

30 September 2021

Market Announcements Office
ASX Limited

To be released for each of the ASX codes listed below

ANNUAL FINANCIAL REPORT 2021

BetaShares Capital Ltd, the issuer of each of the following Funds, is pleased to provide the Annual Financial Report in respect of the Funds for the period ending 30 June 2021.

ASX Code	Fund
ERTH	BetaShares Climate Change Innovation ETF
QUS	BetaShares S&P 500 Equal Weight ETF
INCM	BetaShares Global Income Leaders ETF
QLTY	BetaShares Global Quality Leaders ETF
ETHI	BetaShares Global Sustainability Leaders ETF
IIND	BetaShares India Quality ETF
F100	BetaShares FTSE 100 ETF

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

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

Units in BetaShares Funds trade on the ASX at market prices, not at NAV. An investment in any BetaShares Fund is subject to investment risk including possible delays in repayment and loss of income and principal invested. Neither BetaShares Capital Ltd nor BetaShares Holdings Pty Ltd guarantees the performance of any Fund or the repayment of capital or any particular rate of return. Past performance is not an indication of future performance. BetaShares® and Back Your View® are registered trademarks of BetaShares Holdings Pty Ltd.

Booklet 5A

BetaShares Climate Change Innovation ETF - ASX Code: ERTH (ARSN 643 155 524)

BetaShares FTSE 100 ETF - ASX Code: F100 (ARSN 624 896 608)

BetaShares Global Income Leaders ETF - ASX Code: INCM (ARSN 624 896 742)

BetaShares Global Quality Leaders ETF - ASX Code: QLTY (ARSN 624 896 868)

BetaShares Global Sustainability Leaders ETF - ASX Code: ETHI (ARSN 613 694 250)

BetaShares India Quality ETF - ASX Code: IIND (ARSN 631 806 132)

BetaShares S&P 500 Equal Weight ETF - ASX Code: QUS (ARSN 169 907 313)

Annual Financial Report

30 June 2021

Booklet 5A

Annual Financial Report

30 June 2021

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Directors' report

The directors of BetaShares Capital Ltd, the Responsible Entity of the following managed investment funds (the "Funds") present their report together with the annual financial report of the Funds for the period ended 30 June 2021 and the auditor's report thereon.

Fund name	Referred to in this document as	Financial reporting period	ARSN
BetaShares Climate Change Innovation ETF	Climate Change Innovation ETF	14 August 2020 to 30 June 2021	643 155 524
BetaShares FTSE 100 ETF	FTSE 100 ETF	1 July 2020 to 30 June 2021	624 896 608
BetaShares Global Income Leaders ETF	Global Income Leaders ETF	1 July 2020 to 30 June 2021	624 896 742
BetaShares Global Quality Leaders ETF	Global Quality Leaders ETF	1 July 2020 to 30 June 2021	624 896 868
BetaShares Global Sustainability Leaders ETF	Global Sustainability Leaders ETF	1 July 2020 to 30 June 2021	613 694 250
BetaShares India Quality ETF	India Quality ETF	1 July 2020 to 30 June 2021	631 806 132
BetaShares S&P 500 Equal Weight ETF (formerly known as BetaShares FTSE RAFI U.S. 1000 ETF) ¹	S&P 500 Equal Weight ETF	1 July 2020 to 30 June 2021	169 907 313

¹On 26 November 2020, the Fund changed its name from BetaShares FTSE RAFI U.S. 1000 ETF to BetaShares S&P 500 Equal Weight ETF.

Responsible Entity

The Responsible Entity of the Funds is BetaShares Capital Ltd (ABN 78 139 566 868). The Responsible Entity's registered office and principal place of business is Level 11, 50 Margaret Street, Sydney, NSW 2000.

Principal activities

Climate Change Innovation ETF commenced operations on 9 March 2021.

The principal activity of each Fund is to invest in accordance with the investment objective and guidelines as set out in the Fund's current Product Disclosure Statement and its Constitution.

The Funds did not have any employees during the period.

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

Directors

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

Mr David Nathanson (appointed 21 September 2009, resigned 5 March 2021)
 Mr Alex Vynokur (appointed 21 September 2009)
 Mr Jason Gellert (appointed 5 March 2021)

Directors' report (continued)

Directors (continued)

Non-Executive directors:

Mr Jung-ho Rhee (appointed 1 September 2018, resigned 5 March 2021)
Mr Young Hwan Kim (appointed 7 February 2020, resigned 5 March 2021)
Mr Edward Sippel (appointed 5 March 2021)

Review and results of operations

During the period, the Funds continued to invest in accordance with target asset allocations as set out in their governing documents and in accordance with the provisions of the Funds' Constitutions. The results of operations of the Funds are disclosed in the statements of comprehensive income. The income distributions payable by each of the Funds are disclosed in the statements of financial position. The income distributions paid and payable by each of the Funds are disclosed in Note 4 to the financial statements.

Significant changes in state of affairs

Effective close of trading on 18 December 2020, the index for FTSE RAFI U.S. 1000 ETF changed from the FTSE RAFI U.S. 1000 Index to the S&P 500 Equal Weight Index, and the Fund changed its name to BetaShares S&P 500 Equal Weight ETF, with management costs reduced to 0.29% per annum. The S&P 500 Equal Weight Index is the equal-weight version of the widely-used S&P 500 Index. The index includes the same constituents as the capitalisation weighted S&P 500, but each company is allocated a fixed weight at each quarterly rebalance.

During the period, BetaShares Holdings Pty Ltd, the parent company of BetaShares Capital Ltd, underwent a change of control through an investment from TA Associates ("TA"), a leading global private equity firm. As part of the transaction, TA acquired the shares held by Mirae Asset Financial Group and other minority investors in BetaShares Holdings Pty Ltd.

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

Matters subsequent to the end of the financial period

The uncertainty around COVID-19 continues to present social and economic challenges and the resulting impact on the global and domestic market remains uncertain. Since the reporting date, there have been no significant changes to the valuation of the Funds' investments as a result of COVID-19.

Subsequent to the end of the financial period, Citigroup Pty Ltd ("Citi") has been appointed to replace RBC Investor Services Trust ("RBC") as Custodian and Fund Administrator for the Funds, following RBC's decision to end its involvement in the Australian asset servicing market. The transition from RBC to Citi is expected to occur in late September or early October 2021.

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

Fund
India Quality ETF

Net asset value changed by :
14.73%

Directors' report (continued)

Matters subsequent to the end of the financial period (continued)

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect:

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

Likely developments and expected results of operations

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

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

Indemnification and insurance of officers and auditors

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

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

Fees paid to the Responsible Entity and its associates out of the Funds' property during the period are disclosed in Note 15 to the financial statements.

No fees were paid out of the Funds' property to the directors of the Responsible Entity during the period.

The number of interests in the Funds held by the Responsible Entity or its associates as at the end of the financial period are disclosed in Note 15 to the financial statements.

Interests in the Funds

The movement in units on issue in the Funds during the period is disclosed in Note 3 to the financial statements.

The value of the Funds' assets and liabilities is disclosed on the statements of financial position and derived using the basis set out in Note 2 to the financial statements.

Environmental regulation

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

Directors' report (continued)

Rounding of amounts to the nearest thousand dollars

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

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

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



Alex Vynokur
Director

Sydney
22 September 2021



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

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

BetaShares Climate Change Innovation ETF

BetaShares FTSE 100 ETF

BetaShares Global Income Leaders ETF

BetaShares Global Quality Leaders ETF

BetaShares Global Sustainability Leaders ETF

BetaShares India Quality ETF

BetaShares S&P 500 Equal Weight ETF

I declare that, to the best of my knowledge and belief, in relation to the audit of the Schemes for the financial period ended 30 June 2021 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

Nicholas Buchanan
Partner
Sydney

22 September 2021

Statements of comprehensive income	Climate Change Innovation ETF ¹	FTSE 100 ETF		Global Income Leaders ETF	
	30 June 2021 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Investment income					
Interest income	-	-	-	-	-
Dividend/distribution income	199	8,449	3,326	668	669
Net gains/(losses) on financial instruments at fair value through profit or loss	9,371	40,653	(22,079)	2,658	(4,503)
Net foreign exchange gains/(losses)	(12)	(71)	(11)	9	8
Other operating income	76	947	770	1	12
Total net investment income/(loss)	9,634	49,978	(17,994)	3,336	(3,814)
Expenses					
Management fees	94	853	350	66	59
Expense recoveries	17	157	65	10	9
Transaction costs	19	45	35	13	18
Other operating expenses	-	17	6	10	8
Total operating expenses	130	1,072	456	99	94
Profit/(loss) for the period	9,504	48,906	(18,450)	3,237	(3,908)
Other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss) for the period	9,504	48,906	(18,450)	3,237	(3,908)

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

¹ There was no comparative for BetaShares Climate Change Innovation ETF. The Fund commenced trading on 9 March 2021.

