or others by making appropriate entries in its books and records, and will require any sub-custodians it appoints to so segregate the Gold in the same manner. The Gold Custodian will identify in its books that the Gold credited to the Allocated Account belongs to the Gold Vendor and is subject to the Gold Charge in favour of the Responsible Entity. Unless otherwise agreed between the parties, Gold will be held at the Custodian's London vault premises or by or for any sub-custodian permitted in accordance with the terms of the Allocated Account Agreement.

### **7.3.7 Sub-custodians**

The Gold Custodian may appoint sub-custodians solely for the temporary custody and safekeeping of Gold until transported to the Gold Custodian's London vault premises. The Allocated Account Agreement requires the Gold Custodian to use reasonable care in the selection of those sub-custodians and provides that it shall not be liable for any act or omission, or for the solvency, of any sub-custodian it appoints unless the appointment of that sub-custodian was made by it negligently or in bad faith.

### **7.3.8 Fees and Expenses**

The Gold Custodian is entitled to a fee for its services under the Gold Custody Agreements, which will be paid by the Gold Vendor. The Gold Custodian is also entitled to be reimbursed by the Gold Vendor for all costs, charges and expenses it incurs in connection with the performance of its obligations under the Gold Custody Agreements.

No fees are incurred directly by the Responsible Entity under the Gold Custody Agreements. However the Responsible Entity will pay fees to the Gold Vendor under the Gold Contract. See sections 7.3.1 and 4.3.1 of this document for further information.

### **7.3.9 Value Added Tax**

All sums payable to the Gold Custodian under the Gold Custody Agreements shall be deemed to be inclusive of VAT.

### **7.3.10 Scope of Responsibility**

#### *General*

The Gold Custodian will use reasonable care in the performance of its duties under the Gold Custody Agreements and will only be responsible for any loss or damage suffered as a direct result of any negligence, fraud or wilful default by it in the performance of its duties, and in which case its liability will not exceed the market value of Gold lost or damaged at the time that such negligence, fraud or wilful default is discovered by the Gold Custodian.

The Gold Custodian is under no duty or obligation to make or take, or require any sub-custodian it appoints to make or take, any special

arrangements or precautions beyond those required by any applicable rules, regulations, practices and customs of the LBMA, the Bank of England or any other applicable regulatory authority or as specifically set out in the relevant agreement.

#### *Insurance*

The Gold Custodian will make such insurance arrangements from time to time in connection with its custodial obligations under the Gold Custody Agreements as the Gold Custodian considers appropriate and will be responsible for all costs, fees and expenses (including any relevant taxes) in relation to such insurance policy or policies.

#### *Force majeure*

The Gold Custodian shall not be liable for any delay in performance, or for the non-performance of any of its obligations under the Gold Custody Agreements by reason of any cause beyond the Gold Custodian's reasonable control.

#### *Indemnity*

The Gold Vendor shall indemnify the Gold Custodian against all costs and expenses, damages, liabilities and losses (other than VAT) which it may suffer or incur, directly or indirectly in connection with the Gold Custody Agreements except to the extent that such sums are due directly to the Gold Custodian's negligence, wilful default or fraud.

#### **7.3.11 Termination**

Either the Gold Vendor (if the prior consent of the Responsible Entity as chargee has been obtained) or the Gold Custodian may terminate either Gold Custody Agreement for any reason including if the Gold Custodian ceases to offer the services contemplated by the

agreements or proposes to withdraw from the bullion business, by giving not less than 90 days' written notice, provided that the agreements may be terminated immediately upon written notice as follows:

- the Gold Custodian ceases to offer the services contemplated by the relevant Gold Custody Agreement to its clients or proposes to withdraw from the bullion business;
- it becomes unlawful for the Gold Custodian to be a party to the relevant Gold Custody Agreement or to offer its services on the terms contemplated by such agreement or it becomes unlawful for the Gold Vendor to receive such services or be a party to such agreement;
- there is any event which, in the Gold Custodian's reasonable view, indicates the Gold Vendor's insolvency or impending insolvency;
- there is any event which, in the Gold Vendor's sole view, indicates the Gold Custodian's insolvency or impending insolvency;
- the Fund is to be terminated; or
- if the Allocated Account Agreement or Unallocated Account Agreement (as applicable) ceases to be in full force and effect at any time.

