



# BetaShares

Exchange Traded Funds

28 September 2020

Market Announcements Office  
ASX Limited

**To be released for each of the ASX codes listed below**

## ANNUAL FINANCIAL REPORT 2020

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 2020.

ASX Code	Fund
UMAX	BetaShares S&P 500 Yield Maximiser Fund (managed fund)
WRLD	BetaShares Managed Risk Global Share Fund (managed fund)
HEUR	BetaShares WisdomTree Europe ETF - Currency Hedged
HJPN	BetaShares WisdomTree Japan ETF - Currency Hedged
FUEL	BetaShares Global Energy Companies ETF - Currency Hedged
MNRS	BetaShares Global Gold Miners ETF - Currency Hedged
BNKS	BetaShares Global Banks ETF - Currency Hedged
DRUG	BetaShares Global Healthcare ETF - Currency Hedged
FOOD	BetaShares Global Agriculture ETF - Currency Hedged

Further information about the Funds can be obtained at [www.betashares.com.au](http://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](http://www.betashares.com.au) or call 1300 487 577.

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

## **Booklet 5B**

**BetaShares Global Agriculture Companies ETF - Currency Hedged - ASX Code: FOOD** (ARSN 609 246 611)

**BetaShares Global Banks ETF - Currency Hedged - ASX Code: BNKS** (ARSN 609 154 994)

**BetaShares Global Energy Companies ETF - Currency Hedged - ASX Code: FUEL** (ARSN 609 154 896)

**BetaShares Global Gold Miners ETF - Currency Hedged - ASX Code: MNRS** (ARSN 609 155 419)

**BetaShares Global Healthcare ETF - Currency Hedged - ASX Code: DRUG** (ARSN 609 155 124)

**BetaShares Managed Risk Global Share Fund (managed fund) - ASX Code: WRLD** (ARSN 608 056 962)

**BetaShares S&P 500 Yield Maximiser Fund (managed fund) - ASX Code: UMAX** (ARSN 169 906 530)

**BetaShares Europe ETF - Currency Hedged - ASX Code: HEUR** (ARSN 609 145 897)

**BetaShares Japan ETF - Currency Hedged - ASX Code: HJPN** (ARSN 609 146 269)

**Annual Financial Report**

**30 June 2020**

**Booklet 5B**  
**Annual Financial Report**  
**30 June 2020**

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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 year ended 30 June 2020 and the auditor's report thereon.

<b>Fund name</b>	<b>Referred to in this document as</b>	<b>Financial reporting period</b>	<b>ARSN</b>
BetaShares Global Agriculture Companies ETF - Currency Hedged	Global Agriculture Companies ETF	1 July 2019 to 30 June 2020	609 246 611
BetaShares Global Banks ETF - Currency Hedged	Global Banks ETF	1 July 2019 to 30 June 2020	609 154 994
BetaShares Global Energy Companies ETF - Currency Hedged	Global Energy Companies ETF	1 July 2019 to 30 June 2020	609 154 896
BetaShares Global Gold Miners ETF - Currency Hedged	Global Gold Miners ETF	1 July 2019 to 30 June 2020	609 155 419
BetaShares Global Healthcare ETF - Currency Hedged	Global Healthcare ETF	1 July 2019 to 30 June 2020	609 155 124
BetaShares Managed Risk Global Share Fund (managed fund)	Managed Risk Global Share Fund	1 July 2019 to 30 June 2020	608 056 962
BetaShares S&P 500 Yield Maximiser Fund (managed fund)	S&P 500 Yield Maximiser Fund	1 July 2019 to 30 June 2020	169 906 530
BetaShares Europe ETF - Currency Hedged	Europe ETF	1 July 2019 to 30 June 2020	609 145 897
BetaShares Japan ETF - Currency Hedged	Japan ETF	1 July 2019 to 30 June 2020	609 146 269

## Responsible Entity

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

## Principal activities

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

The Funds did not have any employees during the year.

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

## Directors

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

David Nathanson (appointed 21 September 2009)  
 Alex Vynokur (appointed 21 September 2009)  
 Jungho Rhee (appointed 1 September 2018)  
 Thomas Park (appointed 12 August 2015, resigned 6 February 2020)  
 Young Hwan Kim (appointed 7 February 2020)

## **Directors' report (continued)**

### **Review and results of operations**

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

The results of operations of the Funds are disclosed in the 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.

Since the World Health Organisation declared COVID-19 a global pandemic in March 2020, there has been significant disruption to the economy and society. The Directors and management of the Responsible Entity have instigated a response plan to maintain business continuity and continue to deliver services to Fund investors. The Responsible Entity has been taking steps to ensure that the principle activities of the Fund align to PDSs and it continues to monitor and review valuations and the liquidity position of the Fund on a regular basis. Management have taken into account the impacts of the pandemic when preparing these financial statements.

### **Significant changes in state of affairs**

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

### **Matters subsequent to the end of the financial year**

Since balance date, there continues to be uncertainty and volatility in the market due to the ongoing COVID-19 global pandemic. Management are closely monitoring and consider that there has been no material change in the assets & liabilities presented.

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

<b>Fund</b>	<b>Net asset value changed by:</b>
Global Agriculture Companies ETF	14.72%
Global Gold Miners ETF	15.70%

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect:

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

## **Directors' report (continued)**

### **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 year are disclosed in Note 12 to the financial statements.

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

The number of interests in the Funds held by the Responsible Entity or its associates as at the end of the financial year are disclosed in Note 12 to the financial statements.

### **Interests in the Funds**

The movement in units on issue in the Funds during the year 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.

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**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 5.

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



David Nathanson  
Director

Sydney  
22 September 2020



Alex Vynokur  
Director



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

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

BetaShares Global Agriculture Companies ETF - Currency Hedged

BetaShares Global Banks ETF - Currency Hedged

BetaShares Global Energy Companies ETF - Currency Hedged

BetaShares Global Gold Miners ETF - Currency Hedged

BetaShares Global Healthcare ETF - Currency Hedged

BetaShares Managed Risk Global Share Fund (managed fund)

BetaShares S&P 500 Yield Maximiser Fund (managed fund)

BetaShares Europe ETF - Currency Hedged

BetaShares Japan ETF - Currency Hedged

I declare that, to the best of my knowledge and belief, in relation to the audit of the Schemes for the financial year ended 30 June 2020 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 2020

**Booklet 5B**  
**Statements of comprehensive income**  
**For the year ended 30 June 2020**

Statements of comprehensive income		Global Agriculture Companies ETF		Global Banks ETF		Global Energy Companies ETF		Global Gold Miners ETF		Global Healthcare ETF	
		30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
	Notes										
<b>Investment income</b>											
Interest income		-	-	-	-	-	-	-	-	-	-
Dividend/distribution income		417	484	1,156	2,606	4,051	1,197	175	81	677	584
Net gains/(losses) on financial instruments at fair value through profit or loss		(2,727)	(16)	(8,873)	(4,301)	(21,329)	(4,576)	6,911	1,123	3,224	2,307
Net foreign exchange gains/(losses)		(16)	(4)	26	(19)	(161)	(34)	(15)	1	(34)	(12)
Other operating income		1	3	25	13	311	20	17	2	14	6
<b>Total net investment income/(loss)</b>		<b>(2,325)</b>	<b>467</b>	<b>(7,666)</b>	<b>(1,701)</b>	<b>(17,128)</b>	<b>(3,393)</b>	<b>7,088</b>	<b>1,207</b>	<b>3,881</b>	<b>2,885</b>
<b>Expenses</b>											
Management fees	12	89	87	167	309	364	157	73	28	164	137
Expense recoveries	12	19	19	35	66	77	33	15	6	35	29
Transaction costs		4	5	16	14	130	11	20	7	8	5
Other operating expenses		18	20	25	32	18	21	10	13	16	14
<b>Total operating expenses</b>		<b>130</b>	<b>131</b>	<b>243</b>	<b>421</b>	<b>589</b>	<b>222</b>	<b>118</b>	<b>54</b>	<b>223</b>	<b>185</b>
<b>Profit/(loss) for the year</b>		<b>(2,455)</b>	<b>336</b>	<b>(7,909)</b>	<b>(2,122)</b>	<b>(17,717)</b>	<b>(3,615)</b>	<b>6,970</b>	<b>1,153</b>	<b>3,658</b>	<b>2,700</b>
Other comprehensive income		-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income/(loss) for the year</b>		<b>(2,455)</b>	<b>336</b>	<b>(7,909)</b>	<b>(2,122)</b>	<b>(17,717)</b>	<b>(3,615)</b>	<b>6,970</b>	<b>1,153</b>	<b>3,658</b>	<b>2,700</b>

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

**Booklet 5B**  
**Statements of comprehensive income**  
**For the year ended 30 June 2020**  
**(continued)**

<b>Statements of comprehensive income</b>		<b>Managed Risk Global Share Fund</b>		<b>S&amp;P 500 Yield Maximiser Fund</b>		<b>Europe ETF</b>		<b>Japan ETF</b>	
		<b>30 June 2020 \$'000</b>	<b>30 June 2019 \$'000</b>	<b>30 June 2020 \$'000</b>	<b>30 June 2019 \$'000</b>	<b>30 June 2020 \$'000</b>	<b>30 June 2019 \$'000</b>	<b>30 June 2020 \$'000</b>	<b>30 June 2019 \$'000</b>
	Notes								
<b>Investment income</b>									
Interest income		17	41	6	22	-	1	-	2
Dividend/distribution income		1,227	1,151	1,713	1,607	451	480	700	670
Net gains/(losses) on financial instruments at fair value through profit or loss		6	3,042	(7,269)	8,418	(962)	1,089	1	(7,222)
Net foreign exchange gains/(losses)		(92)	176	(140)	146	(7)	(8)	117	10
Other operating income		5	6	-	-	8	3	10	12
<b>Total net investment income/(loss)</b>		<b>1,163</b>	<b>4,416</b>	<b>(5,690)</b>	<b>10,193</b>	<b>(510)</b>	<b>1,565</b>	<b>828</b>	<b>(6,528)</b>
<b>Expenses</b>									
Management fees	12	227	159	525	494	137	-	172	17
Expense recoveries	12	97	69	191	180	13	-	18	39
Transaction costs		13	9	14	13	49	2	23	4
Other operating expenses		10	16	1	1	18	1	10	1
<b>Total operating expenses</b>		<b>347</b>	<b>253</b>	<b>731</b>	<b>688</b>	<b>217</b>	<b>3</b>	<b>223</b>	<b>61</b>
<b>Profit/(loss) for the year</b>		<b>816</b>	<b>4,163</b>	<b>(6,421)</b>	<b>9,505</b>	<b>(727)</b>	<b>1,562</b>	<b>605</b>	<b>(6,589)</b>
Other comprehensive income		-	-	-	-	-	-	-	-
<b>Total comprehensive income/(loss) for the year</b>		<b>816</b>	<b>4,163</b>	<b>(6,421)</b>	<b>9,505</b>	<b>(727)</b>	<b>1,562</b>	<b>605</b>	<b>(6,589)</b>

