BetaShares
Exchange Traded Funds

29 September 2015

Market Announcements Office
ASX Limited

ANNUAL FINANCIAL REPORT 2015
BETASHARES COMMODITIES BASKET ETF - CURRENCY HEDGED (SYNTHETIC)
ASX CODE: QCB

BetaShares Capital Ltd, the issuer of the Fund, is pleased to provide the Fund's Annual Financial Report for the period ending 30 June 2015.

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

BetaShares Commodities Basket ETF - Currency Hedged (Synthetic)

ARSN 150 081 495

ASX Code: QCB

Annual Financial Report - 30 June 2015

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Annual financial report - 30 June 2015

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Directors' report

The directors of BetaShares Capital Ltd, the Responsible Entity of BetaShares Commodities Basket ETF - Currency Hedged (Synthetic) ("the Fund"), present their report together with the financial statements of the Fund for the year ended 30 June 2015 and the auditor's report thereon.

Responsible Entity

The Responsible Entity of BetaShares Commodities Basket ETF - Currency Hedged (Synthetic) is BetaShares Capital Ltd (ABN 78 139 566 868). At 30 June 2015, the Responsible Entity's registered office and principal place of business was:

Level 9
50 Margaret Street
Sydney NSW 2000

On 6 July 2015, the Responsible Entity changed its registered office and principal place of business to:

Level 11
50 Margaret Street
Sydney NSW 2000

Principal activities

The Fund is an exchange traded fund (ETF) that is traded on the Australian Securities Exchange (ASX) and domiciled in Australia.

The Fund has been designed to provide unitholders with a return that aims to track the performance of the S&P GSCI Light Energy Index (Excess Return) (the "Index") hedged into Australian dollars, plus an interest component, before fees and expenses. The Fund allows investors to gain exposure to the performance of commodities without the need to invest in the futures market or take physical delivery of commodities. Although the underlying futures contracts (and the Index) are priced in U.S. dollars, the Fund offers an exposure to the performance of the Index that is substantially hedged back to the Australian dollar, with the aim of reducing currency risk for Australian investors.

The Fund did not have any employees during the year.

There were no significant changes in the nature of the Fund's activities during the year.

Directors

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

David Nathanson (appointed 21 September 2009)
Alex Vynokur (appointed 21 September 2009)
Howard Atkinson (appointed 2 March 2010, resigned 12 August 2015)
Adam David Baker Felesky (appointed 29 December 2009, resigned 6 May 2015)
Taeyong Lee (appointed 12 August 2015)
Thomas Park (appointed 12 August 2015)

Review and results of operations

During the year, the Fund continued to invest in accordance with target asset allocations as set out in the governing documents of the Fund and in accordance with the provisions of the Fund's Constitution.

Directors' report (continued)

Review and results of operations (continued)

The performance of the Fund, as represented by the results of its operations, was as follows:

	Year ended	
	30 June 2015	30 June 2014
Operating (loss)/profit before finance costs attributable to unitholders ($'000)	**(2,117)**	351
Distribution paid and payable ($'000)	**101**	82
Distribution - cents per unit (CPU)	**13.41**	18.82

The Fund made an operating loss of $2,116,808 for the year, compared to a profit of $350,628 last year. The operating loss was primarily due to net losses on financial instruments held by the Fund to gain exposure to the Index (hedged into Australian dollars), which declined over the course of the year.

The Fund’s net assets were $8,893,818 as at 30 June 2015 , compared to $7,111,820 in the prior year. This change was primarily due to application activities, and the operating loss referred to above.

The Fund made a distribution of 13.41 cents per unit during the year (2014: 18.82 cents per unit).

Significant changes in state of affairs

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

Matters subsequent to the end of the financial year

Since the end of the reporting period the fund’s net asset value has changed by more than 10% due to changes in the fair value of investments held. This movement corresponds with the movement in the benchmark index that the fund seeks to track. More specifically the net asset value changed by (13.96%) whilst the underlying benchmark index changed by (14.12%).

No other matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect:

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

Likely developments, risk management and expected results of operations

The Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Fund and in accordance with the provisions of the Fund's Constitution.