If arrangements have not been made for the redelivery of the Gold held in the Gold Custody Accounts within six months of the termination date, the Gold Custodian will be entitled to sell such Gold and account to the Gold Vendor (subject to the Gold Charge) for the proceeds.

## 7.4 OTHER MATERIAL CONTRACTS

The Responsible Entity (or the Responsible Entity's holding company) has entered into a number of contracts in relation to the offer of the Fund, as set out below.

TABLE 7.4: MATERIAL CONTRACTS

CONTRACT AND PARTY	DESCRIPTION
<b>Custody agreement</b> Citigroup Pty Limited	This agreement sets out the services provided by the custodian on an ongoing basis together with service standards.
<b>Administration services agreement</b> Citigroup Pty Limited	This agreement sets out the services provided by the administrator (accountancy services, tax services and fund administration services including Unit price calculations), together with service standards.
<b>Registry agreement</b> MUFG Corporate Markets (AU) Limited	This agreement sets out the services provided by the Registrar on an ongoing basis together with the service standards.
<b>Authorised participant agreement</b> Authorised Participants	<p>An Authorised Participant Agreement deals with execution and settlement procedures in relation to the application for and redemption of Units. The terms of each Authorised Participant Agreement may vary and each may be amended from time to time.</p> <p>Under the Authorised Participant Agreement, the Authorised Participant makes certain representations to the Responsible Entity about its status as an appropriately licensed entity and agrees to comply with the Constitution and with the execution and settlement procedures.</p>
<b>Nominee deed poll</b> Citigroup Pty Limited	Under this document, if applicable, the Applicant Nominee agrees to hold Units the subject of an application by an Authorised Participant as nominee for the Authorised Participant pending settlement.
<b>Nominee terms</b> Authorised participant	By signing the Application Form, if applicable, the Authorised Participant covenants for the benefit of the Applicant Nominee to be bound by the Nominee Terms under which the Applicant Nominee will hold Units for the Authorised Participant subject to a security interest in favour of the Responsible Entity pending settlement of the application. Under the Nominee Terms, if the Authorised Participant does not comply with its obligations relating to the issue of Units, the Responsible Entity may direct the Applicant Nominee that the Units not be transferred to the Authorised Participant, in which case the Units are to be held solely for the Responsible Entity.

## 7.5 ASIC RELIEF

### Equal Treatment Relief

ASIC has granted relief under section 601QA(1)(a) of the *Corporations Act* from the equal treatment requirement in section 601FC(1)(d), to the extent necessary to allow the Responsible Entity to restrict eligibility to submit redemption requests in relation to Units to Authorised Participants. The Responsible Entity will not treat Unitholders of the same class equally to the extent that it restricts redemptions from the Fund to such Authorised Participants.

### Ongoing Disclosure Relief

ASIC Corporations (Relief to Facilitate Admission of Exchange Traded Funds) Instrument 2024/147 exempts the Responsible Entity from the ongoing disclosure requirements in section 1017B of the *Corporations Act* on the condition that the Responsible Entity complies with the continuous disclosure provisions of the *Corporations Act* that apply to an unlisted disclosing entity as if the Fund was an unlisted disclosing entity. The Responsible Entity will comply with these continuous disclosure provisions as if the Fund was an unlisted disclosing entity.

### Periodic Statements Relief

ASIC Corporations (Periodic Statement Relief for Quoted Securities) Instrument 2024/14 exempts the Responsible Entity from certain periodic statement requirements. In particular, the Responsible Entity is not required (and does not propose) to include in periodic statements details of the price at which an investor transacts in Units on the ASX, or information on the return on an investment in Units acquired on the ASX (for the year in which the Units are acquired), if the Responsible Entity is not able to calculate this and the periodic statement explains why the information was not included and how it can be obtained.

