

Product Disclosure Statement

Betashares Australian Cash Plus Fund (managed fund)

ASX: MMKT

Betashares Capital Ltd ABN 78 139 566 868 | AFSL 341181



IMPORTANT INFORMATION

About this PDS

This Product Disclosure Statement (**PDS**) is dated 10 November 2023.

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

This PDS is the offer document for Betashares Australian Cash Plus Fund (managed fund), a separate class of units in the Betashares Australian Cash Plus Fund (ARSN 657 340 791), a registered managed investment scheme. The managed investment scheme is referred to in this PDS as the "Scheme". The Betashares Australian Cash Plus Fund (managed fund), being a separate class of units in the Scheme, is referred to in this PDS as the "Fund" or the "Units". This PDS relates only to the Fund and no other class of units is offered under this PDS, although the Responsible Entity may, in its discretion, establish additional classes of units in the Scheme.

This PDS contains a summary of the significant information relating to an investment in the Fund, which is a class of units in the Scheme. All rights and entitlements of a unit referred to in this PDS relate to the assets, liabilities and other amounts referable to the Fund class of units in the Scheme.

A copy of this PDS has been lodged with the Australian Securities and Investments Commission (**ASIC**) on 10 November 2023. Neither ASIC nor ASX Limited takes any responsibility for the contents of this PDS.

At the time of lodgement of this PDS with ASIC, the Units are yet to be quoted for trading on the ASX. An application has been made to the ASX for Units issued pursuant to this PDS to be quoted for trading on the AQUA market of the ASX under the AQUA Rules. Only the Fund class of units in the Scheme will be quoted for trading on the AQUA market of the ASX under the AQUA Rules.

No applications for Units will be accepted until the exposure period for the PDS has expired. The exposure period for the PDS expires seven days after lodgement of this PDS with ASIC, subject to possible extension by ASIC for a further period of up to seven days.

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

The offer

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

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

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

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

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

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

PDS updates

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

Risks

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

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

Not personal advice

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

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

Definitions

Certain capitalised terms used in this PDS are defined in the Glossary in section 8. All references to dollar amounts in this PDS are to Australian dollars unless otherwise stated.

For further details on Betashares Funds, please contact a stockbroker or financial adviser or visit www.betashares.com.au.

PRODUCT DISCLOSURE STATEMENT

CONTENTS

1	Key features	3
2	About the Fund	7
3	Fees and other costs	9
4	Risks	15
5	How to buy and sell Units	18
6	Additional information	20
7	Taxation	29
8	Glossary	31
	APPLICATION FORM	33
	REDEMPTION FORM	34

1 KEY FEATURES

1.1 ABOUT THE FUND

This PDS relates to the Betashares Australian Cash Plus Fund (managed fund) ("Fund" or "Units"), which is a class of units in the Betashares Australian Cash Plus Fund (ARSN 657 340 791), a managed investment scheme (the "Scheme"). The Units will trade on the ASX, much like listed shares.

The Fund aims to provide a yield, before taking into account fees and expenses, in excess of the Bloomberg AusBond Bank Bill Index from a portfolio comprising Australian dollar cash and money market instruments, whilst seeking to preserve invested capital and provide ready liquidity.

The Fund does not aim to track the performance of any index.

The Fund is intended for investors seeking regular income distributions and capital preservation from an allocation to a portfolio

of cash and money market instruments, and who have a low risk and return profile for that portion of their investment portfolio.

Because the Units will be quoted on the ASX, investors can benefit from simple trading of their investment, including the ability to buy and sell during the course of the trading day, much like listed shares.

Investment in the Fund carries risks. For information on the risks applicable to the Fund, see section 4.

1.2 SUMMARY OF KEY INFORMATION

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

TABLE 1.2: SUMMARY OF KEY INFORMATION

TOPIC	SUMMARY	SECTION
Investment objective	<p>The Fund aims to provide a yield, before taking into account fees and expenses, in excess of the Bloomberg AusBond Bank Bill Index (the "Benchmark") from a portfolio comprising cash and money market instruments, whilst seeking to preserve invested capital and provide ready liquidity.</p> <p>The Fund aims to achieve this objective by adopting the investment strategy set out in section 2.1.2.</p> <p>There is no assurance or guarantee that the Fund's returns will meet the investment objective.</p>	2.1
Investing	<p>The offer in this PDS is only available to Authorised Participants.</p> <p>Units can only be acquired in whole multiples of a "Creation Unit" unless the Responsible Entity agrees otherwise. The number of Units in a Creation Unit is determined by the Responsible Entity and notified to Authorised Participants.</p> <p>Application amounts are payable in cash in Australian dollars, and are subject to an application fee described in section 3.</p> <p>Units will be quoted on the ASX under the AQUA Rules. Once quoted (and subject to market conditions), investors may purchase Units by trading on the ASX. The purchase of Units on the ASX is not governed by the terms of this PDS and therefore the minimum investment does not apply to purchases of Units on the ASX.</p>	5
Redemptions	<p>A Unitholder can generally only redeem Units if it is an Authorised Participant.</p> <p>Units can only be redeemed in whole multiples of a Creation Unit unless the Responsible Entity agrees otherwise. The number of Units that constitute a Creation Unit is determined by the Responsible Entity and notified to Authorised Participants.</p> <p>The amount payable to a Unitholder on redemption will be paid in cash in Australian dollars. Redemptions are subject to a withdrawal fee described in section 3.</p> <p>In certain specified circumstances, redemption requests may be delayed, rejected or scaled down. See section 6.2.8 and 6.2.9 for further information.</p> <p>Units will be quoted on the ASX under the AQUA Rules. Once quoted (and subject to market conditions), investors may sell their Units by trading on the ASX. The sale</p>	5, 6.2.8 and 6.2.9