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

The future returns of the Fund, as measured by the Fund’s net asset value per unit plus any distributions, are generally dependent upon the performance of the underlying Index (hedged into Australian dollars). The Fund’s investment objective and strategy remain unchanged, which is to track the performance of the Index (hedged into Australian dollars), plus an interest component, before fees and expenses. Accordingly, the future returns of the Fund are primarily dependent on the performance of the Index (hedged into Australian dollars).

Directors' report (continued)

Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Fund in regards to insurance cover provided to either the officers of Responsible Entity or the auditor of the Fund. As long as the officers of BetaShares Capital Ltd act in accordance with the Fund's Constitution and the Law, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund. The auditor of the Fund is in no way indemnified out of the assets of the Fund.

Fees paid to and interests held in the Fund by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of Fund property during the year are disclosed in note 15 of the financial statements.

No fees were paid out of Fund property to the directors of the Responsible Entity during the year.

The number of interests in the Fund held by the Responsible Entity or its associates as at the end of the financial year are disclosed in note 15 of the financial statements.

Interests in the Fund

The movement in units on issue in the Fund during the year is disclosed in note 3 of the financial statements.

The value of the Fund's assets and liabilities is disclosed in the statement of financial position and derived using the basis set out in note 2 of the financial statements.

Environmental regulation

The operations of the Fund are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

Rounding of amounts to the nearest thousand dollars

The Fund is an entity of a kind referred to in Class Order 98/0100 (as amended) issued by the Australian Securities and Investments Commission (ASIC) relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and annual financial report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

Auditor's independence declaration

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

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

David Nathanson
Director

Alex Vynokur
Director

Sydney
24 September 2015

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

To: the directors of BetaShares Capital Limited,

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2015, there have been:

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

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

KPMG

KPMG

T. Gilerman

Tanya Gilerman
Partner

Sydney

24 September 2015

Statement of comprehensive income

	Notes	Year ended 30 June 2015 $'000	30 June 2014 $'000
Investment income			
Interest income		**199**	137
Net (losses)/gains on financial instruments held at fair value through profit or loss	5	**(2,245)**	267
Total net investment (loss)/income		**(2,046)**	404
Expenses			
Management fees	15	**56**	43
Other expenses		**15**	10
Total operating expenses		**71**	53
Operating (loss)/profit before finance costs for the year		**(2,117)**	351
Finance costs attributable to unitholders			
Distributions to unitholders	4	**(101)**	(82)
Changes in net assets attributable to unitholders (total compreshensive income)	3	**2,218**	268

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

Statement of financial position

	Notes	As at **30 June 2015** **$'000**	 30 June 2014 $'000
Assets			
Cash and cash equivalents	8	**11,105**	7,086
Financial assets held at fair value through profit or loss	6	**-**	109
Other receivables		**28**	16
Total assets		**11,133**	7,211
Liabilities			
Distributions payable	4	**101**	82
Other payables		**25**	17
Financial liabilities held at fair value through profit or loss	7	**2,113**	-
Total liabilities (excluding net assets attributable to unitholders)		**2,239**	99
Net assets attributable to unitholders - liability	3	**8,894**	7,112

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

Statement of changes in equity

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

Statement of cash flows

	Notes	Year ended 30 June 2015 $'000	30 June 2014 $'000
Cash flows from operating activities			
Proceeds from financial instruments held for trading		**(24)**	-
Interest received		**188**	128
Management fees paid		**(47)**	(33)
Other operating expenses paid		**(16)**	(10)
Net cash inflow from operating activities	9	**101**	85
Cash flows from financing activities			
Proceeds from applications by unitholders		**4,000**	4,000
Distributions paid to unitholders of the scheme		**(82)**	(24)
Net cash inflow from financing activities		**3,918**	3,976
Net increase in cash and cash equivalents		**4,019**	4,061
Cash and cash equivalents at the beginning of the half-year		**7,086**	3,025
Cash and cash equivalents at the end of the year	8	**11,105**	7,086
Non-cash financing activities		**-**	-

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

Notes to the financial statements

1 General information

These financial statements cover BetaShares Commodities Basket ETF - Currency Hedged (Synthetic) ("the Fund") as an individual entity. The Fund is a registered management investment scheme under the *Corporations Act 2001*.The Fund was registered on 8 April 2011 and commenced operations on 13 December 2011. The Responsible Entity cannot issue or redeem any units from the 80th anniversary of the day before the day the Fund commenced if that issue or redemption would cause a contravention of the rule against perpetuities or any other rule of law or equity. The Fund may be terminated in accordance with the provisions of the Fund's Constitution. The Fund is domiciled in Australia.