## 7.6 DOCUMENTS LODGED WITH ASIC

The Responsible Entity is subject to certain regular reporting and disclosure obligations in relation to the Fund as if it were an unlisted "disclosing entity" under the *Corporations Act*. We will comply with our continuous disclosure obligations under the law by publishing material information on our website in accordance with ASIC's good practice guidance for website disclosure.

As an investor in the Fund, a Unitholder may obtain the following documents from the Responsible Entity:

- the annual report most recently lodged with ASIC in respect of the Fund;
- any half-year financial report lodged with ASIC in respect of the Fund after the lodgement of the abovementioned annual report and before the date of this PDS; and
- any continuous disclosure notices given in respect of the Fund after the lodgement of the abovementioned annual report and before the date of this PDS.

The Responsible Entity will send a requesting Unitholder a printed or electronic copy of any of the above documents free of charge within 5 business days of the request.

Copies of documents lodged with ASIC in relation to the Fund may be obtained from, or inspected at, an ASIC office.

## 7.7 COOLING OFF

There is no cooling off period in relation to the subscription for Units in the Fund. This means that once an application form is submitted by an Authorised Participants, an applicant cannot decide to withdraw the application.

## 7.8 INDIRECT INVESTORS

When an investor invests through a master trust or wrap platform or an IDPS, the operator of the trust, platform or IDPS is investing on the investor's behalf. Consequently the operator (or the custodian of the platform), and not the investor as an indirect investor, holds the Units and therefore has the rights of a Unitholder in the Fund. For example, if an investor is an indirect investor they will not have rights to attend and vote at Unitholder meetings, to withdraw Units or receive distributions. Instead the platform operator will exercise those rights in accordance with their arrangements with the investor. For information about their investment, an investor should contact their platform operator.

## 7.9 INFORMATION AVAILABLE FROM BETASHARES

The Responsible Entity is subject to regular reporting and disclosure obligations, in its capacity as responsible entity of the Fund and issuer of the Units. The following information can be obtained from the Responsible Entity by visiting the Betashares website at [www.betashares.com.au](http://www.betashares.com.au) or by contacting Betashares on 1300 487 577 (within Australia) or +61 2 9290 6888 (outside Australia):

- The daily Net Asset Value (NAV) for the Fund;
- The daily NAV per Unit for the Fund;
- Details of the specific gold bars held by the Gold Custodian in the Allocated Account;
- The Responsible Entity's Unit pricing policy;
- The latest PDS for the Fund;
- Copies of any continuous disclosure notices given by the Responsible Entity to the ASX after the lodgement of the last annual report and before the date of this PDS;

- Copies of announcements made to the ASX via the ASX Company Announcements Platform (including continuous disclosure notices and distribution information);
- Information about distributions as soon as possible after they are declared;
- Annual and any half-year reports and financial statements for the Fund;
- Information in relation to the Fund to enable Authorised Participants and market makers to estimate the Net Asset Value per Unit of the Fund during the course of a trading day; and
- The Target Market Determination prepared by the Responsible Entity pursuant to the "design and distribution" obligations set out in Part 7.8A of the Corporations Act, which sets out the class of consumers that comprise the target market for the Fund.

## 7.10 DISCLAIMERS

Citigroup Pty Limited ("Citigroup") has been appointed as the custodian and administrator for the Fund. Citigroup's role as custodian is limited to holding certain assets of the Fund. As administrator, Citigroup is responsible for the day to day administration of the Fund. Citigroup has no supervisory role in relation to the operation of the Fund and has no liability or responsibility to Unitholders for any act done or omission made in accordance with the custody and investment administration agreements.

Citigroup and the Fund's registrar, MUFG Corporate Markets (AU) Limited, were not involved in preparing, nor take any responsibility for this PDS and Citigroup and MUFG Corporate Markets (AU) Limited Services make no guarantee of the success of the Fund nor the repayment of capital or any particular rate of capital or income return.