Statements of comprehensive income		Global Quality Leaders ETF		Global Sustainability Leaders ETF		India Quality ETF		S&P 500 Equal Weight ETF	
	Notes	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Investment income									
Interest income		-	-	-	-	-	-	-	1
Dividend/distribution income		1,383	412	14,217	6,419	520	229	1,353	1,230
Net gains/(losses) on financial instruments									
at fair value through profit or loss		24,732	4,184	298,841	105,236	10,421	(2,814)	24,523	(3,021)
Net foreign exchange gains/(losses)		18	(146)	(247)	(110)	(345)	(82)	(9)	(25)
Other operating income		42	24	310	121	65	93	35	3
Total net investment income/(loss)		26,175	4,474	313,121	111,666	10,661	(2,574)	25,902	(1,812)
Expenses									
Management fees	15	313	96	5,239	2,438	253	117	201	144
Expense recoveries	15	65	20	1,069	498	28	13	45	48
Transaction costs		25	15	157	188	28	19	23	7
Other operating expenses		10	7	16	3	6	3	13	3
Total operating expenses		413	138	6,481	3,127	315	152	282	202
Operating profit/(loss) before income tax		25,762	4,336	306,640	108,539	10,346	(2,726)	25,620	(2,014)
Income tax expense	12	-	-	-	-	1,426	1	-	-
Profit/(loss) for the period		25,762	4,336	306,640	108,539	8,920	(2,727)	25,620	(2,014)
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the period		25,762	4,336	306,640	108,539	8,920	(2,727)	25,620	(2,014)

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

Statements of financial position

		Climate Change Innovation ETF		FTSE 100 ETF		Global Income Leaders ETF	
	Notes	30 June 2021 \$'000		30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Assets							
	Cash and cash equivalents	198		665	582	64	53
5	Financial assets at fair value through profit or loss	94,465		361,718	131,348	18,209	15,586
	Due from brokers - receivables for securities sold	273		-	-	-	5
6	Other receivables	68		1,062	318	43	56
	Total assets	95,004		363,445	132,248	18,316	15,700
Liabilities							
	Bank overdraft	-		-	-	-	-
5	Financial liabilities at fair value through profit or loss	-		12	-	-	-
4	Distributions payable	67		5,356	1,954	255	218
	Deferred tax liability	-		-	-	-	-
	Due to brokers - payable for securities purchased	292		-	-	-	-
7	Other payables	51		149	58	8	7
	Total liabilities (excluding net assets attributable to unitholders)	410		5,517	2,012	263	225
3	Net assets attributable to unitholders - equity	94,594		357,928	130,236	18,053	15,475

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

¹ There was no comparative for BetaShares Climate Change Innovation ETF. The Fund commenced trading on 9 March 2021.

Statements of financial position		Global Quality Leaders ETF		Global Sustainability Leaders ETF		India Quality ETF		S&P 500 Equal Weight ETF	
	Notes	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Assets									
Cash and cash equivalents		375	18	1,481	1,306	-	98	336	218
Financial assets at fair value through profit or loss	5	168,059	59,088	1,543,458	633,035	50,711	21,472	156,708	46,563
Due from brokers - receivables for securities sold		-	-	-	68,416	-	-	-	-
Other receivables	6	134	2,963	1,728	5,153	112	40	131	78
Total assets		168,568	62,069	1,546,667	707,910	50,823	21,610	157,175	46,859
Liabilities									
Bank overdraft		-	-	-	-	415	-	-	-
Financial liabilities at fair value through profit or loss	5	-	-	-	-	-	-	-	-
Distributions payable	4	7,614	1,333	80,752	71,828	1,427	-	3,205	1,536
Deferred tax liability	12	-	-	-	-	964	-	-	-
Due to brokers - payables for securities purchased		-	2,762	-	-	-	-	-	-
Other payables	7	54	31	813	387	36	16	42	20
Total liabilities (excluding net assets attributable to unitholders)		7,668	4,126	81,565	72,215	2,842	16	3,247	1,556
Net assets attributable to unitholders - equity	3	160,900	57,943	1,465,102	635,695	47,981	21,594	153,928	45,303

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

Booklet 5A
Statements of changes in equity
For the period ended 30 June 2021

Statements of changes in equity		Climate Change Innovation ETF ¹	FTSE 100 ETF		Global Income Leaders ETF	
		30 June 2021 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
	Notes					
Total equity at the beginning of the period	3	-	130,236	-	15,475	8,250
Comprehensive income for the period						
Profit/(loss) for the period		9,504	48,906	(18,450)	3,237	(3,908)
Other comprehensive income		-	-	-	-	-
Total comprehensive income/(loss) for the period		9,504	48,906	(18,450)	3,237	(3,908)
Transactions with unitholders						
Applications	3	85,157	186,040	151,461	886	11,677
Redemptions	3	-	-	-	(947)	-
Units issued upon reinvestment of distributions	3	-	97	11	26	16
Distributions to unitholders	3,4	(67)	(7,351)	(2,786)	(624)	(560)
Total transactions with unitholders		85,090	178,786	148,686	(659)	11,133
Total equity at the end of the period	3	94,594	357,928	130,236	18,053	15,475

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

¹ There was no comparative for BetaShares Climate Change Innovation ETF. The Fund commenced trading on 9 March 2021.

Booklet 5A
Statements of changes in equity
For the period ended 30 June 2021
(continued)

Statements of changes in equity		Global Quality Leaders ETF		Global Sustainability Leaders ETF		India Quality ETF		S&P 500 Equal Weight ETF	
		30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total equity at the beginning of the period	3	57,943	12,531	635,695	326,674	21,594	-	45,303	41,646
Comprehensive income for the period									
Profit/(loss) for the period		25,762	4,336	306,640	108,539	8,920	(2,727)	25,620	(2,014)
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the period		25,762	4,336	306,640	108,539	8,920	(2,727)	25,620	(2,014)
Transactions with unitholders									
Applications	3	84,792	46,241	602,309	281,310	19,001	26,901	90,648	9,837
Redemptions	3	-	(3,780)	(28,947)	(9,589)	-	(2,580)	-	(2,368)
Units issued upon reinvestment of distributions	3	243	18	32,033	1,285	13	-	373	143
Distributions to unitholders	3,4	(7,840)	(1,403)	(82,628)	(72,524)	(1,547)	-	(8,016)	(1,941)
Total transactions with unitholders		77,195	41,076	522,767	200,482	17,467	24,321	83,005	5,671
Total equity at the end of the period	3	160,900	57,943	1,465,102	635,695	47,981	21,594	153,928	45,303

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

Statements of cash flows	Climate Change Innovation ETF ¹	FTSE 100 ETF		Global Income Leaders ETF	
	30 June 2021 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Notes					
Cash flows from operating activities					
Proceeds from sale of financial instruments					
at fair value through profit or loss					
Payments for purchase of financial instruments	386	17,770	4,342	19,781	15,418
at fair value through profit or loss	(85,474)	(207,578)	(157,753)	(19,733)	(27,157)
Distributions/dividends received	140	7,728	3,025	681	644
Interest income received	-	-	-	-	-
Other operating income received	76	947	770	1	12
Management fees paid	(58)	(797)	(309)	(66)	(57)
Expense recoveries paid	(11)	(147)	(57)	(10)	(8)
Transaction costs paid	(19)	(45)	(35)	(13)	(18)
Other operating expenses paid	-	(15)	(13)	(9)	(8)
Net cash inflow/(outflow) from operating activities	8	(84,960)	(150,030)	632	(11,174)
Cash flows from financing activities					
Proceeds from applications by unitholders	85,157	186,040	151,461	886	11,677
Payments for redemptions by unitholders	-	-	-	(947)	-
Distributions paid	-	(3,852)	(821)	(561)	(488)
Net cash inflow/(outflow) from financing activities	85,157	182,188	150,640	(622)	11,189
Net increase/(decrease) in cash and cash equivalents	197	51	610	10	15
Cash and cash equivalents at the beginning of the financial period					
Effects of foreign currency exchange rate changes on cash and cash equivalents	-	582	-	53	38
	1	32	(28)	1	-
Cash and cash equivalents at the end of the financial period	198	665	582	64	53
Non-cash financing activities					
Units issued upon reinvestment of distributions	-	97	11	26	16

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

¹ There was no comparative for BetaShares Climate Change Innovation ETF. The Fund commenced trading on 9 March 2021.