The Responsible Entity of the Fund is BetaShares Capital Ltd (the "Responsible Entity"). The Responsible Entity's registered office is Level 11, 50 Margaret Street, Sydney, NSW 2000.

The Fund has been designed to provide unitholders with a return that aims to track the performance of the S&P GSCI Light Energy Index (Excess Return) (the "Index") hedged into Australian Dollars, plus an interest component, before fees and expenses. The Fund allows investors to gain exposure to the performance of commodities without the need to invest in the futures market or take physical delivery of commodities. Although the underlying futures contracts (and the Index) are priced in U.S. Dollars, the Fund offers an exposure to the performance of the Index that is substantially hedged back to the Australian Dollar, with the aim of reducing currency risk for Australian investors.

The financial statements were authorised for issue by the directors on 24 September 2015. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

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

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following text.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001* in Australia. The BetaShares Commodities Basket ETF - Currency Hedged (Synthetic) is a for-profit unit trust for the purpose of preparing the financial statements.

The Fund is organised into one main segment which operated solely in the business of investment management within Australia.

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

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

Compliance with International Financial Reporting Standards

The financial statements of the Fund also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Use of estimates and judgements

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

For the majority of the Fund's financial instruments, quoted market prices are readily available. However, certain financial instruments, for example over-the-counter derivatives or unquoted securities, are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Responsible Entity, independent of the area that created them.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

For certain other financial instruments, including amounts due from/to brokers and payables, the carrying amounts approximate fair value due to the short-term nature of these financial instruments.

Involvement with structured entities

A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control. Structured entities are generally created to achieve a narrow and well defined objective with restrictions around their ongoing activities. Depending on the Fund’s power over the activities of the entity and its exposure to and ability to influence its own returns, it may control the entity. In other cases it may have exposure to such an entity but not control it.

An interest in a structured entity is any form of contractual or non-contractual involvement which creates variability in returns arising from the performance of the entity for the Fund. Such interests include holdings of units in unlisted trusts. The Fund does not hold any interests in structured entities.

(b) Changes in accounting policy and transition

The Fund has applied the following new and revised accounting standards which became effective for the annual reporting period commencing on 1 July 2014:

- AASB 2013-4 *Amendments to Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting*
- AASB 2013-5 *Amendments to Australian Accounting Standards - Investment Entities*

The amendments made by AASB 2013-5 introduce an exception from the consolidation requirements for investment entities. The amendment provides relief from the requirement to consolidate any investments in subsidiaries. The Fund meets the definition of an investment entity under the standard. Therefore any investment in subsidiaries (other than those subsidiaries that provide investment related services) must be measured as fair value through profit and loss. The adoption of the amendment does not have any impact as the Fund does not have investments in subsidiaries.

The adoption of AASB 2013-4 did not have any impact on the current period or any prior period and is not likely to affect future periods.

There are no other standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2014 that have a material impact on the Fund.

2 Summary of significant accounting policies (continued)

(c) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting periods and have not been early adopted by the Fund. The directors' assessment of the impact of these new standards (to the extent relevant to the Fund) and interpretations is set out below:

(i) AASB 9 *Financial Instruments* (and applicable amendments) (effective from 1 January 2018)

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting. The directors do not expect this to have a significant impact on the recognition and measurement of the Fund’s financial instruments. The derecognition rules have not been changed from the previous requirements, and the Fund does not apply hedge accounting. The Fund has not yet decided when to adopt AASB 9.

(ii) AASB 15 *Revenue from Contracts with Customers* (effective from 1 January 2017)

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

The Fund's main source of income are interest and gains on financial instruments held at fair value. All of these are outside the scope of the new revenue standard. As consequence, the directors do not expect the adoption of the new revenue recognition rules to have a significant impact on the Fund's accounting policies or the amounts recognised in the financial statements.

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

(d) Financial instruments

(i) Classification

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

- Financial instruments held for trading

Derivative financial instruments such as index swaps are included under this classification.The Fund does not designate any derivatives as hedges in a hedging relationship.

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

These include financial assets and financial liablities such as equity instruments that are classified as not held for trading purposes and which may be sold.