TOPIC	SUMMARY	SECTION
	<p>of Units on the ASX is not governed by the terms of this PDS and therefore the minimum redemption does not apply to sales of Units on the ASX.</p> <p>A Unitholder who is not an Authorised Participant can only redeem Units in the special circumstances described in section 5.4.</p>	
Distributions	The Responsible Entity intends to make monthly distributions.	2.2
Risks	<p>There are a number of risks associated with investing in the Fund. The key risks include the following:</p> <ul style="list-style-type: none"> Investment objective risk - There is no assurance that the Fund's investment strategy will be successful or that the investment objective will be achieved. Market risk - The Fund's investment returns will be influenced by the performance of the market for money market securities as a whole. Changes in the prices of the securities held may result in a loss in the value of Units. Interest rate risk - The risk that the investment value or future returns of an asset may be adversely impacted by changes in interest rates. Credit risk - The Fund will be exposed to the risk that an issuer may default on making its payment obligations, thereby adversely affecting the Fund's value. Counterparty risk - There is a risk of loss due to a counterparty to the Scheme not honouring a financial commitment. Counterparties include service providers such as the Scheme's trading counterparties, unit registrar, fund administrator and custodian. Trading risk - In certain circumstances, the ASX may suspend trading of the Units and in that event Unitholders would not be able to buy or sell Units on the ASX. Suspension risk - In certain circumstances, the Responsible Entity can suspend or scale down applications or redemptions. Trading price risk - The trading price of Units on the ASX may differ from the Net Asset Value per Unit. Liquidity risk - Although the Units will be quoted on the AQUA market of the ASX, there can be no assurance that there will be a liquid market for Units, and no assurance that there will be a liquid market for the Fund's investments. Settlement risk - The Fund is exposed to some risk if an Authorised Participant or other market participant fails to comply with its settlement obligations in connection with applications and redemptions in respect of Units. <p>This is not a comprehensive summary of all the risks of investing in the Fund. Before investing in the Fund, investors should carefully consider the risks associated with an investment in the Fund and obtain financial advice on whether an investment in the Fund is suitable for their objectives, financial situation and needs.</p> <p>For further details of the risks of investing, see section 4.</p>	4
Fees and other costs	Fees and other costs as described in section 3 of this PDS will apply.	3
Tax	Tax information of a general nature is set out in section 7. Investors should seek their own professional tax advice which takes into account their particular circumstances.	7
Complaints	The Responsible Entity has a process in place to deal with complaints from Unitholders.	6.2.22

TOPIC	SUMMARY	SECTION
Responsible Entity	Betashares Capital Ltd is the responsible entity of the Scheme and is the issuer of this PDS.	1.3

1.3 ABOUT BETASHARES

Betashares Capital Ltd is the responsible entity of the Scheme and issuer of the Units, and is responsible for the ongoing management of the Scheme.

The Responsible Entity is an Australian asset management business located in Sydney which was established in 2009 to be a specialist provider of fund products that are exchange traded. The Responsible Entity launched its first funds in 2010. As at the date of this PDS, it manages over \$25 billion in assets and acts as responsible entity for more than 80 funds whose units are quoted for trading on the Australian Securities Exchange under the AQUA Rules. These funds provide exposure to the performance of specific equity strategies, equity indices, fixed income strategies, fixed income indices, currencies, commodities or commodity indices. The primary focus of the Responsible Entity's business is the operation of funds that are exchange traded.

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

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

1.4 ADMISSION TO TRADING UNDER THE AQUA RULES

An application has been made for the Units to be admitted to trading status on the ASX under the AQUA Rules.

The AQUA Rules form part of the ASX Operating Rules. The Fund will not be listed on the ASX under the ASX Listing Rules.

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

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

AQUA Rules: fundamental difference

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

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

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

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

ASX LISTING RULES	AQUA RULES
	<ul style="list-style-type: none"> any other information that is required to be disclosed to ASIC under section 675 of the <i>Corporations Act</i> must be disclosed via the ASX Market Announcements Platform at the same time it is disclosed to ASIC. The Responsible Entity also intends to post any such information on its website www.betashares.com.au at the same time. <p>AQUA Product issuers must also disclose to the ASX any information the non-disclosure of which may lead to the establishment of a false market in its products or would materially affect the price of its products.</p>
Periodic Disclosure	
Issuers are required to disclose their half-yearly and annual financial information or annual reports to the ASX under Chapter 4 of the ASX Listing Rules.	Financial reports relating to the issuer itself are not required to be disclosed to the ASX. However, periodic financial reports relating to the AQUA Product must be disclosed to the ASX at the same time they are lodged with ASIC under Chapter 2M of the <i>Corporations Act</i> .
Corporate Control	
Requirements in the <i>Corporations Act</i> and the ASX Listing Rules in relation to matters such as takeover bids, share buy-backs, change of capital, new issues, restricted securities, disclosure of directors' interests and substantial shareholdings, apply to companies and listed schemes.	These requirements do not apply to AQUA Product issuers. Section 601FM of the <i>Corporations Act</i> continues to apply to the removal or change of the responsible entity. An extraordinary resolution would be required to change the responsible entity. An extraordinary resolution is a resolution passed by a majority of the total votes that may be cast by members entitled to vote on the resolution.
Related Party Transactions	
Chapter 10 of the ASX Listing Rules, which relates to transactions between an entity and persons in a position to influence the entity, specifies controls over related party transactions.	Chapter 10 of the ASX Listing Rules does not apply to AQUA Products. Products quoted under the AQUA Rules which are registered managed investment schemes remain subject to the related party requirements in Part 5C.7 and Chapter 2E of the <i>Corporations Act</i> .
Auditor Rotation Obligations	
There are specific requirements in relation to auditor rotation under Part 2M.4 Division 5 of the <i>Corporations Act</i> .	Issuers of products quoted under the AQUA Rules are not subject to the requirements under Part 2M.4 Division 5 of the <i>Corporations Act</i> . A responsible entity of a registered managed investment scheme will continue to be required to undertake an independent audit of its compliance with the scheme's compliance plan in accordance with Section 601HG of the <i>Corporations Act</i> and the auditor must not be the auditor of the scheme's financial statements (but may be from the same firm).