Statements of cash flows	Global Quality Leaders ETF		Global Sustainability Leaders ETF		India Quality ETF		S&P 500 Equal Weight ETF	
	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Notes								
Cash flows from operating activities								
Proceeds from sale of financial instruments at fair value through profit or loss	46,816	16,889	334,435	279,779	18,310	7,585	76,455	5,019
Payments for purchase of financial instruments at fair value through profit or loss	(133,800)	(56,440)	(877,855)	(539,806)	(37,473)	(31,953)	(162,089)	(11,607)
Distributions/dividends received	1,282	397	13,480	5,954	453	194	1,307	1,197
Interest income received	-	-	-	-	-	-	-	1
Other operating income received	42	24	336	126	65	93	34	3
Management fees paid	(294)	(88)	(5,009)	(2,302)	(241)	(107)	(185)	(142)
Expense recoveries paid	(61)	(18)	(1,023)	(469)	(27)	(12)	(45)	(47)
Transaction costs paid	(25)	(15)	(157)	(188)	(28)	(19)	(23)	(7)
Other operating expenses paid	(19)	7	(18)	(1)	(466)	(4)	(13)	(2)
Net cash inflow/(outflow) from operating activities	8	(86,059)	(39,244)	(256,907)	(19,407)	(24,223)	(84,559)	(5,585)
Cash flows from financing activities								
Proceeds from applications by unitholders	87,731	43,302	606,597	280,564	19,001	26,901	90,648	9,837
Payments for redemptions by unitholders	-	(3,780)	(28,947)	(9,589)	-	(2,580)	-	(2,368)
Distributions paid	(1,316)	(296)	(41,671)	(13,247)	(107)	-	(5,974)	(1,697)
Net cash inflow/(outflow) from financing activities	86,415	39,226	535,979	257,728	18,894	24,321	84,674	5,772
Net increase/(decrease) in cash and cash equivalents	356	(18)	168	821	(513)	98	115	187
Cash and cash equivalents at the beginning of the financial period	18	36	1,306	485	98	-	218	31
Effects of foreign currency exchange rate changes on cash and cash equivalents	1	-	7	-	-	-	3	-
Cash and cash equivalents at the end of the financial period	375	18	1,481	1,306	(415)	98	336	218
Non-cash financing activities								
Units issued upon reinvestment of distributions	243	18	32,033	1,285	13	-	373	143

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

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1 General information

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

Abbreviated Fund name	Registered date	Commenced date	Financial reporting period
Climate Change Innovation ETF	14 August 2020	9 March 2021	14 August 2020 to 30 June 2021
FTSE 100 ETF	21 March 2018	12 July 2019	1 July 2020 to 30 June 2021
Global Income Leaders ETF	21 March 2018	18 October 2018	1 July 2020 to 30 June 2021
Global Quality Leaders ETF	21 March 2018	5 November 2018	1 July 2020 to 30 June 2021
Global Sustainability Leaders ETF	26 July 2016	5 January 2017	1 July 2020 to 30 June 2021
India Quality ETF	4 March 2019	2 August 2019	1 July 2020 to 30 June 2021
S&P 500 Equal Weight ETF (formerly known as FTSE RAFI U.S. 1000 ETF) ¹	16 June 2014	17 December 2014	1 July 2020 to 30 June 2021

¹On 26 November 2020, the Fund changed its name from BetaShares FTSE RAFI U.S. 1000 ETF to BetaShares S&P 500 Equal Weight ETF.

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

The financial statements were authorised for issue by the directors of the Responsible Entity on 22 September 2021. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

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

2 Summary of significant accounting policies

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

(a) Basis of preparation

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

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

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

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

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

Compliance with International Financial Reporting Standards

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

Use of estimates and judgement

Management make estimates and assumptions that affect the reported amounts in the financial statements. These estimates and assumptions 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. Actual results may differ from these estimates.

For the majority of the Funds' financial instruments, quoted market prices are readily available. However, certain financial instruments are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and regularly reviewed by experienced personnel of the Responsible Entity, independent of the area that created them.

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

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

Investment entity exception

The Funds meet the definition of an investment entity and therefore apply the investment entity amendments to AASB 10 *Consolidated Financial Statements* ("AASB 10"), AASB 12 *Disclosure of Interests in Other Entities* and AASB 127 *Separate Financial Statements*. AASB 10 is applicable to all investees; among other things, it requires the consolidation of an investee if the Funds control the investee on the basis of de facto circumstances. An exception however exists where an entity meets the definition of an investment entity.

The Funds meet the definition of investment entity due to the following factors:

- (a) the Funds obtain funds from one or more unitholders for the purpose of providing the unitholders with investment management services;
- (b) the Funds commit to their unitholders that their business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- (c) the Funds measure and evaluate the performance of substantially all of their investments on a fair value basis.

In making the above assessments, the Funds have multiple investments and multiple investors. Their investors are generally unrelated parties of the Funds. Unitholders invest for returns from capital appreciation, investment income, or both. Directors of the Responsible Entity have concluded that the Funds meet the definition of investment entity.

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Assessment of the Funds' investments as structured entities

The Funds have assessed whether the securities in which they invest are structured entities. The Funds have considered the voting rights and other similar rights afforded to investors in these funds, including the rights to remove the fund manager or redeem holdings. The Funds have assessed whether these rights are the dominant factor in controlling the funds, or whether the contractual agreement with the fund manager is the dominant factor in controlling these funds. The Funds have concluded that the managed investment funds in which they invest are not structured entities.

(b) Australian accounting standards and interpretations

There are no new accounting standards that are not yet effective and that are expected to have a material impact on the Funds in the prior periods, or will affect the current or future reporting periods, or will have an impact on foreseeable future transactions.

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2021, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Funds.

(c) Financial instruments

(i) Classification

The Funds classify their investments based on their business model for managing those financial assets and their contractual cash flow characteristics. The Funds' portfolios of financial assets are managed and their performance is evaluated on a fair value basis in accordance with the Funds' documented investment strategy. The Funds evaluate the information about their investments on a fair value basis together with other related financial information.

Equity securities and derivatives are measured at fair value through profit or loss.

For debt securities, the contractual cash flows are solely payments of principal and interest, however, they are neither held for collecting contractual cash flows nor held for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Funds' business model objective. Consequently, the debt securities are measured at fair value through profit or loss.

2 Summary of significant accounting policies (continued)

(c) Financial instruments (continued)

(ii) *Recognition/derecognition*

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

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

(iii) *Measurement*

At initial recognition, the Funds measure a financial asset or liability at its fair value. Transaction costs are expensed in the statements of comprehensive income as incurred.

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

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 is determined using valuation techniques. The Funds use a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used may include the use of comparable recent arms length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models or any other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

(iv) *Offsetting financial instruments*

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

2 Summary of significant accounting policies (continued)

(d) Net assets attributable to unitholders

The Schemes consider their net assets attributable to unitholders as equity as each Scheme had made an irrevocable choice to be an Attribution Managed Investment Trust ("AMIT"). Units are normally redeemable only by unitholders being Authorised Participants at the unitholders' option (other unitholders only have a right to redeem units in special circumstances). The units can be put back to the Funds at any time (subject to the Corporations Act 2001 and the Funds' Constitutions) for cash based on the redemption price. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the end of the reporting period if unitholders exercised their right to redeem units in the Funds.

(e) Cash and cash equivalents

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

(f) Investment income

Interest income earned on cash balances is recognised on an accrual basis in the statements of comprehensive income using the nominated interest rates available on the bank accounts held.

Dividend income is recognised on the ex-dividend date with any related foreign withholding tax recorded as an expense. The Funds currently incur withholding tax imposed by certain countries on investment income. Such income is recorded net of withholding tax in the statements of comprehensive income.

Trust distributions are recognised on an entitlements basis and stated net of foreign withholding tax.

(g) Expenses

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

(h) Income tax

The income tax expenses or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

Under current legislation, the Fund is not subject to Australian Income Tax provided they attribute the entirety of their taxable income to their unitholders. Foreign income taxes are calculated on the basis of tax laws enacted or substantively enacted at the balance sheet date. Deferred income tax is recognised for temporary differences using tax rates that are expected to apply when the temporary difference reverses, based on the manner in which the Fund expect to recover or settle the assets and liabilities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised, and deferred tax assets are offset against deferred tax liabilities when there is a legally enforceable right to set off and when the deferred income tax assets relate to the same taxation authority.

2 Summary of significant accounting policies (continued)

(i) Distributions

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

The distributions are recognised in the statements of changes in equity as transactions with unitholders.

(j) Foreign currency translation

(i) Functional and presentation currency

Items included in the Funds' financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Funds compete for funds and is regulated. The Australian dollar is also the Funds' presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statements of comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined. Translation differences on assets and liabilities carried at fair value are reported in the statements of comprehensive income on a net basis within net gains/(losses) on financial instruments at fair value through profit or loss.

(k) 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 between one to three business days. A provision for impairment of amounts due from brokers is established when there is objective evidence that the Funds will not be able to collect all amounts due from the relevant broker. Indicators that the amount due from brokers is impaired include significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation and default in payments.