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

(ii) Recognition/derecognition

The Fund recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

2 Summary of significant accounting policies (continued)

(d) Financial instruments (continued)

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

(iii) Measurement

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

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

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income within net gains/(losses) on financial instruments held at fair value through profit or loss in the period in which they arise. This also includes dividend expense on short sales of securities, which have been classified at fair value through profit or loss.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

- Fair value in an active market

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

- Fair value in an inactive or unquoted market

The fair value of financial assets and liabilities that are not traded in an active market are determined using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent arms transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models or any other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(e) Net assets attributable to unitholders

Units are redeemable only by unitholders being Authorised Participants at the unitholders' option and accordingly are therefore classified as financial liabilities. The units can be put back to the Fund at any time (subject to the *Corporations Act 2001* and the Fund's Constitution) for cash based on the redeption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the end of the reporting period if unitholders exercised their right to redeem units in the Fund.

(f) Cash and cash equivalents

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

2 Summary of significant accounting policies (continued)

(g) Investment income

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

(h) Expenses

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

(i) Income tax

Under current legislation, the Fund is not subject to income tax as unitholders are presently entitled to the income of the Fund.

The benefit of foreign tax paid is passed on to unitholders.

(j) Distributions

In accordance with the Fund's Constitution, the Fund distributes income adjusted for amounts determined by the Responsible Entity, to unitholders by cash payment. The distributions are recognised in the statement of comprehensive income as finance costs attributable to unitholders.

(k) Changes in net assets attributable to unitholders

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

(l) Due from/to brokers

Amounts due from/to brokers (if applicable) represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the period. Trades are recorded on trade date, and for equities normally settled within three business days. A provision for impairment of amounts due from brokers is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant broker. Indicators that the amount due from brokers is impaired include significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation and default in payments.

(m) Receivables

Receivables may include amounts for dividends, interest and trust distributions. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment in accordance with the policy set out in note 2(g) above. Amounts are generally received within 30 days of being recorded as receivables. The carrying amount of receivables approximates fair value.

2 Summary of significant accounting policies (continued)

(m) Receivables (continued)

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial.

(n) Payables

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

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

(o) Applications and redemptions

Applications received for units in the Fund are recorded net of any entry fees payable (if applicable) prior to the issue of units in the Fund. Redemptions from the Fund are recorded gross of any exit fees payable (if applicable) after the cancellation of units redeemed.

(p) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Fund by third parties such as investment management fees have been passed onto the Fund. The Fund qualifies for Reduced Input Tax Credits (RITC) at a rate of 55% to 85%; hence investment management fees and other expenses have been recognised in profit or loss net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the statement of financial position. Cash flows relating to GST are included in the statement of cash flows on a gross basis.

3 Net assets attributable to unitholders

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

	As at			
	30 June 2015	30 June 2014	**30 June 2015**	30 June 2014
Net assets attributable to unitholders	**No. of units '000**	No. of units '000	**$'000**	$'000
Opening balance	**438**	186	**7,112**	2,844
Applications	**316**	252	**4,000**	4,000
Change in net assets attributable to unitholders	**-**	-	**(2,218)**	268
Closing balance	**754**	438	**8,894**	7,112

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

Capital risk management

The Fund considers its net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unitholders.

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

4 Distributions to unitholders

The distributions paid/payable for the year were as follows:

	Year ended		Year ended	
	30 June 2015	**30 June 2015**	30 June 2014	30 June 2014
Distributions	**$'000**	**CPU**	$'000	CPU
Distributions payable - June	**101**	**13.41**	82	18.82
Total distributions	**101**	**13.41**	82	18.82

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

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

	Year ended	
	30 June 2015 $'000	30 June 2014 $'000
Financial assets		
Net (loss)/gain on financial assets held for trading	**(4,334)**	108
Financial liabilities		
Net gain/(loss) on financial liabilities held for trading	**2,089**	159
Total net (losses)/gains on financial instruments held for trading	**(2,245)**	267

6 Financial assets held at fair value through profit or loss

	As at	
	30 June 2015 $'000	30 June 2014 $'000
Held for trading		
Index swap	**-**	109
Total financial assets held for trading	**-**	109
Total financial assets held at fair value through profit or loss	**-**	109

An overview of the risk exposures relating to financial assets at fair value through profit or loss is included in note 10.