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

**Booklet 5B**  
**Statements of financial position**  
**As at 30 June 2020**

Statements of financial position		Global Agriculture Companies ETF		Global Banks ETF		Global Energy Companies ETF		Global Gold Miners ETF		Global Healthcare ETF	
		30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
	Notes										
<b>Assets</b>											
Cash and cash equivalents		23	28	65	1,378	281	91	64	16	42	41
Financial assets at fair value through profit or loss	5	16,637	20,419	27,092	52,883	195,771	28,813	26,926	8,588	48,089	30,950
Due from brokers - receivables for securities sold		8	-	-	-	103	12	-	-	-	-
Other receivables		65	42	67	140	613	67	1,342	7	1,430	91
<b>Total assets</b>		<b>16,733</b>	<b>20,489</b>	<b>27,224</b>	<b>54,401</b>	<b>196,768</b>	<b>28,983</b>	<b>28,332</b>	<b>8,611</b>	<b>49,561</b>	<b>31,082</b>
<b>Liabilities</b>											
Financial liabilities at fair value through profit or loss	5	-	-	-	-	-	-	-	96	-	-
Distributions payable	4	-	-	-	-	3,401	-	622	-	318	-
Due to brokers - payables for securities purchased		-	-	-	-	-	-	1,264	-	1,175	-
Other payables		10	9	14	1,293	102	16	13	4	26	15
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>10</b>	<b>9</b>	<b>14</b>	<b>1,293</b>	<b>3,503</b>	<b>16</b>	<b>1,899</b>	<b>100</b>	<b>1,519</b>	<b>15</b>
<b>Net assets attributable to unitholders - equity</b>	3	<b>16,723</b>	<b>20,480</b>	<b>27,210</b>	<b>53,108</b>	<b>193,265</b>	<b>28,967</b>	<b>26,433</b>	<b>8,511</b>	<b>48,042</b>	<b>31,067</b>

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

**Booklet 5B**  
**Statements of financial position**  
**As at 30 June 2020**  
**(continued)**

<b>Statements of financial position</b>		<b>Managed Risk Global Share Fund</b>		<b>S&amp;P 500 Yield Maximiser Fund</b>		<b>Europe ETF</b>		<b>Japan ETF</b>	
		<b>30 June 2020 \$'000</b>	<b>30 June 2019 \$'000</b>	<b>30 June 2020 \$'000</b>	<b>30 June 2019 \$'000</b>	<b>30 June 2020 \$'000</b>	<b>30 June 2019 \$'000</b>	<b>30 June 2020 \$'000</b>	<b>30 June 2019 \$'000</b>
	Notes								
<b>Assets</b>									
Cash and cash equivalents		4,387	2,076	1,620	1,242	180	577	275	523
Financial assets at fair value through profit or loss	5	54,133	59,473	82,549	89,465	21,961	35,469	31,226	38,993
Due from brokers - receivables for securities sold		-	-	-	-	3,148	-	-	-
Other receivables		160	323	23	23	37	-	56	1
<b>Total assets</b>		<b>58,680</b>	<b>61,872</b>	<b>84,192</b>	<b>90,730</b>	<b>25,326</b>	<b>36,046</b>	<b>31,557</b>	<b>39,517</b>
<b>Liabilities</b>									
Financial liabilities at fair value through profit or loss	5	375	88	220	185	-	-	-	-
Distributions payable	4	-	-	1,835	1,278	3,165	-	-	-
Due to brokers - receivables for securities purchased		-	-	-	-	-	-	-	-
Other payables		28	25	65	62	14	-	17	4
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>403</b>	<b>113</b>	<b>2,120</b>	<b>1,525</b>	<b>3,179</b>	<b>-</b>	<b>17</b>	<b>4</b>
<b>Net assets attributable to unitholders - equity</b>	3	<b>58,277</b>	<b>61,759</b>	<b>82,072</b>	<b>89,205</b>	<b>22,147</b>	<b>36,046</b>	<b>31,540</b>	<b>39,513</b>

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

**Booklet 5B**  
**Statements of changes in equity**  
**For the year ended 30 June 2020**

Statements of changes in equity	Notes	Global Agriculture Companies ETF		Global Banks ETF		Global Energy Companies ETF		Global Gold Miners ETF		Global Healthcare ETF	
		30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
<b>Total equity at the beginning of the year</b>	3	<b>20,480</b>	-	<b>53,108</b>	-	<b>28,967</b>	-	<b>8,511</b>	-	<b>31,067</b>	-
Reclassification as equity due to AMIT tax regime implementation*	3	-	16,754	-	69,776	-	28,431	-	5,119	-	23,789
<b>Comprehensive income for the year</b>											
Profit/(loss) for the year		(2,455)	336	(7,909)	(2,122)	(17,717)	(3,615)	6,970	1,153	3,658	2,700
Other comprehensive income		-	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income/(loss) for the year</b>		<b>(2,455)</b>	<b>336</b>	<b>(7,909)</b>	<b>(2,122)</b>	<b>(17,717)</b>	<b>(3,615)</b>	<b>6,970</b>	<b>1,153</b>	<b>3,658</b>	<b>2,700</b>
<b>Transactions with unitholders</b>											
Applications	3	-	3,420	7,895	2,806	201,791	11,440	12,489	2,239	17,415	6,949
Redemptions	3	(1,195)	-	(25,204)	(16,561)	(15,723)	(6,925)	(915)	-	(3,665)	(2,327)
Units issued upon reinvestment of distributions	3	10	63	20	75	3	49	-	-	10	53
Distributions to unitholders	3,4	(117)	(93)	(700)	(866)	(4,056)	(413)	(622)	-	(443)	(97)
<b>Total transactions with unitholders</b>		<b>(1,302)</b>	<b>3,390</b>	<b>(17,989)</b>	<b>(14,546)</b>	<b>182,015</b>	<b>4,151</b>	<b>10,952</b>	<b>2,239</b>	<b>13,317</b>	<b>4,578</b>
<b>Total equity at the end of the year</b>	3	<b>16,723</b>	<b>20,480</b>	<b>27,210</b>	<b>53,108</b>	<b>193,265</b>	<b>28,967</b>	<b>26,433</b>	<b>8,511</b>	<b>48,042</b>	<b>31,067</b>

\*Effective from 1 July 2018, Funds that had a prior financial reporting year had their units reclassified from financial liability to equity. As a result, equity transactions including distributions have been disclosed in the above statements for the year ended 30 June 2020 and 30 June 2019.

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

**Booklet 5B**  
**Statements of changes in equity**  
**For the year ended 30 June 2020**  
**(continued)**

<b>Statements of changes in equity</b>		<b>Managed Risk Global Share Fund</b>		<b>S&amp;P 500 Yield Maximiser Fund</b>		<b>Europe ETF</b>		<b>Japan ETF</b>	
		<b>30 June 2020 \$'000</b>	<b>30 June 2019 \$'000</b>	<b>30 June 2020 \$'000</b>	<b>30 June 2019 \$'000</b>	<b>30 June 2020 \$'000</b>	<b>30 June 2019 \$'000</b>	<b>30 June 2020 \$'000</b>	<b>30 June 2019 \$'000</b>
	Notes								
<b>Total equity at the beginning of the year</b>	3	<b>61,759</b>	-	<b>89,205</b>	-	<b>36,046</b>	-	<b>39,513</b>	-
Reclassification as equity due to AMIT tax regime implementation*	3	-	28,737	-	91,467	-	47,827	-	62,134
<b>Comprehensive income for the year</b>									
Profit/(loss) for the year		<b>816</b>	4,163	<b>(6,421)</b>	9,505	<b>(727)</b>	1,562	<b>605</b>	(6,589)
Other comprehensive income		-	-	-	-	-	-	-	-
<b>Total comprehensive income/(loss) for the year</b>		<b>816</b>	4,163	<b>(6,421)</b>	9,505	<b>(727)</b>	1,562	<b>605</b>	(6,589)
<b>Transactions with unitholders</b>									
Applications	3	<b>8,051</b>	32,984	<b>10,451</b>	1,751	<b>1,971</b>	-	<b>8,012</b>	11,530
Redemptions	3	<b>(11,507)</b>	(3,654)	<b>(5,735)</b>	(8,830)	<b>(11,978)</b>	(13,383)	<b>(16,382)</b>	(27,363)
Units issued upon reinvestment of distributions	3	<b>102</b>	189	<b>484</b>	437	-	40	<b>6</b>	34
Distributions to unitholders	3,4	<b>(944)</b>	(660)	<b>(5,912)</b>	(5,125)	<b>(3,165)</b>	-	<b>(214)</b>	(233)
<b>Total transactions with unitholders</b>		<b>(4,298)</b>	28,859	<b>(712)</b>	(11,767)	<b>(13,172)</b>	(13,343)	<b>(8,578)</b>	(16,032)
<b>Total equity at the end of the year</b>	3	<b>58,277</b>	61,759	<b>82,072</b>	89,205	<b>22,147</b>	36,046	<b>31,540</b>	39,513

\*Effective from 1 July 2018, Funds that had a prior financial reporting year had their units reclassified from financial liability to equity. As a result, equity transactions including distributions have been disclosed in the above statements for the year ended 30 June 2020 and 30 June 2019.