(l) 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(f) above. The Funds' receivables are measured at amortised cost under AASB 9 and the impact of any expected credit losses (ECL) is not material as amounts are generally received within 30 days of being recorded as receivables. The carrying amount of receivables approximates fair value.

(m) Payables

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

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

2 Summary of significant accounting policies (continued)

(n) Applications and redemptions

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

(o) Goods and Services Tax (GST)

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

(p) Rounding of amounts

The Funds are an entity of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded off to the nearest thousand dollars, unless otherwise indicated.

3 Net assets attributable to unitholders

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

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

	Climate Change Innovation ETF		FTSE 100 ETF			
	30 June 2021 Units '000	30 June 2021 \$'000	30 June 2021 Units '000	30 June 2020 Units '000	30 June 2021 \$'000	30 June 2020 \$'000
Net assets attributable to unitholders						
Opening balance	-	-	15,701	-	130,236	-
Applications	6,700	85,157	21,000	15,700	186,040	151,461
Units issued upon reinvestment of distributions	-	-	12	1	97	11
Distributions to unitholders	-	(67)	-	-	(7,351)	(2,786)
Profit/(loss) for the period	-	9,504	-	-	48,906	(18,450)
Closing balance	6,700	94,594	36,713	15,701	357,928	130,236

3 Net assets attributable to unitholders (continued)

	Global Income Leaders ETF			Global Quality Leaders ETF		
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	Units '000	Units '000	Units '000	Units '000	Units '000	Units '000
Net assets attributable to unitholders						
Opening balance	1,276	525	15,475	8,250	3,001	57,943
Applications	75	750	886	11,677	4,050	84,792
Redemptions	(75)	-	(947)	-	-	-
Units issued upon reinvestment of distributions	2	1	26	16	12	243
Distributions to unitholders	-	-	(624)	(560)	-	(7,840)
Profit/(loss) for the period	-	-	3,237	(3,908)	-	25,762
Closing balance	1,278	1,276	18,053	15,475	7,063	160,900

	Global Sustainability Leaders ETF			India Quality ETF		
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	Units '000	Units '000	Units '000	Units '000	Units '000	Units '000
Net assets attributable to unitholders						
Opening balance	66,003	38,453	635,695	326,674	2,880	21,594
Applications	56,200	28,400	602,309	281,310	2,160	19,001
Redemptions	(2,600)	(1,000)	(28,947)	(9,589)	-	-
Units issued upon reinvestment of distributions	3,317	150	32,033	1,285	1	13
Distributions to unitholders	-	-	(82,628)	(72,524)	-	(1,547)
Profit/(loss) for the period	-	-	306,640	108,539	-	8,920
Closing balance	122,920	66,003	1,465,102	635,695	5,041	47,981

3 Net assets attributable to unitholders (continued)

	S&P 500 Equal Weight ETF			
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	Units '000	Units '000	\$'000	\$'000
Net assets attributable to unitholders				
Opening balance	1,389	1,175	45,303	41,646
Applications	2,460	270	90,648	9,837
Redemptions	-	(60)	-	(2,368)
Units issued upon reinvestment of distributions	11	4	373	143
Distributions to unitholders	-	-	(8,016)	(1,941)
Profit/(loss) for the period	-	-	25,620	(2,014)
Closing balance	3,860	1,389	153,928	45,303

Capital risk management

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

The daily issues and withdrawals of units are reviewed relative to the liquidity of the Funds' underlying assets on a daily basis by the Responsible Entity. Under the terms of the Funds' governing rules, the Responsible Entity may suspend the issue or withdrawal of units in certain circumstances.

4 Distributions to unitholders

The distributions for the period were as follows:

	Climate Change Innovation ETF ²			FTSE 100 ETF		
	30 June 2021 \$'000	30 June 2021 CPU	30 June 2021 \$'000	30 June 2021 CPU	30 June 2020 \$'000	30 June 2020 CPU
Distributions paid - December	-	-	1,995	7.70	832	8.76
Distributions payable - June	67	1.00	5,356	14.59	1,954	12.45
Total distributions	67	1.00	7,351	22.29	2,786	21.21

	Global Income Leaders ETF			Global Quality Leaders ETF ³		
	30 June 2021 \$'000	30 June 2021 CPU	30 June 2021 \$'000	30 June 2021 CPU	30 June 2020 \$'000	30 June 2020 CPU
Distributions paid - September	154	11.43	94	-	-	-
Distributions paid - December	129	9.52	96	226	4.31	70
Distributions paid - March	86	6.69	152	-	-	-
Distributions payable - June	255	19.98	218	7,614	107.79	1,333
Total distributions	624	47.62	560	7,840	112.10	1,403

	Global Sustainability Leaders ETF			India Quality ETF		
	30 June 2021 \$'000	30 June 2021 CPU	30 June 2021 \$'000	30 June 2021 CPU	30 June 2020 \$'000	30 June 2020 CPU
Distributions paid - December	1,876	1.90	696	120	-	-
Distributions payable - June	80,752	65.69	71,828	1,427	-	-
Total distributions	82,628	67.59	72,524	1,547	-	-

² BetaShares Climate Change Innovation ETF is a half-year distributing fund. The fund commenced trading on 9 March 2021.

³ BetaShares Global Quality Leaders ETF is a half-year distributing fund.

4 Distributions to unitholders (continued)

	S&P 500 Equal Weight ETF		
	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2020 CPU
Distributions paid - December	4,811	284.28	405
Distributions payable - June	3,205	83.03	1,536
Total distributions	8,016	367.31	1,941

The distribution information shown above refers to cash distributions paid by the relevant Fund for the period. Under the AMIT tax rules, a Fund may distribute cash that is different to the taxable income attributed by the Fund to unitholders.

5 Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss

Listed securities
Futures

Total financial assets at fair value through profit or loss

	Climate Change Innovation ETF		FTSE 100 ETF		Global Income Leaders ETF	
	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
	94,465		361,718	131,331	18,209	15,586
	-		-	17	-	-
Total	94,465		361,718	131,348	18,209	15,586

Financial liabilities at fair value through profit or loss

Futures

Total financial liabilities at fair value through profit or loss

	-	12	-	-	-	-
Total	-	12	-	-	-	-

Financial assets at fair value through profit or loss

Listed securities
Fixed interest securities

Total financial assets at fair value through profit or loss

	Global Quality Leaders ETF		Global Sustainability Leaders ETF		India Quality ETF		S&P 500 Equal Weight ETF	
	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
	168,059	59,088	1,543,458	633,035	50,704	21,472	156,708	46,563
	-	-	-	-	7	-	-	-
Total	168,059	59,088	1,543,458	633,035	50,711	21,472	156,708	46,563

6 Other receivables

	Climate Change Innovation ETF		FTSE 100 ETF		Global Income Leaders ETF	
	30 June 2021 \$'000		30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Dividends/Distributions receivable	59		1,023	302	41	54
GST receivable	9		39	16	2	2
Total other receivables	68		1,062	318	43	56

	Global Sustainability Leaders ETF		India Quality ETF		S&P 500 Equal Weight ETF	
	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Global Quality Leaders ETF						
Applications receivable	-	2,939	-	4,288	-	-
Dividends/Distributions receivable	120	19	1,501	762	119	73
GST receivable	14	5	227	103	11	5
Other receivables	-	-	-	-	1	-
Total other receivables	134	2,963	1,728	5,153	131	78

7 Other payables

	Climate Change Innovation ETF	FTSE 100 ETF	Global Income Leaders ETF
	30 June 2021	30 June 2021	30 June 2021
	\$'000	\$'000	\$'000
Management fees payable	43	123	6
Expense recoveries payable	8	23	1
Other payables	-	3	1
Total other payables	51	149	8

	Global Quality Leaders ETF	Global Sustainability Leaders ETF	India Quality ETF	S&P 500 Equal Weight ETF
	30 June 2021	30 June 2021	30 June 2021	30 June 2021
	\$'000	\$'000	\$'000	\$'000
Management fees payable	41	647	31	34
Expense recoveries payable	8	132	3	5
Other payables	5	34	2	3
Total other payables	54	813	36	42

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

	Climate Change Innovation ETF	FTSE 100 ETF	Global Income Leaders ETF
	30 June 2021 \$'000	30 June 2021 \$'000	30 June 2021 \$'000
Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities			
Profit/(loss)			
Proceeds from sale of financial instruments	9,504	48,906	3,237
at fair value through profit or loss		(18,450)	(3,908)
Payments for the purchase of financial instruments	386	17,770	19,781
at fair value through profit or loss		4,342	15,418
Net (gains)/losses on financial instruments	(85,474)	(207,578)	(19,733)
at fair value through profit or loss		(157,753)	(27,157)
Net change in dividends/distributions receivable	(9,371)	(40,653)	(2,658)
Net change in receivables and other assets	(59)	(722)	13
Net foreign exchange (gains)/losses	(9)	(22)	-
Net change in payables and other liabilities	12	71	(9)
Net cash inflow/(outflow) from operating activities	51	91	1
	(84,960)	(182,137)	632
		(150,030)	(11,174)