7 Financial liabilities held at fair value through profit or loss

	As at	
	30 June 2015 $'000	30 June 2014 $'000
Held for trading		
Index swaps	**2,113**	-
Total financial liabilities held at fair value through profit or loss	**2,113**	-

8 Cash and cash equivalents

	As at	
	30 June 2015 $'000	30 June 2014 $'000
Cash and cash equivalents	**11,105**	7,086

The average interest rate for the Fund is 2.303% (2014: 2.47%).

Cash at bank includes $2,112,796 (2014: $1,345,673) held as collateral by the custodian for the Fund under the terms of the swap agreement outlined in note 13.

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

	Year ended	
	30 June 2015 $'000	30 June 2014 $'000
Reconciliation of operating (loss)/profit to net cash outflow from operating activities		
Operating (loss)/profit for the year	**(2,117)**	351
Proceeds from financial instruments held for trading	**(24)**	-
Net losses/(gains) on financial instruments held at fair value through profit or loss	**2,245**	(267)
Net change in interest receivable	**(11)**	(9)
Net change in receivables and other assets	**-**	(2)
Net change in payables and other liabilities	**8**	12
Net cash inflow from operating activities	**101**	85

10 Financial risk management

The Fund is an exchange traded fund (ETF) that primarily invests in cash and enters into index swaps.

The Fund's activities expose it to a variety of financial risks: market risk (including price risk, foreign exchange risk and interest rate risk), counterparty/credit risk and liquidity risk. The Fund uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of price risk.

The Fund’s overall risk management program focuses on ensuring compliance with the Fund’s Product Disclosure Statement and seeks to maximise the returns derived for the level of risk to which the Fund is exposed. Financial risk management is carried out by an investment manager under policies approved by the Board of Directors of the Responsible Entity (the Board).

The Board of Directors of the Responsible Entity has overall responsibility for the establishment and oversight of the Fund's risk management framework. The Fund's overall risk management program focuses on ensuring compliance with the Fund's Product Disclosure Statement (PDS) and Investment Guidelines.

10 Financial risk management (continued)

Compliance with the Fund's PDS, Constitution and Investment Guidelines are reported to the Board on a regular basis.

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, commodity prices and other market prices will affect the Fund's income or the carrying value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Price risk

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

The benchmark of the Fund is the S&P GSCI Light Energy Index (Excess Return) which measures the performance of 24 commodity futures contracts. Therefore, price risk relates to the underlying instruments that comprise this Index.

The Fund's price and distribution performance relative to the S&P GSCI Light Energy Index (Excess Return), is reported to the Board on a regular basis.

Sensitivity analysis

The impact of an increase or decrease of 10% of the S&P GSCI Light Energy Index (Excess Return) would have increased/decreased the Fund's net assets attributable to unitholders by $211,280 at 30 June 2015 (2014:$10,843). The analysis is based on all other factors remaining equal and the positions held in the Fund on 30 June 2015.

(ii) Foreign exchange risk

In accordance with the Product Disclosure Statement the Fund may gain exposure to international assets where the relevant Index tracked by the Fund includes the exposure to foreign investments either directly (as the Index includes constituents priced in foreign currencies) or indirectly. As of 30 June 2015, the Fund has no significant exposure to foreign exchange risk.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Fund is exposed to interest rate risk on its holdings of cash and cash equivalents. Income from holdings of cash and cash equivalents is based on variable interest rates. Investments in holdings of cash and cash equivalents are at call or otherwise are generally able to be liquidated on a daily basis.

Sensitivity analysis

An increase of 100 basis points in interest rates would have increased the Fund's operating profit and net assets attributable to unitholders by $23,000 (2014: $1). A decrease of 100 basis points would have decreased operating profit and net assets attributable to unitholders by the total amount of interest earned by the Fund during the financial period.

(b) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund.

10 Financial risk management (continued)

(b) Credit risk (continued)

The Responsible Entity on behalf of the Fund may deposit money with, or enter directly into a swap agreement or similar derivative agreement with an Approved Financial institution. Such transactions expose the Fund to the financial strength of the counterparty, who, in the event of a bankruptcy or insolvency, may not have the resources to pay sums due to the Fund. In the event of such a default, Unitholders may incur economic loss particularly if the Fund has underperformed the relevant Index when the default occurs.