2 ABOUT THE FUND

2.1 INVESTMENT POLICY

2.1.1 Investment objective

The Fund aims to provide a yield, before taking into account fees and expenses, in excess of the Bloomberg AusBond Bank Bill Index (the "Benchmark") from a portfolio comprising Australian dollar cash and money market instruments, whilst seeking to preserve invested capital and provide ready liquidity.

The Benchmark is a measure of short-term exposure to Australian dollar denominated bank bills with maturity profiles of up to 91 days.

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

2.1.2 Investment strategy

What does the Fund invest in?

The Fund will invest in the following Australian dollar denominated, high quality, short-term securities and instruments with remaining terms to maturity of less than one year issued by investment grade rated entities, using a buy-and-hold approach:

- **Cash:** comprising at-call cash deposits and overnight cash.
- **Money market instruments:** comprising Australian prime bank bills, commercial paper, negotiable certificates of deposit ("NCDs"), Australian Government treasury notes, term deposits and floating rate notes issued by government, government-related and listed corporate entities.

The Fund may invest up to 20% in floating rate note securities ("FRNs"). Limits are also placed on single security exposure, credit rating exposure and maturity.

The Fund may undertake reverse repurchase agreements with maturities of up to 1 month.

The Fund's assets will be invested predominantly (ie more than 55%) in cash and money market instruments, as described above, with a maturity of three months or less from the date of acquisition of the instrument or security.

The Fund's portfolio will maintain:

- a weighted average maturity ("WAM") of 90 days or less.

WAM is a measure of asset liquidity and maturity that calculates the average amount of time until all the securities in a portfolio mature. WAM is calculated by reference to the maturity date for non-FRN securities. For FRN securities, it is calculated by reference to the next FRN reset date.

- a weighted-average life ("WAL") of 120 days or less.

WAL is a measure of asset liquidity and maturity and calculates the average amount of time for which each dollar of principal on a loan remains outstanding.

Securities and instruments in which the Fund invests must generally have a minimum short-term credit rating of A3 and/or a long-term credit rating of BBB-, with FRNs being limited to a minimum long-term

credit rating of A-, or an equivalent rating from a nationally recognised statistical rating organisation.

The Responsible Entity intends that the Fund will only invest in liquid assets that are generally able to be liquidated on a daily basis (with the exception of term deposits), subject to normal settlement cycles that generally do not exceed two business days.

The Fund will not use short selling, leverage or gearing to seek to enhance its returns.

As at the date of this PDS, the Responsible Entity will not engage in securities lending in connection with the Fund, although it may do so in the future provided that any such change is notified in advance to investors and potential investors via a supplementary or new PDS accessible through the ASX Market Announcements Platform.

A listing of the Fund's portfolio holdings will be available daily at www.betashares.com.au.

How does the Fund invest?

The Fund will construct a portfolio of cash and money market instruments, utilising a buy and hold investment approach.

Including FRNs with remaining term to maturities of less than one year in the portfolio provides the potential for the Fund to deliver higher yields than traditional style cash funds (that only hold cash and/or money market securities not including FRNs) by investing in securities that typically provide higher yield without significant increase in default and interest rate risk.

The Fund's investment process is focused on generating consistent risk-adjusted returns and this is achieved by having a disciplined risk management framework. Securities selected for the portfolio must satisfy criteria that seek to reduce credit risk and interest rate risk, maintain liquidity, and ensure diversity of holdings across issuers. Such measures include issuer concentration limits, exposure limits by security type, minimum required credit ratings and maturity limits.

The Fund aims to reduce capital variability by holding securities with limited exposure to interest rate movements and through prudent credit risk management.

As the Responsible Entity will utilise a buy and hold investment approach, trading within the Fund is only expected to meet applications or redemptions or as a result of reinvesting proceeds from maturing investments. Upon the maturity of each investment, the Responsible Entity will reinvest the proceeds in one or more new investments selected at that time that satisfy the portfolio criteria described above.

The assets of the Fund, whether securities or cash, will be held by the Scheme's custodian.

Investors will be able to regularly compare the performance of the Fund against the performance of the Benchmark via the Betashares website at www.betashares.com.au.

2.1.3 Labour standards and environmental, social and ethical considerations

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

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

2.1.4 Performance

Performance information for the Fund, and the Net Asset Value for the Fund, will be published on the Betashares website at www.betashares.com.au. Information relating to past performance is not a reliable indicator of future performance. At the date of this PDS, the Fund has no material assets or liabilities and no performance information is available because it is a new fund.

2.1.5 Changes to investment objectives and strategy

The Responsible Entity may from time to time vary the investment mandate (i.e. the investment objective and strategy as described in sections 2.1.1 and 2.1.2) for the Fund as set out in this PDS.

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

2.2 DISTRIBUTIONS

The Fund intends to pay monthly distributions based on interest and other income earned by the Fund, after allowing for fees and expenses. Distribution amounts may also be adjusted for realised gains or losses, including on disposal of securities, or for other assessable income derived by the Fund.