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

**Booklet 5B**  
**Statements of cash flows**  
**For the year ended 30 June 2020**

Statements of cash flows	Global Agriculture Companies ETF		Global Banks ETF		Global Energy Companies ETF		Global Gold Miners ETF		Global Healthcare ETF	
	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
Notes										
<b>Cash flows from operating activities</b>										
Proceeds from sale of financial instruments at fair value through profit or loss	6,925	6,783	33,214	31,124	37,334	15,810	5,452	2,952	13,128	11,074
Payments for purchase of financial instruments at fair value through profit or loss	(5,894)	(10,012)	(16,269)	(16,648)	(225,872)	(20,487)	(15,726)	(5,212)	(25,902)	(15,230)
Distributions/dividends received	394	477	1,228	2,580	3,521	1,185	164	80	634	551
Other operating income received	1	3	25	13	311	20	17	2	14	6
Management fees paid	(88)	(95)	(173)	(348)	(307)	(168)	(66)	(32)	(156)	(145)
Expense recoveries paid	(18)	(20)	(37)	(74)	(65)	(36)	(15)	(6)	(34)	(30)
Transaction costs paid	(4)	(5)	(16)	(14)	(130)	(11)	(20)	(7)	(8)	(5)
Other operating expenses paid	(19)	(20)	(30)	(32)	(17)	(21)	(10)	(13)	(16)	(15)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>1,297</b>	<b>(2,889)</b>	<b>17,942</b>	<b>16,601</b>	<b>(185,225)</b>	<b>(3,708)</b>	<b>(10,204)</b>	<b>(2,236)</b>	<b>(12,340)</b>	<b>(3,794)</b>
<b>Cash flows from financing activities</b>										
Proceeds from applications by unitholders	-	3,420	7,895	2,806	201,791	11,440	11,167	2,239	16,121	6,949
Payments for redemptions by unitholders	(1,195)	-	(26,470)	(15,295)	(15,723)	(6,925)	(915)	-	(3,665)	(2,327)
Distributions paid	(107)	(582)	(680)	(3,066)	(652)	(808)	-	-	(115)	(856)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>(1,302)</b>	<b>2,838</b>	<b>(19,255)</b>	<b>(15,555)</b>	<b>185,416</b>	<b>3,707</b>	<b>10,252</b>	<b>2,239</b>	<b>12,341</b>	<b>3,766</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(5)</b>	<b>(51)</b>	<b>(1,313)</b>	<b>1,046</b>	<b>191</b>	<b>(1)</b>	<b>48</b>	<b>3</b>	<b>1</b>	<b>(28)</b>
Cash and cash equivalents at the beginning of the financial year	28	79	1,378	332	91	93	16	13	41	69
Effects of foreign currency exchange rate changes on cash and cash equivalents	-	-	-	-	(1)	(1)	-	-	-	-
<b>Cash and cash equivalents at the end of the financial year</b>	<b>23</b>	<b>28</b>	<b>65</b>	<b>1,378</b>	<b>281</b>	<b>91</b>	<b>64</b>	<b>16</b>	<b>42</b>	<b>41</b>
<b>Non-cash financing activities</b>										
Units issued upon reinvestment of distributions	10	63	20	75	3	49	-	-	10	53

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

**Booklet 5B**  
**Statements of cash flows**  
**For the year ended 30 June 2020**  
**(continued)**

**Statements of cash flows**

	<b>Managed Risk Global Share Fund</b>		<b>S&amp;P 500 Yield Maximiser Fund</b>		<b>Europe ETF</b>		<b>Japan ETF</b>	
	<b>30 June 2020 \$'000</b>	<b>30 June 2019 \$'000</b>	<b>30 June 2020 \$'000</b>	<b>30 June 2019 \$'000</b>	<b>30 June 2020 \$'000</b>	<b>30 June 2019 \$'000</b>	<b>30 June 2020 \$'000</b>	<b>30 June 2019 \$'000</b>
Notes								
<b>Cash flows from operating activities</b>								
Proceeds from sales of financial instruments at fair value through profit or loss	16,148	3,179	10,111	11,073	50,161	21,801	62,285	37,667
Payments for purchases of financial instruments at fair value through profit or loss	(10,395)	(31,640)	(10,581)	(1,715)	(40,769)	(7,636)	(54,397)	(21,642)
Distributions/dividends received	1,390	904	1,713	1,966	417	480	649	670
Interest income received	18	40	6	22	-	1	-	2
Other operating income received	5	6	-	-	8	3	10	12
Management fees paid	(225)	(163)	(523)	(543)	(127)	-	(162)	(19)
Expense recoveries paid	(97)	(71)	(190)	(198)	(12)	-	(19)	(45)
Transaction costs paid	(13)	(9)	(14)	(13)	(49)	(2)	(23)	(4)
Other operating expenses paid	(10)	(16)	(1)	-	(18)	(1)	(10)	(1)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>6,821</b>	<b>(27,770)</b>	<b>521</b>	<b>10,592</b>	<b>9,611</b>	<b>14,646</b>	<b>8,333</b>	<b>16,640</b>
<b>Cash flows from financing activities</b>								
Proceeds from applications by unitholders	8,051	32,984	10,451	1,751	1,971	-	8,012	11,530
Payments for redemptions by unitholders	(11,507)	(3,654)	(5,735)	(8,830)	(11,978)	(13,383)	(16,382)	(27,363)
Distributions paid	(842)	(633)	(4,871)	(4,721)	-	(1,804)	(208)	(1,519)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>(4,298)</b>	<b>28,697</b>	<b>(155)</b>	<b>(11,800)</b>	<b>(10,007)</b>	<b>(15,187)</b>	<b>(8,578)</b>	<b>(17,352)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2,523</b>	<b>927</b>	<b>366</b>	<b>(1,208)</b>	<b>(396)</b>	<b>(541)</b>	<b>(245)</b>	<b>(712)</b>
Cash and cash equivalents at the beginning of the financial year	2,076	1,214	1,242	2,519	577	1,113	523	1,230
Effects of foreign currency exchange rate changes on cash and cash equivalents	(212)	(65)	12	(69)	(1)	5	(3)	5
<b>Cash and cash equivalents at the end of the financial year</b>	<b>4,387</b>	<b>2,076</b>	<b>1,620</b>	<b>1,242</b>	<b>180</b>	<b>577</b>	<b>275</b>	<b>523</b>
<b>Non-cash financing activities</b>								
Units issued upon reinvestment of distributions	102	189	484	437	-	40	6	34

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

**Contents of the notes to the financial statements**

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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 year
Global Agriculture Companies ETF	12 November 2015	2 August 2016	1 July 2019 to 30 June 2020
Global Banks ETF	16 November 2015	28 July 2016	1 July 2019 to 30 June 2020
Global Energy Companies ETF	16 November 2015	16 June 2016	1 July 2019 to 30 June 2020
Global Gold Miners ETF	16 November 2015	27 July 2016	1 July 2019 to 30 June 2020
Global Healthcare ETF	11 November 2015	4 August 2016	1 July 2019 to 30 June 2020
Managed Risk Global Share Fund	11 September 2015	16 December 2015	1 July 2019 to 30 June 2020
S&P 500 Yield Maximiser Fund	16 June 2014	17 September 2014	1 July 2019 to 30 June 2020
Europe ETF	11 November 2015	10 May 2016	1 July 2019 to 30 June 2020
Japan ETF	11 November 2015	10 May 2016	1 July 2019 to 30 June 2020

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 2020. 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 years 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.

The statement 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.

## 2 Summary of significant accounting policies (continued)

### (a) Basis of preparation (continued)

Management have taken into account the impacts of the COVID-19 pandemic on the valuation and presentation of the Funds' investments and its operating environment when preparing this financial report.

#### *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.

While the COVID-19 pandemic has caused uncertainty and market volatility during the period, the Responsible Entity has continued to follow its established policies and process (as set out in the Financial Risk Management note 7) for managing risk, determining fair values and classifying assets and liabilities in the fair value hierarchy for disclosure purposes as at the reporting date.

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.

## 2 Summary of significant accounting policies (continued)

### (a) Basis of preparation (continued)

#### *Investment entity exception (continued)*

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.

#### *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 year, 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 2020, 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 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 year.

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 year 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 Funds are not subject to income tax as unitholders are presently entitled to the taxable income (including assessable realised capital gains) of the Funds.

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

### **(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.

## **2 Summary of significant accounting policies (continued)**

### **(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 year 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 year. 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 year.