The Fund invests in derivative financial instruments in the form of a swap agreement with Credit Suisse International. At 30 June 2015, Credit Suisse International had a credit rating of A (S&P) and A1 (Moody's) (30 June 2014: A (S&P) and A1 (Moody's)). As such, in terms of counterparty credit risk that may be borne by the Fund, unitholders may have some exposure to the creditworthiness of Credit Suisse International. The Responsible Entity manages the use of derivatives with the objective that the exposure of the Fund does not exceed 5% in aggregate of the net asset value of the Fund.

(i) Cash and cash equivalents

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

The custody of the Fund’s assets is mainly concentrated with one counterparty, namely RBC Investor Services Trust. RBC Investor Services Trust is a wholly-owned subsidiary of the Royal Bank of Canada which is a member of a major securities exchange and at 30 June 2015 had a credit rating of AA- (S&P) and Aa3 (Moody's) (2014: AA- (S&P) and Aa3 (Moody's)). At 30 June 2015, substantially all cash and cash equivalents were held in custody by RBC Investor Services Trust.

In accordance with the Fund's policy, the investment manager monitors the Fund's credit position on a regular basis.

(ii) Other

The Fund is not materially exposed to credit risk on other financial assets.

(c) Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund is exposed to daily cash redemptions of redeemable units. It primarily holds investments that are traded in an active market and can be readily disposed of.

The Fund may, from time to time, invest in derivative contracts traded over the counter, which are not traded in an organised market and may be illiquid. As a result, the Fund may not be able to quickly liquidate its investments in these instruments at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer or counterparty.

10 Financial risk management (continued)

(c) Liquidity risk (continued)

The table below analyses Fund's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

At 30 June 2015	**On demand $'000**	**1-6 months $'000**	**6-12 months $'000**	**1-2 years $'000**	**Total $'000**
Distributions payable	**-**	**101**	**-**	**-**	**101**
Other payables	**-**	**25**	**-**	**-**	**25**
Financial liabilities held at fair value through profit and loss	**-**	**2,113**	**-**	**-**	**2,113**
Net assets attributable to unitholders	**8,894**	**-**	**-**	**-**	**8,894**
Contractual cash flows (excluding gross settled derivatives)	**8,894**	**2,239**	**-**	**-**	**11,133**

At 30 June 2014	On demand $'000	1-6 months $'000	6-12 months $'000	1-2 years $'000	Total $'000
Distributions payable	-	82	-	-	82
Other payables	-	17	-	-	17
Net assets attributable to unitholders	7,112	-	-	-	7,112
Contractual cash flows (excluding gross settled derivatives)	7,112	99	-	-	7,211

11 Offsetting financial assets and financial liabilities

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

	Effects of offsetting on the statement of financial position			**Related amounts not offset in statement of financial position**		
30 June 2015	**Gross amounts of financial assets $'000**	**Gross amounts set off in the balance sheet $'000**	**Net amount of financial assets presented in the balance sheet $'000**	**Amounts subject to master netting arrange-ments $'000**	**Cash collateral pledged $'000**	**Net amounts $'000**
Financial assets						
Index swaps	**-**	**-**	**-**	**-**	-	**-**
Total	**-**	**-**	**-**	**-**	-	**-**

	Effects of offsetting on the statement of financial position			Related amounts not offset in statement of financial position		
30 June 2014	Gross amounts of financial assets $'000	Gross amounts set off in the balance sheet $'000	Net amount of financial assets presented in the balance sheet $'000	Amounts subject to master netting arrange-ments $'000	Cash collateral pledged $'000	Net amounts $'000
Financial assets						
Index swaps	108	-	108	-	108	-
Total	108	-	108	-	108	-

11 Offsetting financial assets and financial liabilities (continued)

	Effects of offsetting on the statement of financial position			**Related amounts not offset in statement of financial position**		
30 June 2015	**Gross amounts of financial liabilities $'000**	**Gross amounts set off in the balance sheet $'000**	**Net amount of financial liabilities presented in the balance sheet $'000**	**Amounts subject to master netting arrange-ments $'000**	**Cash collateral pledged $'000**	**Net amounts $'000**
Financial liabilities						
Index swaps	2,113	-	2,113	-	(2,113)	-
Total	**2,113**	**-**	**2,113**	**-**	**(2,113)**	**-**