2.2.1 Distributions

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

The amount of distributable income at the end of any distribution period will be determined by the Responsible Entity. Under the AMIT tax rules, the Scheme may make cash distributions that differ from taxable income attributed by the Scheme to Unitholders. See section 7 for further information.

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

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

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

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

Unitholders may also become entitled to the distributable income on the redemption of their Units. See section 7.1.6 for further information.

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

2.2.2 Tax statements

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

2.2.3 Distribution Reinvestment Plan

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

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

Unitholders can choose to:

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

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

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

3 FEES AND OTHER COSTS

DID YOU KNOW?

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

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

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

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

TO FIND OUT MORE

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

3.1 FEES AND OTHER COSTS

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

Taxes are set out in another part of this PDS.

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

TABLE 3.1: FEES AND COSTS SUMMARY

Betashares Australian Cash Plus Fund (managed fund)		
TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Ongoing annual fees and costs		
Management fees and costs:	0.18% per annum of the Fund's Net Asset Value.	
The fees and costs for managing your investment	As at the date of this PDS, the management fees and costs of the Fund consist of the following components:	
	Management fee	
	0.18% per annum of the Fund's Net Asset Value.	The management fee is calculated and accrued daily as a percentage of the Fund's Net Asset Value, and reflected in the daily Net Asset Value per Unit. The amount is deducted from the Fund's assets monthly on or after the first day of the following month.
	Plus	
	Recoverable expenses¹	
	Estimated at 0.00% per annum of the Fund's Net Asset Value.	Any expenses normally incurred in operating the Fund are paid as and when they arise by the Responsible Entity out of its own resources. Any extraordinary expenses are deducted from the Fund's assets as and when they arise.
	Plus	
	Indirect costs	
	Estimated at 0.00% per annum of the Fund's Net Asset Value. ²	The indirect costs are calculated and accrued daily as a percentage of the Fund's Net Asset Value, and reflected in the daily Net Asset Value per Unit.

Betashares Australian Cash Plus Fund (managed fund)		
TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
		The amount is deducted from the Fund's assets as and when incurred.
Performance fees: Amounts deducted from your investment in relation to the performance of the product	Nil.	Not applicable.
Transaction costs: The costs incurred by the scheme when buying or selling assets	Estimated at 0.00% per annum of the Fund's Net Asset Value. ³	Transaction costs reduce the Fund's Net Asset Value. How and when they are paid varies depending on the type of transaction cost. Certain costs, eg brokerage, are added to or deducted from the amounts payable from the Fund's assets or receivable by the Fund at the time of settlement in respect of investments purchased or sold for the Fund. Other costs, eg transactional custodian fees, are invoiced to the Fund and paid from the Fund's assets according to a regular monthly or quarterly cycle.
Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)		
Establishment fee: The fee to open your investment	Nil.	Not applicable.
Contribution fee: The fee on each amount contributed to your investment	If you are not an Authorised Participant – \$0 If you are an Authorised Participant – up to \$250 plus 0.02% of the application amount, unless otherwise agreed by the Responsible Entity.	Payable only by Authorised Participants. ⁴ This fee will be payable by Authorised Participants together with the application consideration at the time of applying for Units.
Buy-sell spread: An amount deducted from your investment representing costs incurred in transactions by the scheme	Nil. ⁵	Not applicable.
Withdrawal fee: The fee on each amount you take out of your investment	If you are not an Authorised Participant – \$0 If you are an Authorised Participant – up to \$250 plus 0.02% of the redemption amount, unless otherwise agreed by the Responsible Entity. ⁶	Payable only by Authorised Participants. ⁴ This fee will be deducted from the redemption proceeds at the time of the redemption.
Exit fee: The fee to close your investment	Nil.	Not applicable.
Switching fee: The fee for changing investment options	Nil.	Not applicable.

¹ As the Fund is newly established, this figure reflects the recoverable expenses that the Responsible Entity, at the date of this PDS, reasonably estimates will apply for the current financial year (adjusted to reflect a 12 month period). For more information on recoverable expenses, please see section 3.3.3 in the "Additional Explanation of Fees and Costs" section below.

² As the Fund is newly established, this figure reflects the indirect costs that the Responsible Entity, at the date of this PDS, reasonably estimates will apply for the current financial year (adjusted to reflect a 12 month period). For more information on the meaning and calculation of indirect costs, see "Indirect costs" under the heading "Additional Explanation of Fees and Costs".

³ As the Fund is newly established, this figure reflects the transaction costs that the Responsible Entity, at the date of this PDS, reasonably estimates will apply for the current financial year (adjusted to reflect a 12 month period). This estimate is net of estimated transaction costs for which the Responsible Entity reimburses the Fund out of the application and redemption fees it receives from Authorised Participants as described in section 3.3.6. For more information on transaction costs and the application and redemption fees (also referred to in this PDS as contribution fees and withdrawal fees) payable by Authorised Participants see “Transaction costs” and “Application and redemption fees for Authorised Participants” under the heading “Additional Explanation of Fees and Costs”.

⁴ An Authorised Participant is a trading participant under the ASX Operating Rules (or which has engaged a trading participant to act on its behalf) which has entered into an agreement with the Responsible Entity in relation to Unit applications and redemptions. For an explanation of the contribution fees and withdrawal fees (also referred to in this PDS as application fees and redemption fees) please see section 3.3.6 “Application and Redemption Fees for Authorised Participants” in the “Additional Explanation of Fees and Costs” section. Unitholders who are not Authorised Participants may be charged a redemption fee if they redeem Units pursuant to their right to redeem in the special circumstances described in section 5.4 – see the “Additional Explanation of Fees and Costs” section below for more information.