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

	Global Quality Leaders ETF	Global Sustainability Leaders ETF	India Quality ETF	S&P 500 Equal Weight ETF
	30 June 2021 \$'000	30 June 2021 \$'000	30 June 2021 \$'000	30 June 2021 \$'000
Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities				
Profit/(loss)				
Proceeds from sale of financial instruments	25,762	306,640	8,920	25,620
at fair value through profit or loss		4,336	(2,727)	(2,014)
Payments for the purchase of financial instruments	46,816	334,435	18,310	76,455
at fair value through profit or loss	(133,800)	(56,440)	(37,473)	(162,089)
Net (gains)/losses on financial instruments	(24,732)	(298,841)	(10,421)	(24,523)
at fair value through profit or loss	(101)	(1,114)	(67)	(46)
Net change in dividends/distributions receivable	(9)	(257)	(5)	(7)
Net change in receivables and other assets	(18)	247	345	9
Net foreign exchange (gains)/losses	23	28	984	22
Net change in payables and other liabilities	(86,059)	(39,244)	(19,407)	(84,559)
Net cash inflow/(outflow) from operating activities		(535,811)	(24,223)	(5,585)

9 Financial risk management

The Funds are exchange traded managed funds that primarily invest in a portfolio of securities listed on the global financial markets as well as derivative instruments and cash and cash equivalents.

The Funds' activities expose them to a variety of financial risks which may include: market risk (including price risk, foreign exchange risk and interest rate risk), counterparty/credit risk and liquidity risk. The Funds use different methods to measure different types of risk to which they are exposed. Methods include sensitivity analysis in the case of price risk.

The Funds' overall risk management programs focus on ensuring compliance with the Funds' Product Disclosure Statements (PDSs) and seek to maximise the returns derived for the level of risk to which the Funds are exposed. Financial risk management is carried out by an investment manager under policies approved by the Board of Directors of the Responsible Entity (the Board).

The Board of Directors of the Responsible Entity has overall responsibility for the establishment and oversight of the Funds' risk management framework. The Funds' overall risk management programs focus on ensuring compliance with the Funds' PDSs and investment guidelines.

Compliance with the Funds' PDSs, Constitutions and investment guidelines are reported to the Board on a regular basis.

(a) Market risk

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

Included in the following analysis are tables that summarise the sensitivity of the operating profit and net assets attributable to unitholders to changes in market prices (e.g. equity price, foreign exchange rates and interest rates). The analysis is based on reasonably possible movements in the specified risk variable with other variables held constant. Actual movements in the risk variables in any period may be greater or less than indicated. The market price risk information is intended to be a relative estimate of risk rather than a precise and accurate number. It represents a hypothetical outcome and is not intended to be predictive. The analysis is based on historical data and cannot take account of the fact that future market price movements (e.g. in times on market stress) may bear no relation to historical patterns.

(i) Price risk

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

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

Sensitivity analysis

A 10% movement at the report date of the market prices attributable to financial assets or financial liabilities by the relevant Funds would have the following impact on the Funds' profit/(loss) and net assets attributable to unitholders. The calculations include the impact of any derivatives that may be held by a Fund. It is assumed that the relevant change occurs at the balance date.

9 Financial risk management (continued)

(a) Market risk (continued)

(i) Price risk (continued)

Sensitivity analysis (continued)

	Climate Change Innovation ETF		FTSE 100 ETF		Global Income Leaders ETF	
	30 June 2021 \$'000		30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
+10% Price movement - impact on the Funds' profit/(loss) and net assets attributable to unitholders	9,447		36,172	13,133	1,821	1,559
-10% Price movement - impact on the Funds' profit/(loss) and net assets attributable to unitholders	(9,447)		(36,172)	(13,133)	(1,821)	(1,559)

	Global Quality Leaders ETF		Global Sustainability Leaders ETF		India Quality ETF		S&P 500 Equal Weight ETF	
	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
+10% Price movement - impact on the Funds' profit/(loss) and net assets attributable to unitholders	16,806	5,909	154,346	63,304	5,070	2,147	15,671	4,656
-10% Price movement - impact on the Funds' profit/(loss) and net assets attributable to unitholders	(16,806)	(5,909)	(154,346)	(63,304)	(5,070)	(2,147)	(15,671)	(4,656)

(ii) 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. Interest rate risk is not considered to be significant to the Funds other than their cash holdings.

The Funds are exposed to interest rate risk on their cash holdings. Interest income from cash holdings is earned at variable interest rates. Investments in cash holdings are at call.

(a) Market risk (continued)

(iii) Foreign exchange risk

The Funds may hold both monetary and non-monetary assets denominated in currencies other than the Australian dollar. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk not foreign exchange risk. Foreign exchange risk arises as the value of monetary assets denominated in other currencies fluctuates due to changes in exchange rates. The risk is measured using sensitivity analysis.

The tables below summarise the Funds' assets and liabilities, monetary and non-monetary, that are denominated in a currency other than the Australian dollar (calculated after the effect of associated foreign currency derivatives). The disclosures below represent the significant currency exposures of Funds at each respective reporting date.

Climate Change Innovation ETF		FTSE 100 ETF		
30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2020
Currency	\$'000	Currency	\$'000	Currency
USD	48,484			
EUR	21,002			
GBP	4,589			
JPY	3,944			
TWD	3,388			
Others	13,290	GBP*	363,149	GBP*
	94,697		363,149	132,189
				132,189

Net foreign currency exposure

Global Income				Global Quality			
Leaders ETF		Leaders ETF		Leaders ETF		Leaders ETF	
30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Currency	Currency	Currency	\$'000	Currency	\$'000	Currency	\$'000
USD	USD	USD	9,722	USD	107,107	USD	39,174
EUR	EUR	HKD	2,196	HKD	6,678	DKK	1,664
GBP	GBP	EUR	616	EUR	13,672	EUR	4,294
HKD	CAD	JPY	689	JPY	20,486	JPY	8,087
JPY	JPY	CHF	832	CHF	7,551	CHF	2,645
Others	Others	Others	1,638	Others	13,007	Others	-
			15,693		168,501		55,864

Net foreign currency exposure

* This Fund only has GBP exposure.

9 Financial risk management (continued)

(a) Market risk (continued)

(iii) Foreign exchange risk (continued)

		Global Sustainability Leaders ETF			India Quality ETF		
30 June 2021	30 June 2021	30 June 2020	30 June 2020	30 June 2021	30 June 2020	30 June 2020	30 June 2020
Currency	\$'000	Currency	\$'000	Currency	\$'000	Currency	\$'000
USD	1,083,765	USD	450,347				
EUR	154,513	EUR	62,765				
GBP	54,856	HKD	14,802				
JPY	132,315	JPY	54,595				
CHF	57,681	CHF	25,049				
Others	63,243	Others	28,475	INR**	50,813	INR**	21,507
	<u>1,546,373</u>		<u>636,033</u>		<u>50,813</u>		<u>21,507</u>

Net foreign currency exposure

		S&P 500 Equal Weight ETF	
30 June 2021	30 June 2020	30 June 2020	30 June 2020
Currency	\$'000	Currency	\$'000
USD***	157,158	USD***	46,848
	<u>157,158</u>		<u>46,848</u>

Net foreign currency exposure

** This Fund only has INR exposure.

*** This Fund only has USD exposure.

9 Financial risk management (continued)

(a) Market risk (continued)

(iii) Foreign exchange risk (continued)

Sensitivity analysis

The following tables summarise the sensitivities of the Funds' monetary assets and liabilities to foreign exchange risk.

	Climate Change Innovation ETF		FTSE 100 ETF		Global Income Leaders ETF	
	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Impact on profit/(loss) from activities and net assets attributable to unitholders						
10% AUD appreciation against foreign currency (2020: 10%)	(22)		(143)	(84)	(10)	(11)

	Global Quality Leaders ETF		Global Sustainability Leaders ETF		India Quality ETF		S&P 500 Equal Weight ETF	
	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Impact on profit/(loss) from activities and net assets attributable to unitholders								
10% AUD appreciation against foreign currency (2020: 10%)	(44)	(1)	(292)	(300)	(11)	(4)	(45)	(29)

10% AUD depreciation against foreign currency would have an equal, but opposite effect to the amounts shown in the table above.

9 Financial risk management (continued)

(b) Credit risk

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

The main concentration of credit risk to which the Funds are exposed arise from the Funds' investment in cash and cash equivalents, and investment in debt securities.