	Effects of offsetting on the statement of financial position			Related amounts not offset in statement of financial position		
30 June 2014	Gross amounts of financial liabilities $'000	Gross amounts set off in the balance sheet $'000	Net amount of financial liabilities presented in the balance sheet $'000	Amounts subject to master netting arrange-ments $'000	Cash collateral pledged $'000	Net amounts $'000
Financial liabilities						
Index swaps	-	-	-	-	-	-
Total	-	-	-	-	-	-

Master netting arrangement

Agreements with derivative counterparties are based on the ISDA Master Agreement. Under the terms of these arrangements, only where certain credit events occur (such as default), the net position owing/receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated. As the Fund does not presently have a legally enforceable right of set-off, these amounts have not been offset in the balance sheet, but have been presented separately in the above table.

12 Fair value measurements

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

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

12 Fair value measurements (continued)

Fair value estimation

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

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

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

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

The Fund values its investments in accordance with the accounting policies set out in note 2. For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

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

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

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

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

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

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

Index swaps are measured by assessing the fair value of both the equity or index leg and the cash leg of the swaps by calculating the present value of any amounts payable at balance sheet date. The net resultant payable or receivable to or from the counterparty best reflects the fair value of the swap contract.

(iii) Recognised fair value measurements

The tables below set out the Fund's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 30 June 2015 and 30 June 2014.

12 Fair value measurements (continued)

Fair value estimation (continued)

As at 30 June 2015	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Financial assets				
Total	**-**	**-**	**-**	**-**
Financial liabilities				
Financial liabilities held for trading:				
Index Swaps	**-**	**2,113**	**-**	**2,113**
Total	**-**	**2,113**	**-**	**2,113**

As at 30 June 2014	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets				
Financial assets held for trading:				
Index Swaps	-	108	-	108
Total	-	108	-	108
Financial liabilities				
Total	-	-	-	-

(iv) Transfers between levels

There were no transfers between levels during the year 2015 (2014: nil).

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

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

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

13 Derivative financial instruments

In the normal course of business the Fund enters into transactions in various derivative financial instruments which have certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

13 Derivative financial instruments (continued)

Derivative transactions include many different instruments such as forwards, futures and options. Derivatives are considered to be part of the investment process and the use of derivatives is an essential part of the Fund's portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and may includes:

- hedging to protect an asset or liability of the Fund against a fluctuation in market values or to reduce volatility
- a substitution for trading of physical securities
- adjusting asset exposures within the parameters set in the investment strategy, and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

While derivatives are used for trading purposes, they are not used to gear (leverage) a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of the Fund.

The Fund holds the following derivative instruments:

Index Swaps

An index swap is an agreement between two parties to exchange their obligations (payments) or receipts at set intervals on a notional principal amount over an agreed time period.

Index or total return swaps are measured by assessing the fair value of both legs of the swaps by calculating the present value of any amounts payable or receivable at balance sheet date. The net resultant payable or receivable to or from the counterparty best reflects the fair value of the swap contract.

The Fund's derivative financial instruments at year end are detailed below:

As at 30 June 2015		**Fair values**	
	Contract / notional $'000	**Assets $'000**	**Liabilities $'000**
Index swaps	**10,624**	**-**	**2,113**
	10,624	**-**	**2,113**

As at 30 June 2014		Fair values	
	Contract / notional $'000	Assets $'000	Liabilities $'000
Index swaps	6,874	108	-
	6,874	108	-

Under the terms of the swap agreement, the swap provider requires initial collateral from the Fund being a percentage of the notional amount of the swap contracts, in order to provide credit protection to the swap provider. Such initial collateral is held by the Fund's custodian and the Fund has granted to the swap provider a security interest in the assets held. The Fund retains ownership of the initial collateral provided.

13 Derivative financial instruments (continued)

Risk exposure and fair value measurements

Information about the Fund's exposure to credit risk, foreign exchange risk, interest rate risk and about the methods and assumptions used in determining fair values is provided in note 10 to the financial statements. The maximum exposure of the derivative to credit risk at the end of the reporting period is the carrying amount of each class of derivative financial instruments disclosed above.