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

⁶ In-kind applications and redemptions are only available if agreed by the Responsible Entity. Additional contribution and withdrawal fees may apply in the case of an in-kind application or redemption, as agreed with the Responsible Entity from time to time.

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

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

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

3.2 EXAMPLE OF ANNUAL FEES AND COSTS

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

TABLE 3.2: EXAMPLE OF ANNUAL FEES AND COSTS

EXAMPLE - Betashares Australian Cash Plus Fund (managed fund)	AMOUNT	BALANCE OF \$50,000 WITH A CASH CONTRIBUTION OF \$5,000 ¹ DURING THE YEAR
CONTRIBUTION FEES²		For every additional \$5,000 you put in, you will be charged:
	\$0 if you are not an Authorised Participant; or	\$0 if you are not an Authorised Participant; or
	\$250 plus 0.02% of the application amount if you are an Authorised Participant ²	\$251 if you are an Authorised Participant.
PLUS MANAGEMENT FEES AND COSTS³	0.18% p.a. of the Fund's Net Asset Value	And , for every \$50,000 you have in the Fund you will be charged or have deducted from your investment \$90 each year.
PLUS PERFORMANCE FEES	Nil	And , you will be charged or have deducted from your investment \$0 in performance fees each year. ⁶
PLUS TRANSACTION COSTS⁴	Estimated at 0.00% of the Fund's Net Asset Value	And , you will be charged or have deducted from your investment \$0 in transaction costs.
EQUALS COST OF FUND		<p>If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000⁵ during that year, you would be charged fees and costs of:</p> <p>\$90 (if you are not an Authorised Participant) or \$341 (if you are an Authorised Participant for the Fund).*</p> <p>What it costs you will depend on whether you are an Authorised Participant, the investment option you choose and the fees you negotiate.</p>

* Additional fees may apply. An Authorised Participant who redeems Units directly will also be charged a withdrawal fee of up to \$250 plus 0.02% of the redemption amount for cash redemptions in Australian dollars based on a balance of \$50,000. Unitholders who are not Authorised Participants may be charged a redemption fee if they redeem Units pursuant to their right to redeem in the special circumstances described in section 5.4. For more information, see "Redemption fees for other unitholders" in the "Additional Explanation of Fees and Costs" section below.

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

¹ Please note the minimum investment in the Fund by an Authorised Participant is one Creation Unit, unless the Responsible Entity agrees otherwise.

² Assumes the maximum contribution fee set out in Table 3.1 applies.

³ Management fees and costs are made up of the management fee, recoverable expenses and indirect costs. As the Fund is newly established, the figures used in the example above represent the amounts that the Responsible Entity, as at the date of this PDS, reasonably estimates will apply for the current financial year (adjusted to reflect a 12 month period). For more information, refer to the "Additional Explanation of Fees and Costs" section below.

⁴ As the Fund is newly established, this figure reflects the transaction costs that the Responsible Entity, as at the date of this PDS, reasonably estimates will apply for the current financial year (adjusted to reflect a 12 month period). This estimate is net of estimated transaction costs for which the Responsible Entity reimburses the Fund out of the application and redemption fees it receives from Authorised Participants, as described in section 3.3.6. For more information on transaction costs and the application and redemption fees payable by Authorised Participants see "Transaction costs" and "Application and redemption fees for Authorised Participants" under the heading "Additional Explanation of Fees and Costs".

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

⁶ The Fund does not charge, and there is no right for the Responsible Entity to charge, a performance fee.

3.3 ADDITIONAL EXPLANATION OF FEES AND COSTS

3.3.1 Management fees and costs

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

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

Management fees and costs do not include:

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

(These costs are therefore not included in the management fees and costs set out in Table 3.1 and Table 3.2 above, but they are paid out of the Fund's assets).

3.3.2 Management fee

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

3.3.3 Recoverable expenses

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

The expenses normally incurred in the day to day operation of the Fund include custodian, fund administration, unit registry, ASX and audit costs (other than transaction costs described above). These expenses normally incurred and charged to the Fund will be paid by the Responsible Entity out of its own resources while this PDS is current. The Responsible Entity may withdraw or replace this PDS at any time.

The recoverable expenses normally incurred by the Fund that will apply for the current financial year (adjusted to reflect a 12 month period) will be 0.00%p.a. of the Fund's Net Asset Value, as these expenses will be paid out of the Responsible Entity's own resources as and when they arise.

Extraordinary expenses are expenses that are not normally incurred in the day to day operation of the Fund and are not necessarily incurred in any given year. They may include costs associated with holding unitholder meetings, changing the Scheme's Constitution, or defending or pursuing legal proceedings. Extraordinary expenses will not be paid out of the Responsible Entity's own resources. Any such expenses will be recovered from the Fund and reflected in its Net Asset Value per Unit. The Responsible Entity, as at the date of this PDS, reasonably estimates that the extraordinary expenses of the Fund that will apply for the current financial year (adjusted to reflect a 12 month period) will be nil.

3.3.4 Indirect costs

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

The Responsible Entity, as at the date of this PDS, reasonably estimates that the indirect costs of the Fund that will apply for the current financial year (adjusted to reflect a 12 month period) will be 0.00% p.a. of the Net Asset Value of the Fund.

3.3.5 Transaction costs

The Fund incurs transaction costs, such as brokerage, clearing costs, transactional custodian fees, and other transaction fees associated with buying and selling the Fund's assets. Transaction costs also include costs incurred by an interposed vehicle that would be transaction costs if they had been incurred by the Fund. Transaction costs are an additional cost to investors (to the extent they are not off-set by the application and redemption fees charged by the Responsible Entity to Authorised Participants) and are not included in the management fees and costs shown in Table 3.1.