JPMorgan Chase Bank N.A. ("JPMorgan") does not sponsor or endorse the Fund in any way and does not give any representation, warranty, guarantee, assurance or undertaking express or implied as to any matter in connection with the Fund (including, but not limited to, the performance of the gold custodian function, or the gold dealing function, described in this PDS or the expected or projected success, profitability, return, performance, results or benefit of any investment or participation in the Fund). JPMorgan has had no involvement in the preparation of any part of this PDS (including, but not limited to, the role of the gold custodian or gold dealer described in this PDS). JPMorgan has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this PDS.

National Bank of Canada ("NBC") does not sponsor or endorse the Fund in any way and does not give any representation, warranty, guarantee, assurance or undertaking express or implied as to any matter in connection with the Fund. The role of NBC is limited to being the Gold Vendor to the Fund. It has no involvement in connection with the sale of Units under this PDS. NBC has not been involved in the preparation of this PDS nor has it performed any review of the contents of this PDS. NBC has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this PDS.

# 8 TAXATION

The taxation information in this PDS is provided for general information only. It is a broad overview of some of the Australian tax consequences associated with investing in the Fund for a potential Australian resident investor.

It does not take into account the specific circumstances of each person who may invest in the Fund. It should not be used as the basis upon which potential investors make a decision to invest.

As the circumstances of each investor are different, the Responsible Entity strongly recommends that investors obtain professional independent tax advice relating to the tax implications of investing in and dealing in Units.

The taxation information in this PDS has been prepared based on tax laws and administrative interpretations of such laws available at the date of this PDS. These laws and interpretations may change.

## 8.1.1 Taxation of the Fund

The Responsible Entity intends to manage the Fund such that the Fund is not subject to Australian tax. The AMIT regime is an elective taxation regime that is available to certain eligible management investment trusts. It became generally available from 1 July 2016, with the existing tax rules for managed funds applying unless an election is made to enter the regime.

The Responsible Entity has made an irrevocable election for the Fund to enter the AMIT regime.

The Responsible Entity does not generally expect the Fund to be subject to tax on the income of the Fund, as it is intended that:

- for eligible funds that enter the AMIT regime: all taxable income and other relevant amounts will be “attributed” to the unitholders in each financial year; and
- for funds that have not entered the AMIT regime or cease to be eligible to be AMITs: Unitholders will be presently entitled to all the income of a fund in each financial year, with the existing non-AMIT tax rules for managed funds continuing to apply.

Instead, Unitholders pay tax on their share of the Fund's income. Under the AMIT regime, the Fund may make cash distributions that differ from taxable income attributed by the Fund to Unitholders.

## 8.1.2 Taxation of Australian resident unitholders

The taxable income of the Fund which is attributed to Unitholders, or to which a Unitholder becomes entitled, during a financial year forms part of the Unitholder's assessable income for that year, even if payment of the entitlement does not occur until after the end of the financial year, or the proceeds are reinvested in more of the Fund's Units.

A Unitholder may receive an entitlement to the income of the Fund for a financial year if the Unitholder holds Units at the end of a distribution period, or if the Unitholder redeems any Unit during the financial year.

The components of any distribution are expected to consist of income amounts. This is because the payments and receipts under the Gold Contract (which is always intended to be cash settled) should be on revenue account, and because interest earned on cash and money market instruments, as well as the payments and receipts under any forward contracts used as part of the hedging strategy of the Fund

(e.g. which give rise to foreign exchange gains and losses), should also generally be on revenue account.

## 8.1.3 Taxable income of the Fund

The tax impact for a Unitholder of receiving an entitlement to the income of the Fund depends upon the nature of the Fund's income.

### Types of income

The Fund can derive various types of income, depending on the types of investments it makes. The Fund can derive income in the form of interest, gains on the disposal of investments and other types of income.

Generally, such income derived by the Fund is taxable, although tax credits may be available to Unitholders to offset some or all of any resulting tax liability. For example, income received by the Fund from foreign sources may be subject to tax in the country of source, and Australian tax resident investors may be entitled to claim a foreign income tax offset against their Australian tax liability in respect of their share of the foreign tax paid.