14 Auditor's remuneration

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

	Year ended 30 June 2015 $	Period ended 30 June 2014 $
KPMG		
Audit and other assurance services		
Audit and review of financial statements	**8,100**	9,950
Audit of compliance plan	**1,800**	1,800
Total remuneration of audit and other assurance services	**9,900**	11,750

15 Related party transactions

Responsible Entity

The Responsible Entity of BetaShares Commodities Basket ETF - Currency Hedged (Synthetic) is BetaShares Capital Ltd.

Key management personnel

(a) Directors

Executive Directors:

David Nathanson (appointed 21 September 2009)
Alex Vynokur (appointed 21 September 2009)

Non-Executive Directors:

Howard Atkinson (appointed 2 March 2010, resigned 12 August 2015)
Adam David Baker Felesky (appointed 29 December 2009, resigned 6 May 2015)
Taeyong Lee (appointed 12 August 2015)
Thomas Park (appointed 12 August 2015)

(b) Other key management personnel

There were no other persons with responsibility for planning, directing and controlling the activities of the Fund, directly or indirectly during the financial year.

15 Related party transactions (continued)

(b) Other key management personnel (continued)

Key management personnel unitholdings

As at 30 June 2015 and 30 June 2014 the key management personnel of BetaShares Capital Ltd did not hold any units in the Fund.

Key management personnel compensation

Payments made from the Fund to the Responsible Entity do not include any amounts directly attributable to the compensation of key management personnel.

Key management personnel are paid by BetaShares Capital Ltd. Payments made from the Fund to BetaShares Capital Ltd do not include any amounts directly attributable to the compensation of key management personnel.

Key management personnel loan disclosures

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period (2014: Nil).

Other transactions within the Scheme

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Fund during the financial year and there were no material contracts involving key management personnel's interests existing at year end (2014: Nil).

Responsible entity's management fees and other transactions

The Responsible Entity's fees are calculated in accordance with the Fund's constitution. The Responsible Entity's fee is 0.69% p.a. of the net asset value of the Fund (after taking account of GST and reduced input tax credits) and is disclosed in the statement of comprehensive income (2014: 0.69% p.a.).

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the year and amounts payable at year end between the Fund and the Responsible Entity were as follows:

	30 June 2015 $	30 June 2014 $
Management fees earned by the Responsible Entity	**55,595**	42,858
Management fees payable to the Responsible Entity at reporting date	**24,285**	15,469

Related party unitholdings

Parties related to the Fund (including BetaShares Capital Ltd, its related parties and other schemes managed by BetaShares Capital Ltd), did not hold any units in the Fund for the years ended 30 June 2015 and 30 June 2014.

16 Events occurring after the reporting period

Since the end of the reporting period the fund's net asset value has changed by more than 10% due to changes in the fair value of investments held. This movement corresponds with the movement in the benchmark index that the fund seeks to track. More specifically the net asset value changed by (13.96%) whilst the underlying benchmark index changed by (14.12%).

No other significant events have occurred since the end of the reporting period which would impact on the financial position of the Fund disclosed in the statement of financial position as at 30 June 2015 or on the results and cash flows of the Fund for the year ended on that date.

17 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2015 (30 June 2014: Nil).

Directors' declaration

In the opinion of the directors of BetaShares Capital Ltd, the responsible entity of BetaShares Commodities Basket ETF- Currency Hedged (Synthetic):

(a) the financial statements and notes set out on pages 6 to 30 are in accordance with the *Corporations Act 2001*, including:

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

  (ii) giving a true and fair view of the Fund's financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and

(b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable; and

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

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

David Nathanson
Director

Alex Vynokur
Director

Sydney
24 September 2015

Independent auditor's report to the unitholders of BetaShares Commodities Basket ETF – Currency Hedged (Synthetic)

Report on the financial report

We have audited the accompanying financial report of BetaShares Commodities Basket ETF – Currency Hedged (Synthetic) (the Scheme), which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes 1 to 17 comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

The directors of BetaShares Capital Limited (the Responsible Entity) are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In note 2(a), the directors of the Responsible Entity also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Scheme's financial position, and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

Auditor's opinion

In our opinion:

(a) the financial report of BetaShares Commodities Basket ETF – Currency Hedged (Synthetic) is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the Scheme's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001.*

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2(a).

KPMG

KPMG

T. Gilerman

Tanya Gilerman
Partner

Sydney

24 September 2015