Transaction costs reduce the Fund's Net Asset Value. How and when they are paid varies depending on the type of transaction cost. Certain costs, eg brokerage, are added to or deducted from the amounts payable from the Fund's assets or receivable by the Fund at the time of settlement in respect of investments purchased or sold for the Fund. Other costs, eg transactional custodian fees, are invoiced and paid from the Fund's assets according to a regular monthly or quarterly cycle.

The Responsible Entity, as at the date of this PDS, reasonably estimates that the net transaction costs of the Fund for the current financial year (adjusted to reflect a 12 month period) will be approximately 0.00% p.a. of the Fund's Net Asset Value or \$0 for every \$50,000 you have in the Fund. These net transaction costs represent estimated total gross transaction costs of 0.00% p.a. minus the estimated transaction costs for which the Responsible Entity reimburses the Fund out of the application and redemption fees it receives, as described in section 3.3.6. These net transaction costs are borne by the Fund.

The transaction costs estimate shown in the fees and costs summary in Table 3.1 is shown net of any amount for which the Responsible Entity reimburses the Fund out of the application and redemption fees it receives from Authorised Participants.

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

3.3.6 Application and redemption fees for Authorised Participants

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

Subject to section 3.3.7 below, application fees and redemption fees will only be payable by Authorised Participants on an application for or redemption of Units directly with the Fund.

The applicable application and redemption fees are set out in Table 3.1 above and are paid by Authorised Participants to the

Responsible Entity. Out of these fees, the Responsible Entity pays directly, or reimburses the Fund for, the estimated transaction costs associated with the application or redemption.

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

3.3.7 Redemption fees for other Unitholders

Unitholders who are not Authorised Participants may be charged a redemption fee if they redeem Units pursuant to their right to redeem in the special circumstances described in section 5.4. The redemption fee per Unit will not be greater than the redemption fee per Unit that would be payable by an Authorised Participant for a cash redemption when withdrawing the minimum parcel of Units.

3.3.8 Stockbroker fees

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

3.3.9 Can fees and costs change and what are the maximums?

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

The Constitution limits the amount of the Responsible Entity's management fee to a maximum of 3% p.a. of the Scheme's Net Asset Value (plus GST).

The Constitution of the Scheme provides for the following maximum fees:

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

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

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

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

3.3.10 Differential fees, rebates and related payments

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

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

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

3.3.11 Indirect investors

Indirect investors investing through a wrap platform or master trust should note that the fees outlined in this section 3 are in addition to any other fees and costs imposed by the wrap platform or master trust operator.

3.3.12 Financial advisers

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

3.3.13 Taxation

Information in relation to taxation is set out in section 7 of this PDS.

4 RISKS

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

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

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

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

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

4.1 INVESTMENT OBJECTIVE RISK

There is no assurance that the Fund's investment objective will be achieved or that an investment in the Fund will earn any positive return in the short or long-term.

While the Fund seeks to preserve invested capital and an investment in the Fund can be considered low risk in nature, capital invested in the Fund is not guaranteed and some capital variability is possible.

The Fund will use a buy and hold investment approach. This means that investors should not expect the Fund's investments to be repositioned if market conditions for the Fund's investments are, or if the performance of the investments becomes, unfavourable.

4.2 MARKET RISK

The investment returns will be influenced by the performance of the market for money market securities as a whole. Changes in prices of the securities held by the Fund may result in a loss in value of the Units. Market factors that drive changes in the prices of the securities, including changes in interest rates, global events (such as natural disasters, wars and other conflicts, and outbreaks of infectious diseases), general economic conditions, investor sentiment, industry-specific factors and the financial performance of specific issuers, can be expected to influence the value of the Units.

4.3 SECURITY SPECIFIC RISK

Factors specific to a particular security issuer may cause the return of the security to differ from that of the broader market for money market or debt securities. Such factors may include the issuer's business prospects, market estimations of potential future profitability and creditworthiness, balance sheet leverage, capital management policies, management changes and market sentiment.

4.4 INTEREST RATE RISK

The Fund is exposed to the risk that the investment value or future returns of an asset may be adversely impacted by changes in interest rates. An increase in interest rates will cause the value of money market securities (excluding term deposits) to decline, which will in turn impact the returns of a fund investing in such securities.

Generally, longer term securities are more impacted by interest rate risk than shorter term securities, noting that the Fund will only invest in short-term securities and instruments with remaining terms to maturity of less than one year.

A decrease in interest rates will reduce interest income available from at-call and term deposits held by the Fund.

4.5 CREDIT RISK

The Fund is exposed to the creditworthiness of the issuers of the debt securities held by the Fund (as well as issuers of bank deposit accounts held by the Fund). Creditworthiness refers to the ability of an issuer to meet its obligations to make regular coupon or interest payments and to repay the principal sum at maturity.

The value of the Fund will be affected by the perceived or actual creditworthiness of the Fund's securities. A perceived or actual deterioration of the credit quality of one or more securities in the Fund (which may be associated with a credit rating downgrade, or a perceived risk of a downgrade) will adversely impact the value of such securities and, as a result, the value of the Fund.

There is a risk that an issuer of securities held by the Fund may default on its obligations in respect of those securities. This would cause the Fund to suffer losses.

The company-issued debt securities held by the Fund generally rank, in respect of the order of payment on a default of the issuer, behind secured debt (if any) and any other mandatorily preferred obligations (typically tax and employee payments and certain other obligations). Upon a winding up of an issuer, there may therefore be insufficient assets to pay all amounts owing in respect of the securities.