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 year were as follows:

	Global Agriculture Companies ETF				Global Banks ETF			
	30 June 2020 Units '000	30 June 2019 Units '000	30 June 2020 Units '000	30 June 2019 Units '000	30 June 2020 Units '000	30 June 2019 Units '000	30 June 2020 Units '000	30 June 2019 Units '000
<b>Net assets attributable to unitholders</b>								
Opening balance	3,614	3,003	20,480	16,754	8,216	10,404	53,108	69,776
Applications	-	600	-	3,420	1,600	400	7,895	2,806
Redemptions	(200)	-	(1,195)	-	(4,000)	(2,600)	(25,204)	(16,561)
Units issued upon reinvestment of distributions	2	11	10	63	3	12	20	75
Distributions to unitholders	-	-	(117)	(93)	-	-	(700)	(866)
Profit/(loss) for the year	-	-	(2,455)	336	-	-	(7,909)	(2,122)
<b>Closing balance</b>	<b>3,416</b>	<b>3,614</b>	<b>16,723</b>	<b>20,480</b>	<b>5,819</b>	<b>8,216</b>	<b>27,210</b>	<b>53,108</b>

### 3 Net assets attributable to unitholders (continued)

	Global Energy Companies ETF				Global Gold Miners ETF			
	30 June 2020 Units '000	30 June 2019 Units '000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 Units '000	30 June 2019 Units '000	30 June 2020 \$'000	30 June 2019 \$'000
<b>Net assets attributable to unitholders</b>								
Opening balance	5,010	4,401	28,967	28,431	2,000	1,400	8,511	5,119
Applications	52,799	1,800	201,791	11,440	2,200	600	12,489	2,239
Redemptions	(3,200)	(1,200)	(15,723)	(6,925)	(200)	-	(915)	-
Units issued upon reinvestment of distributions	1	9	3	49	-	-	-	-
Distributions to unitholders	-	-	(4,056)	(413)	-	-	(622)	-
Profit/(loss) for the year	-	-	(17,717)	(3,615)	-	-	6,970	1,153
<b>Closing balance</b>	<b>54,610</b>	<b>5,010</b>	<b>193,265</b>	<b>28,967</b>	<b>4,000</b>	<b>2,000</b>	<b>26,433</b>	<b>8,511</b>

  

	Global Healthcare ETF				Managed Risk Global Share Fund			
	30 June 2020 Units '000	30 June 2019 Units '000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 Units '000	30 June 2019 Units '000	30 June 2020 \$'000	30 June 2019 \$'000
<b>Net assets attributable to unitholders</b>								
Opening balance	5,210	4,400	31,067	23,789	4,824	2,408	61,759	28,737
Applications	2,800	1,200	17,415	6,949	600	2,700	8,051	32,984
Redemptions	(600)	(400)	(3,665)	(2,327)	(900)	(300)	(11,507)	(3,654)
Units issued upon reinvestment of distributions	2	10	10	53	8	16	102	189
Distributions to unitholders	-	-	(443)	(97)	-	-	(944)	(660)
Profit/(loss) for the year	-	-	3,658	2,700	-	-	816	4,163
<b>Closing balance</b>	<b>7,412</b>	<b>5,210</b>	<b>48,042</b>	<b>31,067</b>	<b>4,532</b>	<b>4,824</b>	<b>58,277</b>	<b>61,759</b>

### 3 Net assets attributable to unitholders (continued)

	S&P 500 Yield Maximiser Fund				Europe ETF			
	30 June 2020 Units '000	30 June 2019 Units '000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 Units '000	30 June 2019 Units '000	30 June 2020 \$'000	30 June 2019 \$'000
<b>Net assets attributable to unitholders</b>								
Opening balance	4,520	4,847	89,205	91,467	2,805	3,902	36,046	47,827
Applications	500	100	10,451	1,751	200	-	1,971	-
Redemptions	(300)	(450)	(5,735)	(8,830)	(900)	(1,100)	(11,978)	(13,383)
Units issued upon reinvestment of distributions	25	23	484	437	-	3	-	40
Distributions to unitholders	-	-	(5,912)	(5,125)	-	-	(3,165)	-
Profit/(loss) for the year	-	-	(6,421)	9,505	-	-	(727)	1,562
<b>Closing balance</b>	<b>4,745</b>	<b>4,520</b>	<b>82,072</b>	<b>89,205</b>	<b>2,105</b>	<b>2,805</b>	<b>22,147</b>	<b>36,046</b>

	Japan ETF			
	30 June 2020 Units '000	30 June 2019 Units '000	30 June 2020 \$'000	30 June 2019 \$'000
<b>Net assets attributable to unitholders</b>				
Opening balance	3,406	4,803	39,513	62,134
Applications	699	900	8,012	11,530
Redemptions	(1,500)	(2,300)	(16,382)	(27,363)
Units issued upon reinvestment of distributions	1	3	6	34
Distributions to unitholders	-	-	(214)	(233)
Profit/(loss) for the year	-	-	605	(6,589)
<b>Closing balance</b>	<b>2,606</b>	<b>3,406</b>	<b>31,540</b>	<b>39,513</b>

#### 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 year were as follows:

	Global Agriculture Companies ETF				Global Banks ETF			
	30 June 2020 \$'000	30 June 2020 CPU	30 June 2019 \$'000	30 June 2019 CPU	30 June 2020 \$'000	30 June 2020 CPU	30 June 2019 \$'000	30 June 2019 CPU
Distributions paid - December	117	3.42	93	2.73	700	12.47	866	8.65
<b>Total distributions</b>	<b>117</b>		<b>93</b>		<b>700</b>		<b>866</b>	

  

	Global Energy Companies ETF				Global Gold Miners ETF			
	30 June 2020 \$'000	30 June 2020 CPU	30 June 2019 \$'000	30 June 2019 CPU	30 June 2020 \$'000	30 June 2020 CPU	30 June 2019 \$'000	30 June 2019 CPU
Distributions paid - December	655	5.03	413	7.12	-	-	-	-
Distributions payable - June	3,401	6.23	-	-	622	15.55	-	-
<b>Total distributions</b>	<b>4,056</b>		<b>413</b>		<b>622</b>		<b>-</b>	

  

	Global Healthcare ETF				Managed Risk Global Share Fund			
	30 June 2020 \$'000	30 June 2020 CPU	30 June 2019 \$'000	30 June 2019 CPU	30 June 2020 \$'000	30 June 2020 CPU	30 June 2019 \$'000	30 June 2019 CPU
Distributions paid - December	125	2.49	97	1.87	944	18.80	660	14.95
Distributions payable - June	318	4.29	-	-	-	-	-	-
<b>Total distributions</b>	<b>443</b>		<b>97</b>		<b>944</b>		<b>660</b>	

#### 4 Distributions to unitholders (continued)

	S&P 500 Yield Maximiser Fund				Europe ETF			
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2020	2020	2019	2019	2020	2020	2019	2019
	\$'000	CPU	\$'000	CPU	\$'000	CPU	\$'000	CPU
Distributions paid - September	1,209	26.15	1,077	22.90	-	-	-	-
Distributions paid - December	1,395	28.89	1,363	28.97	-	-	-	-
Distributions paid - March	1,473	30.45	1,407	31.17	-	-	-	-
Distributions payable - June	1,835	38.68	1,278	28.27	3,165	150.32	-	-
<b>Total distributions</b>	<b>5,912</b>		<b>5,125</b>		<b>3,165</b>		<b>-</b>	

  

	Japan ETF			
	30 June	30 June	30 June	30 June
	2020	2020	2019	2019
	\$'000	CPU	\$'000	CPU
Distributions paid - December	214	7.36	233	4.85
<b>Total distributions</b>	<b>214</b>		<b>233</b>	

#### 5 Financial assets and liabilities at fair value through profit or loss

	Global Agriculture Companies ETF		Global Banks ETF		Global Energy Companies ETF		Global Gold Miners ETF	
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets at fair value through profit or loss</b>								
Listed securities	16,165	20,302	26,526	52,848	191,044	28,757	26,333	8,588
Foreign currency contracts	472	117	566	35	4,727	56	593	-
<b>Total financial assets at fair value through profit or loss</b>	<b>16,637</b>	<b>20,419</b>	<b>27,092</b>	<b>52,883</b>	<b>195,771</b>	<b>28,813</b>	<b>26,926</b>	<b>8,588</b>
<b>Financial liabilities at fair value through profit or loss</b>								
Foreign currency contracts	-	-	-	-	-	-	-	96
<b>Total financial liabilities at fair value through profit or loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>96</b>

**5 Financial assets and liabilities at fair value through profit or loss (continued)**

	<b>Global Healthcare ETF</b>		<b>Managed Risk Global Share Fund</b>		<b>S&amp;P 500 Yield Maximiser Fund</b>		<b>Europe ETF</b>	
	<b>30 June 2020</b>	30 June 2019	<b>30 June 2020</b>	30 June 2019	<b>30 June 2020</b>	30 June 2019	<b>30 June 2020</b>	30 June 2019
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<b>Financial assets at fair value through profit or loss</b>								
Listed securities	<b>46,801</b>	30,770	<b>53,955</b>	59,411	<b>82,549</b>	89,465	<b>21,527</b>	35,061
Index futures	-	-	<b>96</b>	4	-	-	-	-
Currency futures	-	-	<b>82</b>	58	-	-	-	-
Foreign currency contracts	<b>1,288</b>	180	-	-	-	-	<b>434</b>	408
<b>Total financial assets at fair value through profit or loss</b>	<b>48,089</b>	30,950	<b>54,133</b>	59,473	<b>82,549</b>	89,465	<b>21,961</b>	35,469
<b>Financial liabilities at fair value through profit or loss</b>								
Index futures	-	-	<b>137</b>	83	-	-	-	-
Currency futures	-	-	<b>238</b>	5	-	-	-	-
Index options	-	-	-	-	<b>220</b>	185	-	-
<b>Total financial liabilities at fair value through profit or loss</b>	-	-	<b>375</b>	88	<b>220</b>	185	-	-
	<b>Japan ETF</b>							
	<b>30 June 2020</b>	30 June 2019						
	<b>\$'000</b>	\$'000						
<b>Financial assets at fair value through profit or loss</b>								
Listed securities	<b>30,154</b>	38,553						
Foreign currency contracts	<b>1,072</b>	440						
<b>Total financial assets at fair value through profit or loss</b>	<b>31,226</b>	38,993						