(i) Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is considered low as the Funds only invest their assets into bank deposit accounts held with banks that are regulated in Australia by Australian Prudential Regulatory Authority as authorised deposit taking institutions, and all counterparties have a credit rating of at least A.

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

(ii) Settlement of securities transactions

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered low, as delivery of securities sold is only made once the broker has received payment. Payment is made once purchase on the securities have been received by the broker. The trade will fail if either party fails to meet its obligations.

(iii) Other

The custody of the Funds' assets is mainly concentrated with one counterparty, namely RBC Investor Services Trust. RBC Investor Services Trust is a subsidiary of a company listed on a major securities exchange, and at 30 June 2021 had a credit rating of AA- by Standard & Poor's (S&P) (30 June 2020 AA-/A-1+ (Stable) by Standard & Poor's (S&P)). At 30 June 2021, substantially all cash and cash equivalents, balances due from brokers and investments are held in custody by RBC Investor Services Trust.

(c) Liquidity risk

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

The Funds are exposed to daily cash redemptions of redeemable units. The Funds' investments in cash and cash equivalents are considered to be readily realisable and the Funds maintain adequate liquidity to pay withdrawals and distributions when required.

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

9 Financial risk management (continued)

(c) Liquidity risk (continued)

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

	Climate Change Innovation ETF			
	On demand 30 June 2021 \$'000	Less than 6 months 30 June 2021 \$'000	Greater than 6 months 30 June 2021 \$'000	Total 30 June 2021 \$'000
Distributions payable	-	67	-	67
Due to brokers - payables for securities	-	292	-	292
Other payables	-	51	-	51
Contractual cash flows (excluding net settled derivatives)	-	410	-	410

FTSE 100 ETF

	FTSE 100 ETF				FTSE 100 ETF			
	On demand 30 June 2021 \$'000	Less than 6 months 30 June 2021 \$'000	Greater than 6 months 30 June 2021 \$'000	Total 30 June 2021 \$'000	On demand 30 June 2020 \$'000	Less than 6 months 30 June 2020 \$'000	Greater than 6 months 30 June 2020 \$'000	Total 30 June 2020 \$'000
Distributions payable	-	5,356	-	5,356	-	1,954	-	1,954
Other payables	-	149	-	149	-	58	-	58
Contractual cash flows (excluding net settled derivatives)	-	5,505	-	5,505	-	2,012	-	2,012
Futures	-	12	-	12	-	-	-	-
Net settled derivatives	-	12	-	12	-	-	-	-

9 Financial risk management (continued)

(c) Liquidity risk (continued)

	Global Income Leaders ETF							
	On demand 30 June 2021 \$'000	Less than 6 months 30 June 2021 \$'000	Greater than 6 months 30 June 2021 \$'000	Total 30 June 2021 \$'000	On demand 30 June 2020 \$'000	Less than 6 months 30 June 2020 \$'000	Greater than 6 months 30 June 2020 \$'000	Total 30 June 2020 \$'000
Distributions payable	-	255	-	255	-	218	-	218
Other payables	-	8	-	8	-	7	-	7
Contractual cash flows (excluding net settled derivatives)	-	263	-	263	-	225	-	225

	Global Quality Leaders ETF							
	On demand 30 June 2021 \$'000	Less than 6 months 30 June 2021 \$'000	Greater than 6 months 30 June 2021 \$'000	Total 30 June 2021 \$'000	On demand 30 June 2020 \$'000	Less than 6 months 30 June 2020 \$'000	Greater than 6 months 30 June 2020 \$'000	Total 30 June 2020 \$'000
Distributions payable	-	7,614	-	7,614	-	1,333	-	1,333
Due to brokers - payables for securities	-	-	-	-	-	2,762	-	2,762
Other payables	-	54	-	54	-	31	-	31
Contractual cash flows (excluding net settled derivatives)	-	7,668	-	7,668	-	4,126	-	4,126

	Global Sustainability Leaders ETF							
	On demand 30 June 2021 \$'000	Less than 6 months 30 June 2021 \$'000	Greater than 6 months 30 June 2021 \$'000	Total 30 June 2021 \$'000	On demand 30 June 2020 \$'000	Less than 6 months 30 June 2020 \$'000	Greater than 6 months 30 June 2020 \$'000	Total 30 June 2020 \$'000
Distributions payable	-	80,752	-	80,752	-	71,828	-	71,828
Other payables	-	813	-	813	-	387	-	387
Contractual cash flows (excluding net settled derivatives)	-	81,565	-	81,565	-	72,215	-	72,215

9 Financial risk management (continued)

(c) Liquidity risk (continued)

	India Quality ETF					
	On demand 30 June 2021 \$'000	Less than 6 months 30 June 2021 \$'000	Greater than 6 months 30 June 2021 \$'000	Total 30 June 2021 \$'000	On demand 30 June 2020 \$'000	Less than 6 months 30 June 2020 \$'000
Bank overdraft	415	-	-	415	-	-
Distributions payable	-	1,427	-	1,427	-	-
Deferred tax liability	964	-	-	964	-	-
Other payables	-	36	-	36	-	-
Contractual cash flows (excluding net settled derivatives)	1,379	1,463	-	2,842	-	16
						16

	S&P 500 Equal Weight ETF					
	On demand 30 June 2021 \$'000	Less than 6 months 30 June 2021 \$'000	Greater than 6 months 30 June 2021 \$'000	Total 30 June 2021 \$'000	On demand 30 June 2020 \$'000	Less than 6 months 30 June 2020 \$'000
Distributions payable	-	3,205	-	3,205	-	1,536
Other payables	-	42	-	42	-	20
Contractual cash flows (excluding net settled derivatives)	-	3,247	-	3,247	-	1,556
						1,556

10 Offsetting financial assets and financial liabilities

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

	Effects of offsetting on the statements of financial position			Related amounts not offset in the statements of financial position		
	Gross amounts of financial assets/(liabilities)	Gross amounts set off in the statements of financial position	Net amount of financial assets/(liabilities) presented in the statements of financial position	Financial instruments (including non-cash collateral)	Stock and cash collateral pledged	Net amounts
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
FTSE 100 ETF						
As at 30 June 2021						
Financial liabilities						
Futures	(12)	-	(12)	-	-	(12)
Total	(12)	-	(12)	-	-	(12)
As at 30 June 2020						
Financial assets						
Futures	17	-	17	-	-	17
Total	17	-	17	-	-	17

11 Fair value measurements

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

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

Fair value estimation

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

Financial assets and liabilities 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 at fair value through profit or loss are measured at fair value with changes in their fair value recognised in statements of comprehensive income.

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

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

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

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

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.

11 Fair value measurements (continued)

Fair value estimation (continued)

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

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

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

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

(iii) Recognised fair value measurements

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

	Climate Change Innovation ETF			
	Level 1 30 June 2021 \$'000	Level 2 30 June 2021 \$'000	Level 3 30 June 2021 \$'000	Total 30 June 2021 \$'000
Financial assets				
Financial assets at fair value through profit or loss:				
Listed securities	94,465	-	-	94,465
Total	94,465	-	-	94,465

FTSE 100 ETF

	Level 1 30 June 2021 \$'000	Level 2 30 June 2021 \$'000	Level 3 30 June 2021 \$'000	Total 30 June 2021 \$'000	Level 1 30 June 2020 \$'000	Level 2 30 June 2020 \$'000	Level 3 30 June 2020 \$'000	Total 30 June 2020 \$'000
Financial assets								
Financial assets at fair value through profit or loss:								
Listed securities	361,718	-	-	361,718	131,331	-	-	131,331
Futures	-	-	-	-	17	-	-	17
Total	361,718	-	-	361,718	131,348	-	-	131,348

Financial liabilities

Financial liabilities at fair value through profit or loss:

Futures	12	-	-	12	-	-	-	-
Total	12	-	-	12	-	-	-	-

11 Fair value measurements (continued)

Fair value estimation (continued)

(iii) Recognised fair value measurements (continued)

	Global Income Leaders ETF					
	Level 1	Level 2	Level 3	Total	Level 1	Level 2
	30 June 2021 \$'000	30 June 2021 \$'000	30 June 2021 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2020 \$'000
Financial assets						
Financial assets at fair value through profit or loss:						
Listed securities	18,209	-	-	18,209	15,586	-
Total	18,209	-	-	18,209	15,586	-
	Global Quality Leaders ETF					
	Level 1	Level 2	Level 3	Total	Level 1	Level 2
	30 June 2021 \$'000	30 June 2021 \$'000	30 June 2021 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2020 \$'000
Financial assets						
Financial assets at fair value through profit or loss:						
Listed securities	168,059	-	-	168,059	59,088	-
Total	168,059	-	-	168,059	59,088	-
	Global Sustainability Leaders ETF					
	Level 1	Level 2	Level 3	Total	Level 1	Level 2
	30 June 2021 \$'000	30 June 2021 \$'000	30 June 2021 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2020 \$'000
Financial assets						
Financial assets at fair value through profit or loss:						
Listed securities	1,543,458	-	-	1,543,458	633,035	-
Total	1,543,458	-	-	1,543,458	633,035	-

11 Fair value measurements (continued)

Fair value estimation (continued)

(iii) Recognised fair value measurements (continued)

	India Quality ETF				
	Level 1 30 June 2021 \$'000	Level 2 30 June 2021 \$'000	Level 3 30 June 2021 \$'000	Total 30 June 2021 \$'000	Total 30 June 2020 \$'000
Financial assets					
Financial assets at fair value through profit or loss:					
Listed securities	50,704	-	-	50,704	21,472
Fixed interest securities	-	7	-	7	-
Total	50,704	7	-	50,711	21,472

	S&P 500 Equal Weight ETF				
	Level 1 30 June 2021 \$'000	Level 2 30 June 2021 \$'000	Level 3 30 June 2021 \$'000	Total 30 June 2021 \$'000	Total 30 June 2020 \$'000
Financial assets					
Financial assets at fair value through profit or loss:					
Listed securities	156,708	-	-	156,708	46,563
Total	156,708	-	-	156,708	46,563

(iv) Transfers between levels

There were no transfers between levels during the period ended 30 June 2021 and 30 June 2020.