Although the Fund requires the debt securities to have investment-grade credit ratings, the rating provided merely reflects the opinion of a particular rating agency, and does not provide any assurance regarding the security issuer's ability to meet its payment obligations in relation to the security. Credit ratings are not intended to be an investment recommendation or used as a basis for assessing investment merit. They are limited in scope and may be changed or withdrawn at any time.

4.6 SECURITIES TRADING RISK

There is a risk that trading in one or more of the securities held in the Fund may cease due to action taken by the issuer of a security or by a regulatory authority, or for other reasons. Depending on the impact on the Fund, this may cause the Responsible Entity to suspend the application and redemption process for Units and the trading of Units on the ASX.

4.7 GENERAL REGULATORY RISK

This is the risk that a government or regulator may introduce regulatory and/or tax changes, or a court makes a decision regarding the interpretation of the law, which affects the value of the Units or the tax treatment of the Scheme and its Unitholders.

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

4.8 TAX RISK

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

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

Unitholders redeeming their Units should note the risk of potentially adverse tax implications where the Units are not held as trading stock or as revenue assets and should seek their own advice in this regard. The tax implications of redemption may be different to selling Units on the ASX. These and other taxation matters are dealt with in section 7 of this PDS.

4.9 MANAGER RISK

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

4.10 SCHEME RISK

There is a risk that the Scheme could terminate, that the Fund's investment objective or investment strategy or fees and expenses could change, or that the Responsible Entity may not be able to continue to act, for example if it loses its Australian financial services licence (in which case it could be replaced as responsible entity of the Scheme or the Scheme could be wound up). Any replacement responsible entity might achieve different results for investors, positive or negative, than would otherwise be the case.

4.11 OPERATIONAL RISK

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

4.12 EFFECT OF APPLICATIONS AND REDEMPTIONS ON DISTRIBUTIONS

The distribution per Unit amount for a distribution period may be affected by application and redemption activity during the period and therefore there is no assurance that the yield on the Units will be same as the yield on the securities held by the Fund. The issue of Units during a distribution period will tend to reduce the amount of the distribution per Unit for that period (which will be associated

with a smaller decline in the NAV per Unit at the time of the distribution). Conversely, the redemption of Units during a distribution period will tend to increase the amount of the distribution per Unit for that period (which will be associated with a larger decline in the NAV per Unit at the time of the distribution).

4.13 FUND TRADING RISK

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

There may be other occasions where the Responsible Entity may suspend the application and redemption process, such as around the end of a distribution period or where other factors prevent the accurate calculation of Unit prices, such as the suspension or restriction of trading in securities held by the Fund. This may cause the Units to be suspended from trading on the ASX.

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

4.14 LIQUIDITY RISK

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

In addition, there is the risk that one or more assets held by the Fund may suffer from restricted or limited liquidity, which may be associated with wider than usual bid-offer spreads for such assets, preventing the Fund from closing out certain positions or rebalancing in a timely manner and at a fair price. The bid-offer spread for Units can be expected to increase if there is decreased liquidity for the underlying securities and/or their bid-offer spreads widen due to market conditions.

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

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

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

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

4.16 VALUATION RISK

There is a risk that the value of the Fund's underlying investments used to calculate the Fund's Net Asset Value, as obtained from independent valuation sources, may not accurately reflect the realisable value of those investments.

4.17 INFLATION RISK

The returns on an investment in the Fund may not keep pace with inflation, which would reduce the real return earned by investors.

4.18 SETTLEMENT RISK

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

4.19 COUNTERPARTY RISK

Counterparties used in connection with the Fund's investment activities may default on their obligations, for instance by failing to make a payment when due. This may be due to insolvency or other events of default. Such counterparties may include service providers and trading and derivatives counterparties, as well as the Scheme's custodian. Default on the part of a counterparty could result in financial loss to the Fund.

4.20 CYBER-SECURITY RISK

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

Cyber incidents can result from deliberate attacks or unintentional events, and include gaining unauthorised access to digital systems, networks or devices for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorised access, such as causing denial-of-service attacks on websites (i.e. efforts to make network services unavailable to intended users).

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

5 HOW TO BUY AND SELL UNITS

Only Authorised Participants may apply for Units directly through this PDS.

Other investors cannot apply for Units through this PDS. Such investors may buy and sell Units by trading on the ASX through a stockbroker or via a financial adviser.

Prior to being issued Units, an Authorised Participant must execute an Authorised Participant Agreement that deals with, amongst other things, the rights and obligations of the Authorised Participant in relation to applying for Units. See section 6.3 for further information about the Authorised Participant Agreement.

Unitholders who are not Authorised Participants may only redeem Units in the special circumstances described in section 5.4. However, all Unitholders may normally sell their Units by trading on the ASX.

To effect an application or redemption, Authorised Participants must complete the Application Form or Redemption Form attached to this PDS (or available on the Betashares website at www.betashares.com.au).

Applications for, and redemptions of, Units will be settled through the CHES system.

5.1 MINIMUM APPLICATIONS AND REDEMPTIONS

The minimum application and redemption amount is one Creation Unit, unless otherwise agreed with the Responsible Entity. The number of Units that constitute a Creation Unit for the Fund is determined by the Responsible Entity and notified to Authorised Participants.

Applications and redemptions must be for whole multiples of Creation Units, unless otherwise agreed with the Responsible Entity.

Application and redemption amounts are payable or receivable (as applicable) in cash in Australian dollars, unless otherwise agreed with the Responsible Entity.