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

	Global Agriculture Companies ETF		Global Banks ETF		Global Energy Companies ETF		Global Gold Miners ETF	
	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
<b>Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities</b>								
Profit/(loss)	(2,455)	336	(7,909)	(2,122)	(17,717)	(3,615)	6,970	1,153
Proceeds from sale of financial instruments at fair value through profit or loss	6,925	6,783	33,214	31,124	37,334	15,810	5,452	2,952
Payments for the purchase of financial investments at fair value through profit or loss	(5,894)	(10,012)	(16,269)	(16,648)	(225,872)	(20,487)	(15,726)	(5,212)
Net (gains)/losses on financial instruments at fair value through profit or loss	2,727	16	8,873	4,301	21,329	4,576	(6,911)	(1,123)
Net change in dividends/distributions receivable	(22)	(5)	73	(22)	(521)	(7)	(11)	(1)
Net change in receivables and other assets	(1)	(2)	-	(1)	(25)	(8)	(2)	-
Net foreign exchange (gains)/losses	16	4	(26)	19	161	34	15	(1)
Net change in payables and other liabilities	1	(9)	(14)	(50)	86	(11)	9	(4)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>1,297</b>	<b>(2,889)</b>	<b>17,942</b>	<b>16,601</b>	<b>(185,225)</b>	<b>(3,708)</b>	<b>(10,204)</b>	<b>(2,236)</b>

	Global Healthcare ETF		Managed Risk Global Share Fund		S&P 500 Yield Maximiser Fund		Europe ETF	
	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
<b>Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities</b>								
Profit/(loss)	3,658	2,700	816	4,163	(6,421)	9,505	(727)	1,562
Proceeds from sale of financial instruments at fair value through profit or loss	13,128	11,074	16,148	3,179	10,111	11,073	50,161	21,801
Payments for the purchase of financial investments at fair value through profit or loss	(25,902)	(15,230)	(10,395)	(31,640)	(10,581)	(1,715)	(40,769)	(7,636)
Net (gains)/losses on financial instruments at fair value through profit or loss	(3,224)	(2,307)	(6)	(3,042)	7,269	(8,418)	962	(1,089)
Net change in dividends/distributions receivable	(15)	(5)	163	(247)	-	359	(13)	-
Net change in receivables and other assets	(30)	(29)	-	(5)	-	-	(24)	-
Net foreign exchange (gains)/losses	34	12	92	(176)	140	(146)	7	8
Net change in payables and other liabilities	11	(9)	3	(2)	3	(66)	14	-
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(12,340)</b>	<b>(3,794)</b>	<b>6,821</b>	<b>(27,770)</b>	<b>521</b>	<b>10,592</b>	<b>9,611</b>	<b>14,646</b>

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

	Japan ETF	
	30 June	30 June
	2020	2019
	\$'000	\$'000
<b>Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities</b>		
Profit/(loss)	605	(6,589)
Proceeds from sale of financial instruments at fair value through profit or loss	62,285	37,667
Payments for the purchase of financial investments at fair value through profit or loss	(54,397)	(21,642)
Net (gains)/losses on financial instruments at fair value through profit or loss	(1)	7,222
Net change in dividends/distributions receivable	(51)	-
Net change in receivables and other assets	(4)	1
Net foreign exchange (gains)/losses	(117)	(10)
Net change in payables and other liabilities	13	(9)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>8,333</b>	<b>16,640</b>

## 7 Financial risk management

The Funds are exchange traded managed funds that primarily invest in a portfolio of securities listed on the global share 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.

## 7 Financial risk management (continued)

### (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 prices, 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.

	Global Agriculture Companies ETF		Global Banks ETF		Global Energy Companies ETF		Global Gold Miners ETF	
	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
+10% Price movement - impact on the Funds' profit/(loss) and net assets attributable to unitholders	1,616	2,030	2,653	5,285	19,104	2,876	2,633	859
-10% Price movement - impact on the Funds' profit/(loss) and net assets attributable to unitholders	(1,616)	(2,030)	(2,653)	(5,285)	(19,104)	(2,876)	(2,633)	(859)

## 7 Financial risk management (continued)

### (a) Market risk (continued)

#### (i) Price risk (continued)

##### Sensitivity analysis (continued)

	Global Healthcare ETF		Managed Risk Global Share Fund		S&P 500 Yield Maximiser Fund		Europe ETF	
	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
+10% Price movement - impact on the Funds' profit/(loss) and net assets attributable to unitholders	4,680	3,077	3,294	5,739	5,404	3,823	2,196	3,506
-10% Price movement - impact on the Funds' profit/(loss) and net assets attributable to unitholders	(4,680)	(3,077)	(3,294)	(5,739)	(7,881)	(8,637)	(2,196)	(3,506)
	Japan ETF							
	30 June 2020 \$'000	30 June 2019 \$'000						
+10% Price movement - impact on the Funds' profit/(loss) and net assets attributable to unitholders	3,123	3,855						
-10% Price movement - impact on the Funds' profit/(loss) and net assets attributable to unitholders	(3,123)	(3,855)						

#### (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.

#### (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.

## 7 Financial risk management (continued)

### (a) Market risk (continued)

#### (iii) Foreign exchange risk (continued)

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 affect of associated foreign currency derivatives). The disclosures below represent the significant currency exposures of Funds at each respective reporting date.

Global Agriculture Companies ETF				Global Banks ETF				Global Energy Companies ETF			
30 June 2020	30 June 2020	30 June 2019	30 June 2019	30 June 2020	30 June 2020	30 June 2019	30 June 2019	30 June 2020	30 June 2020	30 June 2019	30 June 2019
Currency	\$'000	Currency	\$'000	Currency	\$'000	Currency	\$'000	Currency	\$'000	Currency	\$'000
KRW	213	JPY	114	USD	(1,063)	USD	1,253	USD	(4,266)	USD	1,320
MYR	550	MYR	399	MYR	83	MYR	443	DKK	3,457	DKK	261
HKD	145	SGD	202	NOK	137	NOK	304	JPY	3,179	JPY	411
EUR	126	CAD	1,955	ZAR	83	ZAR	621	NOK	2,663	NOK	383
NOK	(343)	ZAR	131	GBP	(123)	KRW	296	GBP	933	GBP	275
Others	246	Others	27	Others	189	Others	1,255	Others	96	Others	317
Net foreign currency exposure	937		2,828		(694)		4,172		6,062		2,967

  

Global Gold Miners ETF				Global Healthcare ETF				Managed Risk Global Share Fund			
30 June 2020	30 June 2020	30 June 2019	30 June 2019	30 June 2020	30 June 2020	30 June 2019	30 June 2019	30 June 2020	30 June 2020	30 June 2019	30 June 2019
Currency	\$'000	Currency	\$'000	Currency	\$'000	Currency	\$'000	Currency	\$'000	Currency	\$'000
USD	65	USD	(99)	USD	166	USD	1,245			USD	61,959
CAD	779	CAD	988	EUR	114	EUR	136	USD	58,412	USD	(161)
HKD	60	HKD	62	KRW	113	KRW	132	EUR	25	EUR	(58)
ZAR	1,044	ZAR	397	CHF	123	CHF	174	JPY	(211)	JPY	5
GBP	57	GBP	144	GBP	(7)	GBP	168	GBP	53	GBP	(58)
Others	137	Others	51	Others	70	Others	74	Others	-	Others	-
Net foreign currency exposure	2,142		1,543		579		1,929		58,279		61,745

## 7 Financial risk management (continued)

### (a) Market risk (continued)

#### (iii) Foreign exchange risk (continued)

	S&P 500 Yield Maximiser Fund				Europe ETF				Japan ETF			
	30 June 2020	30 June 2020	30 June 2019	30 June 2019	30 June 2020	30 June 2020	30 June 2019	30 June 2019	30 June 2020	30 June 2020	30 June 2019	30 June 2019
	Currency	\$'000	Currency	\$'000	Currency	\$'000	Currency	\$'000	Currency	\$'000	Currency	\$'000
					USD	19	USD*	1,838				
					EUR	1,271	EUR	-				
					SEK	1	SEK	-				
					CHF	(1)	CHF	-	JPY	1,295	USD*	1,476
<b>Net foreign currency exposure</b>		<b>84,152</b>		<b>90,700</b>		<b>1,290</b>		<b>1,838</b>		<b>1,295</b>		<b>1,476</b>

\* These Funds only have USD exposure.

#### Sensitivity analysis - Foreign exchange risk

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

	Global Agriculture Companies ETF		Global Banks ETF		Global Energy Companies ETF		Global Gold Miners ETF	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Impact on profit/(loss) from operating activities and net assets attributable to unitholders								
10% AUD appreciation against foreign currency (2019: 10%)	(9)	(5)	(11)	(24)	(100)	(12)	(120)	(2)

## 7 Financial risk management (continued)

### (a) Market risk (continued)

#### (iii) Foreign exchange risk (continued)

##### Sensitivity analysis - Foreign exchange risk (continued)

	Global Healthcare ETF		Managed Risk Global Share Fund		S&P 500 Yield Maximiser Fund		Europe ETF	
	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
Impact on profit/(loss) from operating activities and net assets attributable to unitholders								
10% AUD appreciation against foreign currency (2019: 10%)	(101)	(11)	(452)	(236)	(160)	(124)	(331)	(52)
	Japan ETF							
	30 June 2020 \$'000	30 June 2019 \$'000						
Impact on profit/(loss) from operating activities and net assets attributable to unitholders								
10% AUD appreciation against foreign currency (2019: 10%)	(31)	(44)						
10% AUD depreciation against foreign currency would have an equal, but opposite effect to the amounts shown in the table above.								

## **7 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 investment manager 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 2020 had a credit rating of AA- by Standard & Poor's (S&P) (30 June 2019 AA-/A-1+ (Stable) by Standard & Poor's (S&P)). At 30 June 2020, 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.