### Tax deferred / non-assessable amounts

The Fund may distribute “tax deferred amounts” for non-AMITs, or other non-assessable amounts (other non-attributable amounts) for AMITs, relating to distributions of capital by the Fund, which are generally non-assessable for tax purposes. Where non-assessable, tax deferred amounts / non-assessable amounts reduce the capital gains tax (“CGT”) cost base of a Unitholder's Units, and may increase the capital gain or reduce the capital loss subsequently realised on disposal of the Units. Where the total tax deferred amounts / non-assessable amounts received by a Unitholder have exceeded the cost base of their Units, the excess is treated as a capital gain to the Unitholder.

For Unitholders who hold Units as trading stock, distributions from the Fund including capital gains and tax deferred / non-assessable amounts may be fully taxable as ordinary income, depending on the Unitholder's particular circumstances.

Unitholders will be provided with statements after the end of each financial year detailing the components, for tax purposes, of any distributions or attribution of income received from the Fund during the financial year, including on the redemption of Units.

### Taxation of Financial Arrangements (“TOFA”)

The TOFA rules may apply to “financial arrangements” (e.g. cash settled futures and debt securities) held by the Fund. Under the TOFA rules, there are different methods available for the Fund to recognise gains and losses from financial arrangements in its taxable income calculation. The Fund may determine an appropriate method to use on the basis of its investment strategy.

## 8.1.4 Selling or transferring units

If a Unitholder disposes of Units by selling or transferring the Units to another person (e.g. selling on-market), the Unitholder may be liable for tax on any gains realised on that disposal of Units.

If a Unitholder is assessed otherwise than under the CGT provisions on a disposal of Units (e.g. if the Unitholder is in the business of dealing in securities like Units), any profits made on the disposal of the Units should be assessable as ordinary income. Such Unitholders may be able to deduct any losses made on the disposal of Units.

If a Unitholder is assessed under the CGT provisions on disposal of Units, the Unitholder may make a capital gain or loss on the disposal of those Units, in the year in which the contract for the disposal is entered into. Some Unitholders may be eligible for the CGT discount upon disposal of Units if the Units have been held for at least 12 months (excluding the acquisition and disposal dates) and the relevant requirements are satisfied. Unitholders should obtain professional independent tax advice about the availability of the CGT discount.

Any capital loss arising on a disposal of Units may be able to be offset against capital gains made in that year or in subsequent years.

#### **8.1.5 Goods and Services Tax (GST)**

The issue and redemption of Units should not be subject to GST. However, fees and expenses, such as management costs, incurred by the Fund would likely attract GST (at the rate of 10%).

Given the nature of the activities of the Fund, it may not be entitled to claim input-tax credits for the full amount of the GST incurred. However, for the majority of the expenses, a Reduced Input-Tax Credit ("RITC") may be able to be claimed.

The GST and expected RITC relating to fees and expenses is incorporated in the management fees and costs for the Fund.

#### **8.1.6 Applications and redemptions**

A person will generally only be eligible to apply for and redeem Units if they are an Authorised Participant.

This section seeks to provide a summary of the tax consequences for Authorised Participants who are assessed on the disposal of Units otherwise than under the CGT provisions (e.g. because they are in the business of dealing in securities like Units).

Authorised Participants should obtain professional independent tax advice regarding the tax consequences of applying for and the redemption of their Units, particularly if they are assessed on the disposal of Units under the capital gains provisions.

##### **Applications**

The Units which an Authorised Participant acquires on an application for Units should be taken to have been acquired at a cost equal to the purchase price of those Units.

##### **Redemptions**

An Authorised Participant who redeems Units will become entitled to receive the Withdrawal Amount on the redemption (this may be reduced by the redemption fee).

The redemption of Units by an Authorised Participant may result in the Authorised Participant being assessed on some of the taxable income of the Fund, through a distribution of income or an attribution under the AMIT regime. This includes, but is not limited to, income and other gains realised by the Fund to fund the redemption of Units by the Authorised Participant, and potentially, where fair and reasonable, a portion of undistributed income or gains for the year as at the time of the redemption.