(v) Movement in level 3 instruments

There were no investments classified as Level 3 within the Funds as at 30 June 2021 and 30 June 2020.

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

The carrying values of financial instruments not carried at fair values are assumed to approximate their fair values.

12 Current and deferred income taxes

(a) Income tax expense

The amount of income tax recognised in the statement of comprehensive income represents:

	India	
	Quality ETF	
	Year ended	
	30 June	30 June
	2021	2020
	\$'000	\$'000
Current income tax	1,426	1
Income tax expense	1,426	1

The income tax expense differs from the amount that would arise from applying the Australian income tax rate applicable to the Fund on profit for the period due to the following:

	Year ended	
	30 June	30 June
	2021	2020
	\$'000	\$'000
Operating loss before income tax	8,920	(2,727)
Tax at applicable Australian tax rate of 0% (2020: 0%)	-	-
Effect of:		
Capital gains tax in foreign jurisdictions on financial assets	1,426	1
Income tax expense	1,426	1

12 Current and deferred income taxes (continued)

(b) Deferred tax

The deferred tax balance comprises temporary differences attributable to:

	As at	
	30 June 2021 \$'000	30 June 2020 \$'000
Deferred tax assets		
Carry forward tax losses on financial assets at fair value through profit or loss	-	-
Deferred tax liabilities		
Unrealised gains on foreign assets at fair value through profit or loss	964	-
Net deferred tax liability after set-off of deferred tax assets	<u>964</u>	<u>-</u>

All changes in the deferred tax balances are recognised in profit or loss.

13 Derivative financial instruments

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

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

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

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

13 Derivative financial instruments (continued)

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

The following Funds held derivative instruments:

	FTSE 100 ETF					
	Fair values					
	Contract/ notional 30 June 2021 \$'000	Assets 30 June 2021 \$'000	Liabilities 30 June 2021 \$'000	Contract/ notional 30 June 2020 \$'000	Assets 30 June 2020 \$'000	Liabilities 30 June 2020 \$'000
Futures	1,541	-	12	883	17	-
	1,541	-	12	883	17	-

14 Auditor's remuneration

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

KPMG

Audit and other assurance service
Audit and review of financial reports
Audit of compliance plan

Total remuneration of audit and other assurance services

	Climate Change Innovation ETF			FTSE 100 ETF			Global Income Leaders ETF		
	30 June 2021 \$	30 June 2020	30 June 2021 \$	30 June 2021 \$	30 June 2020	30 June 2021 \$	30 June 2021 \$	30 June 2020	30 June 2021 \$
	3,752	4,982	4,982	4,982	4,982	4,982	4,982	4,982	4,982
	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230
	4,982	6,212	6,212	6,212	6,212	6,212	6,212	6,212	6,212

	Global Quality Leaders ETF			Global Sustainability Leaders ETF			India Quality ETF			S&P 500 Equal Weight ETF		
	30 June 2021 \$	30 June 2020	30 June 2021 \$	30 June 2021	30 June 2020	30 June 2021 \$	30 June 2021 \$	30 June 2020	30 June 2021 \$	30 June 2021 \$	30 June 2020	30 June 2021 \$
	4,982	4,982	4,982	4,982	4,982	4,982	4,982	4,982	4,982	4,982	4,982	4,982
	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230
	6,212	6,212	6,212	6,212	6,212	6,212	6,212	6,212	6,212	6,212	6,212	6,212

KPMG

Audit and other assurance service
Audit and review of financial reports
Audit of compliance plan

Total remuneration of audit and other assurance services

15 Related party transactions

Responsible Entity

The Responsible Entity of the Funds is BetaShares Capital Ltd.

Key management personnel

The Funds do not employ personnel in their own right. However, the Funds are required to have an incorporated Responsible Entity to manage the activities and this is considered to be key management personnel. The directors of the Responsible Entity, which are key management personnel of the Responsible Entity, during or since the end of the financial period are:

(a) Directors

Executive Directors:

Mr David Nathanson (appointed 21 September 2009, resigned 5 March 2021)
Mr Alex Vynokur (appointed 21 September 2009)
Mr Jason Gellert (appointed 5 March 2021)

Non-Executive Directors:

Mr Jungho Rhee (appointed 1 September 2018, resigned 5 March 2021)
Mr Young Hwan Kim (appointed 7 February 2020, resigned 5 March 2021)
Mr Edward Sippel (appointed 5 March 2021)

(b) Other key management personnel

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

Responsible Entity's management fees and other transactions

The Responsible Entity's fees are calculated in accordance with the Funds' Constitutions. The Responsible Entity's fees comprise a management fee and (if applicable) expense recoveries (after taking account of GST and reduced input tax credits), which are calculated as a percentage of the net asset value of the Funds and are disclosed in the statements of comprehensive income. The following table discloses the Responsible Entity's fees for 30 June 2021 and 30 June 2020:

Funds	Management Fee		Expense Recoveries	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	%	%	%	%
Climate Change Innovation ETF ¹	0.55	N/A	0.10	N/A
FTSE 100 ETF	0.38	0.38	0.07	0.07
Global Income Leaders ETF	0.39	0.39	0.06	0.06
Global Quality Leaders ETF	0.29	0.29	0.06	0.06
Global Sustainability Leaders ETF	0.49	0.49	0.10	0.10
India Quality ETF	0.72	0.72	0.08	0.08
S&P 500 Equal Weight ETF	0.25	0.30	0.04	0.10

¹ There was no comparative for BetaShares Climate Change Innovation ETF. The Fund commenced trading on 9 March 2021.

15 Related party transactions (continued)

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

The related party transactions during the period and amounts payable at period end were as follows:

	Climate Change Innovation ETF		FTSE 100 ETF		Global Income Leaders ETF	
	30 June 2021	\$	30 June 2021	\$	30 June 2021	\$
Management fees expensed to the Responsible Entity	94,329		852,701		66,387	
Management fees payable to the Responsible Entity at reporting date	43,802		122,980		6,366	
Expense recoveries expensed to the Responsible Entity	17,151		157,076		10,213	
Expense recoveries payable to the Responsible Entity at reporting date	7,964		22,654		979	
						917

	Global Quality Leaders ETF		Global Sustainability Leaders ETF		India Quality ETF		S&P 500 Equal Weight ETF	
	30 June 2021	\$	30 June 2021	\$	30 June 2021	\$	30 June 2021	\$
Management fees expensed to the Responsible Entity	312,673		5,239,082		252,722		200,897	
Management fees payable to the Responsible Entity at reporting date	40,478		647,293		31,324		33,587	
Expense recoveries expensed to the Responsible Entity	64,691		1,069,201		28,080		45,223	
Expense recoveries payable to the Responsible Entity at reporting date	8,375		132,101		3,480		5,374	
Management fees rebate received from the Responsible Entity	-		-		-		3,943	
Management fees rebate receivable from the Responsible Entity at reporting date	-		-		-		1,002	

15 Related party transactions (continued)

Related party unitholdings

Parties related to the Funds (including BetaShares Capital Ltd and other schemes managed by BetaShares Capital Ltd), held units in the Funds during the financial period as follows:

Global Income Leaders ETF

2021

Unitholder

Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
34,839	-	-	-	-	34,839	3,982
34,839	-	-	-	-	34,839	3,982

BetaShares Ethical Diversified High Growth ETF
(formerly known as BetaShares Diversified Conservative Income ETF)

Total

2020

Unitholder

Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
-	34,839	422,717	2.73	34,839	-	10,118
-	34,839	422,717	2.73	34,839	-	10,118