## 7 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.

	Global Agriculture Companies ETF							
	On demand	Less than 6 months	than 6 months	Total	On demand	Less than 6 months	Greater than 6 months	Total
	30 June 2020	30 June 2020	30 June 2020	30 June 2020	30 June 2019	30 June 2019	30 June 2019	30 June 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Other payables	-	10	-	10	-	9	-	9
Contractual cash flows (excluding net settled derivatives)	-	10	-	10	-	9	-	9

	Global Banks ETF							
	On demand	Less than 6 months	than 6 months	Total	On demand	Less than 6 months	Greater than 6 months	Total
	30 June 2020	30 June 2020	30 June 2020	30 June 2020	30 June 2019	30 June 2019	30 June 2019	30 June 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Other payables	-	14	-	14	-	1,293	-	1,293
Contractual cash flows (excluding net settled derivatives)	-	14	-	14	-	1,293	-	1,293

## 7 Financial risk management (continued)

### (c) Liquidity risk (continued)

Global Energy Companies ETF							
On demand	Less than	than	Total	On demand	Less than	Greater than	Total
30 June	6 months	6 months	30 June	30 June	6 months	6 months	30 June
2020	30 June	30 June	30 June	2019	30 June	30 June	30 June
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Distributions payable	-	3,401	-	3,401	-	-	-
Other payables	-	102	-	102	-	16	-
<b>Contractual cash flows (excluding net settled derivatives)</b>	-	<b>3,503</b>	-	<b>3,503</b>	-	<b>16</b>	-
Global Gold Miners ETF							
On demand	Less than	than	Total	On demand	Less than	Greater than	Total
30 June	6 months	6 months	30 June	30 June	6 months	6 months	30 June
2020	30 June	30 June	30 June	2019	30 June	30 June	30 June
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Distributions payable	-	622	-	622	-	-	-
Due to brokers - payables for securities purchased	-	1,264	-	1,264	-	-	-
Other payables	-	13	-	13	-	4	-
<b>Contractual cash flows (excluding net settled derivatives)</b>	-	<b>1,899</b>	-	<b>1,899</b>	-	<b>4</b>	-
Foreign currency contracts	-	-	-	-	96	-	96
<b>Net settled derivatives</b>	-	-	-	-	96	-	96

## 7 Financial risk management (continued)

### (c) Liquidity risk (continued)

Global Healthcare ETF							
On demand	Less than	than	Total	On demand	Less than	Greater than	Total
30 June	6 months	6 months	30 June	30 June	6 months	6 months	30 June
2020	30 June	30 June	30 June	2019	30 June	30 June	30 June
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Distributions payable	-	318	-	318	-	-	-
Due to brokers - payables for securities purchased	-	1,175	-	1,175	-	-	-
Other payables	-	26	-	26	-	15	15
<b>Contractual cash flows (excluding net settled derivatives)</b>	-	<b>1,519</b>	-	<b>1,519</b>	-	<b>15</b>	<b>15</b>

  

Managed Risk Global Share Fund							
On demand	Less than	than	Total	On demand	Less than	Greater than	Total
30 June	6 months	6 months	30 June	30 June	6 months	6 months	30 June
2020	30 June	30 June	30 June	2019	30 June	30 June	30 June
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Other payables	-	28	-	28	-	25	25
<b>Contractual cash flows (excluding net settled derivatives)</b>	-	<b>28</b>	-	<b>28</b>	-	<b>25</b>	<b>25</b>
Index futures	-	137	-	137	-	83	83
Foreign currency contracts	-	238	-	238	-	5	5
<b>Net settled derivatives</b>	-	<b>375</b>	-	<b>375</b>	-	<b>88</b>	<b>88</b>

## 7 Financial risk management (continued)

### (c) Liquidity risk (continued)

S&P 500 Yield Maximiser Fund								
On demand	Less than 6 months	than 6 months	Total	On demand	Less than 6 months	Greater than 6 months	Total	
30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	
2020	2020	2020	2020	2019	2019	2019	2019	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Distributions payable	-	1,835	-	1,835	-	1,278	-	1,278
Other payables	-	65	-	65	-	62	-	62
Contractual cash flows (excluding net settled derivatives)	-	1,900	-	1,900	-	1,340	-	1,340
Index options	-	220	-	220	-	185	-	185
Net settled derivatives	-	220	-	220	-	185	-	185
Europe ETF								
On demand	Less than 6 months	than 6 months	Total	On demand	Less than 6 months	Greater than 6 months	Total	
30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	
2020	2020	2020	2020	2019	2019	2019	2019	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Distributions payable	-	3,165	-	3,165	-	-	-	-
Other payables	-	14	-	14	-	-	-	-
Contractual cash flows (excluding net settled derivatives)	-	3,179	-	3,179	-	-	-	-
Japan ETF								
On demand	Less than 6 months	than 6 months	Total	On demand	Less than 6 months	Greater than 6 months	Total	
30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	
2020	2020	2020	2020	2019	2019	2019	2019	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Other payables	-	17	-	17	-	4	-	4
Contractual cash flows (excluding net settled derivatives)	-	17	-	17	-	4	-	4

## 8 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
<b>Global Agriculture Companies ETF</b>						
<b>As at 30 June 2020</b>						
<b>Financial assets</b>						
Foreign currency contracts	472	-	472	-	-	472
<b>Total</b>	<b>472</b>	<b>-</b>	<b>472</b>	<b>-</b>	<b>-</b>	<b>472</b>
<b>As at 30 June 2019</b>						
Financial assets						
Foreign currency contracts	147	(30)	117	-	-	117
<b>Total</b>	<b>147</b>	<b>(30)</b>	<b>117</b>	<b>-</b>	<b>-</b>	<b>117</b>
	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
<b>Global Banks ETF</b>						
<b>As at 30 June 2020</b>						
<b>Financial assets</b>						
Foreign currency contracts	606	(40)	566	-	-	566
<b>Total</b>	<b>606</b>	<b>(40)</b>	<b>566</b>	<b>-</b>	<b>-</b>	<b>566</b>
<b>As at 30 June 2019</b>						
Financial assets						
Foreign currency contracts	346	(311)	35	-	-	35
<b>Total</b>	<b>346</b>	<b>(311)</b>	<b>35</b>	<b>-</b>	<b>-</b>	<b>35</b>

8 Offsetting financial assets and financial liabilities (continued)

	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
<b>Global Energy Companies ETF</b>						
<b>As at 30 June 2020</b>						
<b>Financial assets</b>						
Foreign currency contracts	4,774	(47)	4,727	-	-	4,727
<b>Total</b>	<b>4,774</b>	<b>(47)</b>	<b>4,727</b>	<b>-</b>	<b>-</b>	<b>4,727</b>
<b>As at 30 June 2019</b>						
Financial assets						
Foreign currency contracts	218	(162)	56	-	-	56
<b>Total</b>	<b>218</b>	<b>(162)</b>	<b>56</b>	<b>-</b>	<b>-</b>	<b>56</b>
	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
<b>Global Gold Miners ETF</b>						
<b>As at 30 June 2020</b>						
<b>Financial assets</b>						
Foreign currency contracts	597	(4)	593	-	-	593
<b>Total</b>	<b>597</b>	<b>(4)</b>	<b>593</b>	<b>-</b>	<b>-</b>	<b>593</b>
<b>As at 30 June 2019</b>						
Financial liabilities						
Foreign currency contracts	18	(114)	(96)	-	-	(96)
<b>Total</b>	<b>18</b>	<b>(114)</b>	<b>(96)</b>	<b>-</b>	<b>-</b>	<b>(96)</b>

**8 Offsetting financial assets and financial liabilities (continued)**

	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
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Global Healthcare ETF</b>					
<b>As at 30 June 2020</b>					
<b>Financial assets</b>					
Foreign currency contracts	1,298	(10)	1,288	-	-
<b>Total</b>	<b>1,298</b>	<b>(10)</b>	<b>1,288</b>	<b>-</b>	<b>-</b>
<b>As at 30 June 2019</b>					
<b>Financial assets</b>					
Foreign currency contracts	253	(73)	180	-	-
<b>Total</b>	<b>253</b>	<b>(73)</b>	<b>180</b>	<b>-</b>	<b>-</b>

8 Offsetting financial assets and financial liabilities (continued)

	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
<b>Managed Risk Global Share Fund</b>						
<b>As at 30 June 2020</b>						
<b>Financial assets</b>						
Futures	178	-	178	(178)	-	-
<b>Total</b>	<b>178</b>	<b>-</b>	<b>178</b>	<b>(178)</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>						
Futures	(375)	-	(375)	178	-	(197)
<b>Total</b>	<b>(375)</b>	<b>-</b>	<b>(375)</b>	<b>178</b>	<b>-</b>	<b>(197)</b>
<b>As at 30 June 2019</b>						
<b>Financial assets</b>						
Futures	62	-	62	(62)	-	-
<b>Total</b>	<b>62</b>	<b>-</b>	<b>62</b>	<b>(62)</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>						
Futures	(88)	-	(88)	62	-	(26)
<b>Total</b>	<b>(88)</b>	<b>-</b>	<b>(88)</b>	<b>62</b>	<b>-</b>	<b>(26)</b>

8 Offsetting financial assets and financial liabilities (continued)

	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
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>S&amp;P 500 Yield Maximiser Fund</b>					
<b>As at 30 June 2020</b>					
<b>Financial liabilities</b>					
Index options	(220)	-	(220)	-	1
<b>Total</b>	<b>(220)</b>	<b>-</b>	<b>(220)</b>	<b>-</b>	<b>1</b>
<b>As at 30 June 2019</b>					
Financial liabilities					
Index options	(185)	-	(185)	-	-
<b>Total</b>	<b>(185)</b>	<b>-</b>	<b>(185)</b>	<b>-</b>	<b>-</b>
	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
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Europe ETF</b>					
<b>As at 30 June 2020</b>					
<b>Financial assets</b>					
Foreign currency contracts	434	-	434	-	-
<b>Total</b>	<b>434</b>	<b>-</b>	<b>434</b>	<b>-</b>	<b>-</b>
<b>As at 30 June 2019</b>					
Financial assets					
Foreign currency contracts	408	-	408	-	-
<b>Total</b>	<b>408</b>	<b>-</b>	<b>408</b>	<b>-</b>	<b>-</b>

## 8 Offsetting financial assets and financial liabilities (continued)

	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
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Japan ETF</b>					
<b>As at 30 June 2020</b>					
<b>Financial assets</b>					
Foreign currency contracts	1,072	-	1,072	-	-
<b>Total</b>	<b>1,072</b>	<b>-</b>	<b>1,072</b>	<b>-</b>	<b>-</b>
<b>As at 30 June 2019</b>					
Financial assets					
Foreign currency contracts	528	(88)	440	-	-
<b>Total</b>	<b>528</b>	<b>(88)</b>	<b>440</b>	<b>-</b>	<b>-</b>

## 9 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.

## **9 Fair value measurements (continued)**

### **Fair value estimation (continued)**

#### *(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 the 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.

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, index options and foreign currency contracts are measured by the quoted market prices, or binding dealer price quotations on the exchange where they are listed or held.