The Withdrawal Amount may therefore comprise a share of the income of the Fund as well as the payment of the redemption price for the Units which are to be redeemed.

An Authorised Participant whose Units are redeemed should be assessed on any profit arising on the redemption of the Units. An Authorised Participant who redeems Units may be entitled to a deduction for any loss arising on the redemption of Units.

For the purposes of determining the profit or loss arising on the redemption, the redemption price (being the Withdrawal Amount less the share of income provided as part of the Withdrawal Amount) should be regarded as the proceeds received in respect of the disposal.

That part of the Withdrawal Amount that is a share of income should also be assessable, based on the components of the distribution of income.

The Responsible Entity will notify persons who have redeemed Units during a financial year of the composition of the Withdrawal Amount, including the composition of any income entitlement they received in connection with the redemption of Units during that year, following the end of the financial year, once that information becomes available.

#### **8.1.7 Tax reform**

Tax reform activity that affects trusts is generally ongoing, and such reforms may impact on the tax position of the Fund and its investors. Accordingly, Unitholders should monitor the progress of any proposed legislative changes or judicial developments, and seek their own professional advice, specific to their own circumstances, in relation to the taxation implications of investing in the Fund.

#### **8.1.8 Tax File Number ("TFN") or Australian Business Number ("ABN")**

Unitholders will be requested by the Fund to provide their TFN or ABN (if applicable) or claim an exemption in relation to their investment in the Fund. It should be noted that there is no obligation to provide a TFN, however, Unitholders who do not provide their TFN or ABN or claim an exemption may have tax deducted from distributions at the highest marginal rate.

#### **8.1.9 Other comments**

In cases where Units are to be redeemed by a Unitholder that is an Australian resident for tax purposes, the Fund should generally not be required to withhold any amounts from the Withdrawal Amount paid on redemption of Units.

Distributions to non-resident Unitholders (including on redemption) may have tax withheld by the Responsible Entity.

## 9 GLOSSARY

These definitions are provided to assist investors in understanding some of the expressions used in this PDS:

<b>Allocated Account</b>	The allocated gold account number 01482 opened in the name of the Gold Vendor with the Gold Custodian pursuant to the Allocated Account Agreement or any other additional or replacement account.
<b>Allocated Account Agreement</b>	The Allocated Account Agreement dated on or about 20 April 2011 between the Responsible Entity, the Gold Vendor and the Gold Custodian, as amended or replaced.
<b>Applicant Nominee</b>	An entity which holds Units pending settlement on behalf of Authorised Participants applying for Units. As at the date of this PDS the Applicant Nominee is Citigroup Pty Limited. The Responsible Entity may determine that the Applicant Nominee is no longer to be appointed to hold Units pending settlement on behalf of Authorised Participants applying for Units.
<b>AQUA Product</b>	A product admitted under the ASX Operating Rules to the AQUA market of the ASX.
<b>AQUA Rules</b>	Schedule 10A of the ASX Operating Rules and related rules and procedures as amended, varied or waived from time to time.
<b>ASX</b>	ASX Limited or the Australian Securities Exchange, as the case requires.
<b>ASX Business Day</b>	A "Business Day" as defined in the ASX Operating Rules, unless determined otherwise by the Responsible Entity.
<b>ASX Listing Rules</b>	The listing rules of the ASX as amended, varied or waived from time to time.
<b>ASX Operating Rules</b>	The operating rules of the ASX as amended, varied or waived from time to time.
<b>Authorised Participant</b>	A financial institution which is a participant in relation to a financial market (or which has engaged a participant to act on its behalf) which has entered into an Authorised Participant Agreement with the Responsible Entity.
<b>Authorised Participant Agreement</b>	An agreement between the Responsible Entity and an Authorised Participant in relation to Unit applications and redemptions.
<b>Business Day</b>	A day that is both an ASX Business Day and a London Business Day.
<b>CHESS</b>	The Clearing House Electronic Sub-Register System or any system that replaces it.
<b>Constitution</b>	The constitution governing the Fund, as amended or replaced from time to time.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>Dealing Deadline</b>	4 pm Sydney time on each ASX Business Day (or such other time advised by the Responsible Entity), being the time by which an Application/Redemption Form must be received by the Responsible Entity to be processed for that trading day.
<b>Fund</b>	Betashares Gold Bullion Currency Hedged ETF.
<b>Gold Charge</b>	Gold Charge dated on or about 20 April 2011 between the Responsible Entity and the Gold Vendor.
<b>Gold Contract</b>	Gold Purchase Agreement dated on or about 20 April 2011 between the Responsible Entity and the Gold Vendor.
<b>Gold Custodian</b>	The entity that provides custody and transfer facilities for gold held by the Gold Vendor from time to time, as at the date of this PDS being JPMorgan Chase Bank, N.A.
<b>Gold Custody Accounts</b>	The Allocated Account and the Unallocated Account.
<b>Gold Custody Agreements</b>	The Allocated Account Agreement and the Unallocated Account Agreement.