BetaShares Ethical Diversified High Growth ETF
(formerly known as BetaShares Diversified Conservative Income ETF)

Total

15 Related party transactions (continued)

Related party unitholdings (continued)

Global Quality Leaders ETF

2021										
Unitholder	Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)			
BetaShares Global Quality Leaders ETF - Currency Hedged	152,677	1,109,211	25,268,339	15.70	1,001,933	45,399	1,217,320			
Total	152,677	1,109,211	25,268,339	15.70	1,001,933	45,399	1,217,320			

2020

Unitholder

	Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
BetaShares Global Quality Leaders ETF - Currency Hedged	-	152,677	2,947,934	5.09	154,208	1,531	67,800
Total	-	152,677	2,947,934	5.09	154,208	1,531	67,800

Global Sustainability Leaders ETF

2021

Unitholder

	Number of units held opening (Units)	Number of units held closing (Units)	Fair value of investment (\$)	Interest held (%)	Number of units acquired (Units)	Number of units disposed (Units)	Distributions paid/payable by the Fund (\$)
BetaShares Ethical Diversified Balanced ETF (formerly known as BetaShares Diversified Balanced ETF)	-	165,249	1,969,763	0.13	174,088	8,839	110,561
BetaShares Ethical Diversified Growth ETF (formerly known as BetaShares Diversified Growth ETF)	-	237,965	2,836,535	0.19	296,746	58,781	159,133
BetaShares Ethical Diversified High Growth ETF (formerly known as BetaShares Diversified Conservative Income ETF)	-	356,618	4,250,876	0.29	491,202	134,584	237,802
BetaShares Global Sustainability Leaders ETF - Currency Hedged	-	10,209,300	121,694,540	8.31	11,532,321	1,323,021	6,856,166
Total	-	10,969,132	130,751,714	8.92	12,494,357	1,525,225	7,363,662

All transactions with related parties are conducted on normal terms and conditions. From time to time the Responsible Entity or its director-related entities may invest or withdraw from the Funds.

16 Events occurring after the reporting period

The uncertainty around COVID-19 continues to present social and economic challenges and the resulting impact on the global and domestic market remains uncertain. Since the reporting date, there have been no significant changes to the valuation of the Fund's investments as a result of COVID-19.

Subsequent to the end of the financial period, Citigroup Pty Ltd ("Citi") has been appointed to replace RBC Investor Services Trust ("RBC") as Custodian and Fund Administrator for the Funds, following RBC's decision to end its involvement in the Australian asset servicing market. The transition from RBC to Citi is expected to occur in late September or early October 2021.

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

Fund
India Quality ETF

Net asset value changed by:
14.73%

No other significant events have occurred since the end of the reporting year which would impact on the financial position of the Funds disclosed in the statements of financial position as at 30 June 2021 or on the results and cash flows of the Funds 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 2021 and 30 June 2020.

Directors' declaration

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

BetaShares Climate Change Innovation ETF
BetaShares FTSE 100 ETF
BetaShares Global Income Leaders ETF
BetaShares Global Quality Leaders ETF
BetaShares Global Sustainability Leaders ETF
BetaShares India Quality ETF
BetaShares S&P 500 Equal Weight ETF

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

(a) the financial statements and notes set out on pages 7 to 51 are in accordance with the *Corporations Act 2001*, including:

- (i) complying with Australian Accounting Standards, and interpretations issued by the Australian Accounting Standards Board and the *Corporations Regulations 2001*; and
 - (ii) giving a true and fair view of the Funds' financial positions as at 30 June 2021 and of their performance for the financial period ended on that date; and
- (b) there are reasonable grounds to believe that the Funds will be able to pay their debts as and when they become due and payable; and

(c) note 2(a) confirms that the financial statements comply with International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board.

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



Alex Vynokur
Director

Sydney
22 September 2021



Independent Auditor's Report

To the respective unitholders of the following Schemes:

BetaShares Climate Change Innovation ETF

BetaShares FTSE 100 ETF

BetaShares Global Income Leaders ETF

BetaShares Global Quality Leader ETF

BetaShares Global Sustainability Leaders ETF

BetaShares India Quality ETF

BetaShares S&P 500 Equal Weight ETF

For the purpose of this report, the term Scheme and Schemes denote the individual and distinct entity for which the financial information is prepared and upon which our audit is performed. Each is to be read as a singular subject matter.

Opinion

We have audited the **Financial Report** of the Schemes.

In our opinion, the accompanying **Financial Report** of the Schemes is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Schemes' financial position as at 30 June 2021, and of their financial performance and their cash flows for the year ended on that date; and

- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** of the Schemes comprise:

- Statements of financial position as at 30 June 2021;
- Statements of comprehensive income for the year then ended;
- Statements of changes in equity, and Statements of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' Declaration made by the Directors' of BetaShares Capital Limited (the Responsible Entity).

Basis for opinion

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

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

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



Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the Schemes in the current period.

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

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

- Valuation and existence of financial instruments.

Valuation and existence of financial instruments
(BetaShares Climate Change Innovation ETF \$94,465,000, BetaShares FTSE 100 ETF \$361,718,000, BetaShares Global Income Leaders ETF \$18,209,000, BetaShares Global Quality Leaders ETF \$168,059,000, BetaShares Global Sustainability Leaders ETF \$1,543,458,000, BetaShares India Quality ETF \$50,711,000, BetaShares S&P 500 Equal Weight ETF \$156,708,000)

Refer to Note 5 to the Financial Report

The key audit matter	How the matter was addressed in our audit
<p>Financial instruments at fair value through profit or loss comprise investments in listed securities and derivatives ("investments").</p> <p>The Scheme outsources certain processes and controls relevant to:</p> <ul style="list-style-type: none"> Executing transactions as instructed by the Responsible Entity and recording and valuing investments to the 	<p>Our procedures included:</p> <ul style="list-style-type: none"> We assessed the appropriateness of the accounting policies applied by the Scheme, including those relevant to the fair value of investments, against the requirements of the accounting standards.

<p>Scheme administrator; recording and valuing investments to the Scheme administrator;</p> <ul style="list-style-type: none"> Maintaining custody and underlying records of investments to the custodian; Valuation and existence of investments is a key audit matter due to the: Size of the Scheme's portfolio of investments. These investments represent a significant percentage of the Scheme's total assets at year end; and Importance of the performance of these investments in driving the Scheme's investment income and capital performance, as reported in the Financial Report. <p>As a result, this was the area with greatest effect on our overall audit strategy and allocation of resources in planning and performing our audit</p>	<ul style="list-style-type: none"> We obtained and read the Scheme's Service Provider's ASAE 3402 Assurance Reports on Controls at a Service Organisation and GS007 (Guidance Statements of the Use of Service Organisations for Investment Management Services) assurance reports to understand the processes and assess the controls relevant to the: <ul style="list-style-type: none"> Scheme administrator – to execute transactions, record and value the Scheme's investments; Custodian – to maintain custody and underlying records of the Scheme's investments; We obtained and read the custodians bridging letter over the period not covered by the ASAE3402 and GS007 assurance reports. We have checked that there were no instances of non-compliance over controls in place at the service provider. We assessed the reputation, professional competence and independence of the auditors of the ASAE 3402 and GS007 assurance reports.
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- We checked the existence of investments, being the ownership and quantity held to external sources such as independent confirmations for derivative investments as at 30 June 2021.
 - We checked the valuation of investments, as recorded in the general ledger, to independently sourced prices as at 30 June 2021.
- We evaluated the Scheme's disclosures of investments, using our understanding obtained from our testing, against the requirements of the accounting standards.

Other Information

Other Information is financial and non-financial information in the Schemes' annual reporting which is provided in addition to the Financial Report and the Auditor's Report. This includes the Director's Report. The Directors of BetaShares Capital Limited (the Responsible Entity) are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of Directors for the Financial Report

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

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*;
- implementing necessary internal controls to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the Schemes' ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Scheme or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the Audit of the Financial Report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our Auditor's Report.

KPMG

Nicholas Buchanan

Partner

Sydney

22 September 2021

Any BetaShares Fund that seeks to track the performance of a particular financial index is not sponsored, endorsed, issued, sold or promoted by the provider of the index. No index provider makes any representation regarding the advisability of buying, selling or holding units in the BetaShares Funds or investing in securities generally. No index provider is involved in the operation or distribution of the BetaShares Funds and no index provider shall have any liability for the operation or distribution of these Funds or their failure to achieve their investment objectives. An index provider has no obligation to take the needs of the BetaShares Fund or the unitholders of the Fund into consideration in determining, composing or calculating the relevant index. Any intellectual property rights in the index name and associated trademarks, index methodology, index values and constituent lists vest in the relevant index provider and/or its affiliates. BetaShares has obtained a licence from the relevant index provider to use such intellectual property rights in the creation and operation of the BetaShares Funds.