## 9 Fair value measurements (continued)

### Fair value estimation (continued)

#### (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:

Global Agriculture Companies ETF							
Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
2020	2020	2020	2020	2019	2019	2019	2019
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>							
Financial assets at fair value through profit or loss:							
Listed securities	16,165	-	-	16,165	20,302	-	20,302
Foreign currency contracts	-	472	-	472	-	117	117
<b>Total</b>	<b>16,165</b>	<b>472</b>	<b>-</b>	<b>16,637</b>	<b>20,302</b>	<b>117</b>	<b>20,419</b>

  

Global Banks ETF							
Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
2020	2020	2020	2020	2019	2019	2019	2019
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>							
Financial assets at fair value through profit or loss:							
Listed securities	26,526	-	-	26,526	52,848	-	52,848
Foreign currency contracts	-	566	-	566	-	35	35
<b>Total</b>	<b>26,526</b>	<b>566</b>	<b>-</b>	<b>27,092</b>	<b>52,848</b>	<b>35</b>	<b>52,883</b>

## 9 Fair value measurements (continued)

### Fair value estimation (continued)

(iii) *Recognised fair value measurements (continued)*

#### Financial assets

Financial assets at fair value through profit or loss:

Listed securities

Foreign currency contracts

#### Total

Global Energy Companies ETF							
Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
2020	2020	2020	2020	2019	2019	2019	2019
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
191,044	-	-	191,044	28,757	-	-	28,757
-	4,727	-	4,727	-	56	-	56
191,044	4,727	-	195,771	28,757	56	-	28,813

#### Financial assets

Financial assets at fair value through profit or loss:

Listed securities

Foreign currency contracts

#### Total

Global Gold Miners ETF							
Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
2020	2020	2020	2020	2019	2019	2019	2019
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
26,333	-	-	26,333	8,588	-	-	8,588
-	593	-	593	-	-	-	-
26,333	593	-	26,926	8,588	-	-	8,588

#### Financial liabilities

Financial liabilities at fair value through profit or loss:

Foreign currency contracts

#### Total

-	-	-	-	-	96	-	96
-	-	-	-	-	96	-	96

## 9 Fair value measurements (continued)

### Fair value estimation (continued)

(iii) Recognised fair value measurements (continued)

#### Financial assets

Financial assets at fair value through profit or loss:

Listed securities

Foreign currency contracts

#### Total

Global Healthcare ETF							
Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
2020	2020	2020	2020	2019	2019	2019	2019
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
46,792	9	-	46,801	30,770	-	-	30,770
-	1,288	-	1,288	-	180	-	180
46,792	1,297	-	48,089	30,770	180	-	30,950

#### Managed Risk Global Share Fund

Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
2020	2020	2020	2020	2019	2019	2019	2019
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
53,955	-	-	53,955	59,411	-	-	59,411
96	-	-	96	4	-	-	4
82	-	-	82	58	-	-	58
54,133	-	-	54,133	59,473	-	-	59,473

#### Financial assets

Financial assets at fair value through profit or loss:

Listed securities

Index futures

Currency futures

#### Total

#### Financial liabilities

Financial liabilities at fair value through profit or loss:

Index futures

Currency futures

#### Total

137	-	-	137	83	-	-	83
238	-	-	238	5	-	-	5
375	-	-	375	88	-	-	88

## 9 Fair value measurements (continued)

### Fair value estimation (continued)

(iii) *Recognised fair value measurements (continued)*

S&P 500 Yield Maximiser Fund							
Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
2020	2020	2020	2020	2019	2019	2019	2019
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>							
Financial assets at fair value through profit or loss:							
Listed securities							
<b>82,549</b>	-	-	<b>82,549</b>	89,465	-	-	89,465
<b>82,549</b>	-	-	<b>82,549</b>	89,465	-	-	89,465
<b>Financial liabilities</b>							
Financial liabilities at fair value through profit or loss:							
Index options							
<b>220</b>	-	-	<b>220</b>	185	-	-	185
<b>220</b>	-	-	<b>220</b>	185	-	-	185
Europe ETF							
Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
2020	2020	2020	2020	2019	2019	2019	2019
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>							
Financial assets at fair value through profit or loss:							
Listed securities							
<b>21,521</b>	<b>6</b>	-	<b>21,527</b>	35,061	-	-	35,061
-	<b>434</b>	-	<b>434</b>	-	408	-	408
<b>21,521</b>	<b>440</b>	-	<b>21,961</b>	35,061	408	-	35,469

## 9 Fair value measurements (continued)

### Fair value estimation (continued)

#### (iii) Recognised fair value measurements (continued)

	Japan ETF							
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2020	2020	2020	2020	2019	2019	2019	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>								
Financial assets at fair value through profit or loss:								
Listed securities	30,154	-	-	30,154	38,553	-	-	38,553
Foreign currency contracts	-	1,072	-	1,072	-	440	-	440
<b>Total</b>	<b>30,154</b>	<b>1,072</b>	<b>-</b>	<b>31,226</b>	<b>38,553</b>	<b>440</b>	<b>-</b>	<b>38,993</b>

#### (iv) Transfers between levels

There were no transfers between levels during the year ended 30 June 2020 and 30 June 2019.

#### (v) 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.

## 10 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.

## 10 Derivative financial instruments (continued)

Derivative transactions include many different instruments such as forwards, futures and options. Derivatives are considered to be part of the investment process and the use of derivatives is an essential part of the 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.

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:

	Global Agriculture Companies ETF Fair values						Global Banks ETF Fair values					
	Contract/ notional 30 June 2020 \$'000	Assets 30 June 2020 \$'000	Liabilities 30 June 2020 \$'000	Contract/ notional 30 June 2019 \$'000	Assets 30 June 2019 \$'000	Liabilities 30 June 2019 \$'000	Contract/ notional 30 June 2020 \$'000	Assets 30 June 2020 \$'000	Liabilities 30 June 2020 \$'000	Contract/ notional 30 June 2019 \$'000	Assets 30 June 2019 \$'000	Liabilities 30 June 2019 \$'000
Foreign currency contracts	15,791	472	-	17,645	117	-	27,899	566	-	58,783	35	-
	15,791	472	-	17,645	117	-	27,899	566	-	58,783	35	-

  

	Global Energy Companies ETF Fair values						Global Gold Miners ETF Fair values					
	Contract/ notional 30 June 2020 \$'000	Assets 30 June 2020 \$'000	Liabilities 30 June 2020 \$'000	Contract/ notional 30 June 2019 \$'000	Assets 30 June 2019 \$'000	Liabilities 30 June 2019 \$'000	Contract/ notional 30 June 2020 \$'000	Assets 30 June 2020 \$'000	Liabilities 30 June 2020 \$'000	Contract/ notional 30 June 2019 \$'000	Assets 30 June 2019 \$'000	Liabilities 30 June 2019 \$'000
Foreign currency contracts	80,166	4,727	-	34,589	56	-	26,081	593	-	6,966	-	96
	80,166	4,727	-	34,589	56	-	26,081	593	-	6,966	-	96

**10 Derivative financial instruments (continued)**

	Global Healthcare ETF						Managed Risk Global Share Fund					
	Fair values						Fair values					
	Contract/ notional	Assets	Liabilities	Contract/ notional	Assets	Liabilities	Contract/ notional	Assets	Liabilities	Contract/ notional	Assets	Liabilities
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2020	2020	2020	2019	2019	2019	2020	2020	2020	2019	2019	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Index futures	-	-	-	-	-	-	(21,754)	96	137	(7,310)	4	83
Currency futures	-	-	-	-	-	-	15,601	82	238	5,284	58	5
Foreign currency contracts	47,758	1,288	-	29,135	180	-	-	-	-	-	-	-
	47,758	1,288	-	29,135	180	-	(6,153)	178	375	(2,026)	62	88
	S&P 500 Yield Maximiser Fund						Europe ETF					
	Fair values						Fair values					
	Contract/ notional	Assets	Liabilities	Contract/ notional	Assets	Liabilities	Contract/ notional	Assets	Liabilities	Contract/ notional	Assets	Liabilities
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2020	2020	2020	2019	2019	2019	2020	2020	2020	2019	2019	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Index options	(10,188)	-	220	(14,709)	-	185	-	-	-	-	-	-
Foreign currency contracts	-	-	-	-	-	-	23,985	434	-	34,156	408	-
	(10,188)	-	220	(14,709)	-	185	23,985	434	-	34,156	408	-
	Japan ETF											
	Fair values											
	Contract/ notional	Assets	Liabilities	Contract/ notional	Assets	Liabilities						
	30 June	30 June	30 June	30 June	30 June	30 June						
	2020	2020	2020	2019	2019	2019						
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000						
Foreign currency contracts	30,244	1,072	-	46,930	440	-						
	30,244	1,072	-	46,930	440	-						

## 11 Auditor's remuneration

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

	Global Agriculture Companies ETF		Global Banks ETF		Global Energy Companies ETF		Global Gold Miners ETF		Global Healthcare ETF	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
<b>KPMG</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Audit and other assurance service</i>										
Audit and review of financial reports	7,529	7,529	7,529	7,529	7,529	7,529	7,529	7,529	7,529	7,529
Audit of compliance plan	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230
Total remuneration of audit and other assurance services	8,759	8,759	8,759	8,759	8,759	8,759	8,759	8,759	8,759	8,759

  

	Managed Risk Global Share Fund		S&P 500 Yield Maximiser Fund		Europe ETF		Japan ETF	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
<b>KPMG</b>	\$	\$	\$	\$	\$	\$	\$	\$
<i>Audit and other assurance service</i>								
Audit and review of financial reports	7,529	7,529	7,529	7,529	7,529	7,529	7,529	7,529
Audit of compliance plan	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230
Total remuneration of audit and other assurance services	8,759	8,759	8,759	8,759	8,759	8,759	8,759	8,759

## 12 Related party transactions

### Responsible Entity

The Responsible Entity of the Funds is BetaShares Capital Ltd.