<b>Gold Dealer</b>	JPMorgan Chase Bank, N.A. in its capacity as gold dealer in accordance with the terms of the Gold Dealing Agreement, or any successor or additional gold dealer appointed from time to time.
<b>Gold Dealing Agreement</b>	The Gold Purchase and Sale Agreement dated on or about 20 April 2011 between the Responsible Entity, the Gold Vendor and JPMorgan Chase Bank, N.A.
<b>Gold Vendor</b>	National Bank of Canada in its capacity as gold vendor in accordance with the terms of the Gold Contract, or any successor or additional gold vendor appointed from time to time.
<b>Issue Price</b>	The Net Asset Value divided by the number of Units on issue in the Fund.
<b>LBMA</b>	The London Bullion Market Association, a trade association that acts as the coordinator for activities conducted on behalf of its members and other participants in the London bullion market.
<b>London Business Day</b>	A day (other than a Saturday or a Sunday or a public holiday in England) on which commercial banks generally and the London bullion market are open for the transaction of business in London.
<b>London Good Delivery Bar</b>	A bar of gold meeting the London Good Delivery Standards.
<b>London Good Delivery Standards</b>	The specifications for weight, dimensions, fineness (or purity), identifying marks and appearance of gold bars as set forth in "The Good Delivery Rules for Gold and Silver Bars" published by the LBMA.
<b>Net Asset Value or NAV</b>	The Net Asset Value for the Fund calculated in accordance with section 6.6.
<b>Nominee Terms</b>	In relation to an application for Units, the nominee terms made available by the Responsible Entity to applicants, as described in section 7.4
<b>PDS</b>	This Product Disclosure Statement.
<b>Registrar</b>	MUFG Corporate Markets (AU) Limited (ABN 54 083 214 537), or any other registry that the Responsible Entity appoints to maintain the register.
<b>Unallocated Account</b>	The unallocated gold account number 01479 opened in the name of the Gold Vendor with the Gold Custodian pursuant to the Unallocated Account Agreement or any other additional or replacement account.
<b>Unallocated Account Agreement</b>	The Unallocated Account Agreement dated on or about 20 April 2011 between the Responsible Entity, the Gold Vendor and the Gold Custodian, as amended or replaced.
<b>Unit</b>	A unit in the Fund.
<b>Unitholder</b>	A holder of a Unit.
<b>Withdrawal Amount</b>	The Net Asset Value divided by the number of Units on issue in the Fund.

# DIRECTORY

**Responsible Entity**

Betashares Capital Ltd  
Level 46  
180 George Street  
Sydney NSW 2000  
Telephone: 1300 487 577 (within Australia) or +61 2 9290 6888 (outside Australia)

**Custodian & Fund Administrator**

Citigroup Pty Limited  
Level 23  
2 Park Street  
Sydney NSW 2000

**Registrar**

MUFG Corporate Markets (AU) Limited  
Level 12  
680 George Street  
Sydney NSW 2000