The Responsible Entity has appointed Horizons ETFs Management (Canada) Inc. to provide investment advisory services in connection with S&P 500 Yield Maximiser Fund. Horizons ETFs Management (Canada) Inc. has an ownership interest in the Responsible Entity's parent company.

## 12 Related party transactions (continued)

### 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 year are:

#### (a) Directors

Executive Directors:

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

Non-Executive Directors:

Jungho Rhee (appointed 1 September 2018)  
 Thomas Park (appointed 12 August 2015, resigned 6 February 2020)  
 Young Hwan Kim (appointed 7 February 2020)

#### (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 year.

### 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 2020 and 30 June 2019:

Funds	Management Fee		Expense Recoveries	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	%	%	%	%
Global Agriculture Companies ETF	0.47	0.47	0.10	0.10
Global Banks ETF	0.47	0.47	0.10	0.10
Global Energy Companies ETF	0.47	0.47	0.10	0.10
Global Gold Miners ETF	0.47	0.47	0.10	0.10
Global Healthcare ETF	0.47	0.47	0.10	0.10
Managed Risk Global Share Fund	0.39	0.39	0.15	0.15
S&P 500 Yield Maximiser Fund	0.59	0.59	0.20	0.20
Europe ETF <sup>1</sup>	0.51	0.00	0.05	0.00
Japan ETF <sup>1</sup>	0.51	0.10	0.05	0.00

<sup>1</sup>Up to 19 July 2019, for the Europe ETF, no management fee was charged in the Fund, however a management fee of 0.58% p.a. was charged in the underlying fund in which Europe ETF invests. For Japan ETF, a management fee of 0.10% p.a. was charged in the Fund while a management fee of 0.48% p.a. was charged in the underlying fund in which Japan ETF invests.

## 12 Related party transactions (continued)

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

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

	Global Agriculture Companies ETF		Global Banks ETF		Global Energy Companies ETF		Global Gold Miners ETF	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$	\$	\$	\$	\$	\$	\$	\$
Management fees expensed to the Responsible Entity	89,286	87,215	166,594	308,955	363,507	156,536	72,687	28,278
Management fees payable to the Responsible Entity at reporting date	7,541	7,468	11,149	21,653	83,808	12,523	10,597	3,123
Expense recoveries expensed to the Responsible Entity	18,997	18,556	35,446	65,735	77,342	33,305	15,465	6,017
Expense recoveries payable to the Responsible Entity at reporting date	1,604	1,589	2,372	4,607	17,832	2,664	2,255	664

  

	Global Healthcare ETF		Managed Risk Global Share Fund		S&P 500 Yield Maximiser Fund		Europe ETF <sup>1</sup>	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$	\$	\$	\$	\$	\$	\$	\$
Management fees expensed to the Responsible Entity	163,822	136,547	226,515	158,743	524,753	494,064	136,888	-
Management fees payable to the Responsible Entity at reporting date	20,554	11,957	19,375	17,415	43,847	41,075	12,177	-
Expense recoveries expensed to the Responsible Entity	34,856	29,053	97,078	69,335	190,819	179,660	13,420	-
Expense recoveries payable to the Responsible Entity at reporting date	4,373	2,544	8,304	7,463	15,944	14,937	1,194	-
Investment advisor fees borne by the Responsible Entity	-	-	-	-	205,177	195,304	-	-
Investment advisor fees payable by the Responsible Entity at the reporting date	-	-	-	-	14,927	16,018	-	-

  

	Japan ETF <sup>1</sup>	
	30 June 2020	30 June 2019
	\$	\$
Management fees expensed to the Responsible Entity	171,677	16,582
Management fees payable to the Responsible Entity at reporting date	15,362	1,008
Expense recoveries expensed to the Responsible Entity	18,301	38,691
Expense recoveries payable to the Responsible Entity at reporting date	1,506	2,352

<sup>1</sup>Up to 19 July 2019, for the Europe ETF, no management fee was charged in the Fund, however a management fee of 0.58% p.a. was charged in the underlying fund in which Europe ETF invests. For Japan ETF, a management fee of 0.10% p.a. was charged in the Fund while a management fee of 0.48% p.a. was charged in the underlying fund in which Japan ETF invests.

## **12 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 no units in the Funds during the financial year.

## **13 Events occurring after the reporting period**

Since balance date, there continues to be uncertainty and volatility in the market due to the ongoing COVID-19 global pandemic. Management are closely monitoring and consider that there has been no material change in the assets & liabilities presented.

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

<b>Fund</b>	<b>Net asset value changed by:</b>
Global Agriculture Companies ETF	14.72%
Global Gold Miners ETF	15.70%

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

## **14 Contingent assets and liabilities and commitments**

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2020 and 30 June 2019.

**Directors' declaration**

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

BetaShares Global Agriculture Companies ETF - Currency Hedged  
BetaShares Global Banks ETF - Currency Hedged  
BetaShares Global Energy Companies ETF - Currency Hedged  
BetaShares Global Gold Miners ETF - Currency Hedged  
BetaShares Global Healthcare ETF - Currency Hedged  
BetaShares Managed Risk Global Share Fund (managed fund)  
BetaShares S&P 500 Yield Maximiser Fund (managed fund)  
BetaShares Europe ETF - Currency Hedged  
BetaShares Japan ETF - Currency Hedged

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 57 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 2020 and of their performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the Funds will be able to pay their debts as and when they become due and payable; 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.



David Nathanson  
Director

Sydney  
22 September 2020



Alex Vynokur  
Director



# Independent Auditor's Report

To the respective unitholders of the following Schemes:

BetaShares Global Agriculture Companies ETF – Currency Hedged

BetaShares Global Banks ETF - Currency Hedged

BetaShares Global Energy Companies ETF – Currency Hedged

BetaShares Global Gold Miners ETF - Currency Hedged

BetaShares Global Healthcare ETF - Currency Hedged

BetaShares Managed Risk Global Share Fund (managed fund)

BetaShares S&P 500 Yield Maximiser Fund (managed fund)

BetaShares Europe ETF – Currency Hedged

BetaShares Japan ETF - Currency Hedged

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.

## Opinions

We have audited each of the **Financial Reports** of the Schemes.

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

- giving a true and fair view of that Scheme's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The respective **Financial Reports** of the individual Schemes comprise:

- Statements of financial position as at 30 June 2020;
- Statements of comprehensive income, 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 opinions

We conducted our audits 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 opinions.

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

We are independent of the Schemes and the Responsible Entity in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audits of the Financial Reports in Australia. 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 judgment, were of most significance in our respective audits of the Financial Reports of each Scheme in the current period.

These matters were addressed in the context of our audits of each of the Financial Reports as a whole, and in forming our opinions 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 Global Agriculture Companies ETF – Currency Hedged \$16,637,000, BetaShares Global Banks ETF – Currency Hedged \$27,092,000, BetaShares Global Energy Companies ETF – Currency Hedged \$195,771,000, BetaShares Global Gold Miners ETF – Currency Hedged \$26,926,000, BetaShares Global Healthcare ETF – Currency Hedged \$48,089,000, BetaShares Managed Risk Global Share Fund (managed fund) \$54,133,000, BetaShares S&P 500 Yield Maximiser Fund (managed fund) \$82,549,000, BetaShares Europe ETF – Currency Hedged \$21,961,000, BetaShares Japan ETF – Currency Hedged \$31,226,000)**

Refer to Note 5 to the Financial Report.

The Key Audit Matter	How the matter was addressed in our audits
<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"> <li>• Executing transactions as instructed by the Responsible Entity and recording and valuing investments to the Scheme administrator; recording and valuing investments to the Scheme administrator;</li> </ul>	<p>Our procedures included:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• We obtained and read the Scheme’s Service Provider’s ASAE 3402 <i>Assurance Reports on Controls at a Service Organisation</i> and GS007 <i>(Guidance Statement 007 Audit Implications of the Use of Service</i></li> </ul>

- 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.

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.

*Organisations for Investment Management Services)* assurance reports to understand the processes and assess the controls relevant to the:

- 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.
- 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 2020.



- We checked the valuation of investments, as recorded in the general ledger, to independently sourced prices as at 30 June 2020.
- 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 respective Scheme's annual reporting which is provided in addition to the Financial Reports and the Auditor's Report. The Directors of the Responsible Entity are responsible for the Other Information.

Our opinions on the Financial Reports do 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 audits of the Financial Reports, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Reports or our knowledge obtained in the audits, 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 the Directors for the Financial Reports

The Directors of the Responsible Entity are responsible for:

- preparing the Financial Reports that give 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 each Scheme's 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 respective Scheme or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audits of the Financial Reports

Our objective is:

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

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 Reports.



A further description of our responsibilities for the audits of the Financial Reports is located at the Auditing and Assurance Standards Board website at: [https://www.auasb.gov.au/admin/file/content102/c3/ar2\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf). This description forms part of our Auditor's Report.

A stylized, handwritten version of the KPMG logo in black ink.

KPMG

A handwritten signature in black ink, which appears to read 'Nick Buchanan'.

Nicholas Buchanan

Partner

Sydney

22 September 2020

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