5.2 PROCESSING OF APPLICATIONS AND REDEMPTIONS

Application/Redemption forms received from Authorised Participants before the Dealing Deadline on an ASX Business Day are processed at the Issue Price/Withdrawal Amount (being the Net Asset Value per Unit) for the Fund applicable to that day. Application/Redemption forms received from Authorised Participants on or after the Dealing Deadline on an ASX Business Day, or on a non-ASX Business Day, will be treated as being received on the next ASX Business Day.

5.3 APPLICATIONS AND REDEMPTIONS

For applications, Authorised Participants must deliver to the Responsible Entity or custodian an amount of Australian dollars equal to the Issue Price for the relevant Units, plus the application fee. In return, they will receive the relevant Units.

For redemptions, Authorised Participants must deliver the relevant Units to the Responsible Entity or custodian. In return, they will receive an amount of Australian dollars equal to the Withdrawal Amount for the Units, less the redemption fee.

Details of the amounts payable pursuant to applications, or receivable upon redemptions, will be notified to the Authorised Participant on the ASX Business Day following the effective date of the application or redemption.

An application received by the Dealing Deadline (on day T) will generally enable the Authorised Participant to receive the new Units in its CHES account one ASX Business Day later (T+1), provided the Authorised Participant has paid the application consideration and application fee by no later than the standard CHES settlement cut-off time (11:30am as at the date of this PDS) on that settlement day or as otherwise agreed with the Authorised Participant).

Units will generally be issued by the ASX Business Day after the trade date and quoted with effect from the settlement of the issue of the relevant Units through CHES.

A redemption request received by the Dealing Deadline (on day T) will generally enable the Authorised Participant to receive the redemption payment (less the redemption fee) two ASX Business Days later (T+2), provided the Authorised Participant has transferred the Units by no later than the standard CHES settlement cut-off time (11:30am as at the date of this PDS) on T+2 or as otherwise agreed with the Authorised Participant.

By signing an Authorised Participant Agreement, an Authorised Participant agrees to be bound by certain execution and settlement procedures in relation to applications for and redemptions of Units, which are set out in the Authorised Participant Agreement. Settlement failure procedures apply if an Authorised Participant does not comply with its obligations under the procedures. The procedures allow the Responsible Entity to cancel an application or redemption in certain circumstances and to take certain other action. The Responsible Entity may also reject any application in whole or in part at any time, without giving reasons.

5.4 UNITHOLDER REDEMPTIONS IN SPECIAL CIRCUMSTANCES

All Unitholders may normally sell their Units by trading on the ASX. Unitholders who are not Authorised Participants will not normally have a right to redeem their Units directly with the Fund. However, all Unitholders will have a right to a cash redemption and to receive payment within a reasonable time if Units are suspended from quotation on the ASX for more than five consecutive trading days, unless:

- the Scheme is being wound up;
- the Scheme is not "liquid" as defined in the *Corporations Act*; or
- the Responsible Entity has suspended redemptions in accordance with the Constitution.

Unitholders may redeem in these circumstances by completing the Redemption Form attached to this PDS. They will receive cash in Australian dollars equal to the aggregate Withdrawal Amount for the relevant Units (less any redemption fee).

No minimum redemption amount will apply.

5.5 SUSPENSIONS OF APPLICATIONS AND REDEMPTIONS

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

Where the Responsible Entity cannot accurately determine the Net Asset Value per Unit, the Responsible Entity may suspend applications for Units and/or delay or reject redemptions of Units.

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

See section 6.2.8 and 6.2.9 for further information.

5.6 VALUATIONS AND PRICING

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

The amount per Unit to which an Authorised Participant (or other Unitholder as described in section 5.4) is entitled on the redemption of Units is known as the Withdrawal Amount, and is equal to the Net Asset Value per Unit.

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

The Withdrawal Amount paid to a Unitholder on the redemption of Units may include a distribution of the distributable income of the Scheme. Please refer to section 7.1.6 for information regarding how this entitlement is determined.

The Net Asset Value for the Fund class of Units is calculated by deducting from the aggregate value of the assets for that class all liabilities such as accrued fees and other costs, and provisions relating to that class. Fees and other costs, including the Responsible Entity's fees, are normally accrued daily. The Fund's assets reflect their market value. The valuation methods applied by the Responsible Entity to value the Fund's assets and liabilities must be consistent with the range of ordinary commercial practice for valuing them.

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

6 ADDITIONAL INFORMATION

6.1 THE ROLE OF CERTAIN ENTITIES IN REGARD TO THE FUND

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

6.1.1 Custodian and Administrator

The custodian provides custodial services to the Responsible Entity, including holding the assets of the Fund. The custodian may, from time to time, appoint sub-custodians. The custodian has a limited role and has no obligation to monitor whether the Responsible Entity is complying with its obligations as responsible entity of the Scheme.

The administrator provides administration services to the Responsible Entity. These services include fund accounting, maintenance of books and records, calculating distribution amounts, valuing the Fund's assets and liabilities, calculating the Issue Price and Withdrawal Amount, and taxation and other services. The Responsible Entity may change the custodian and administrator without prior notice to Unitholders.

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

Citigroup Pty Limited
Level 23
2 Park Street
Sydney NSW 2000

6.1.2 Registrar

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

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

Link Market Services
Level 12
680 George Street
Sydney NSW 2000

6.1.3 Market maker

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

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

The Responsible Entity seeks to appoint market making firms:

- that have experience in making markets in exchange-traded securities both in Australia and internationally;
- that have the necessary skill and expertise to perform market making functions; and

- that are ASX participants (or trade through an ASX participant).

To qualify for admission as an ASX participant, a firm must meet admission requirements set out in the ASX Operating Rules, which require the firm to hold an Australian financial services licence that authorises it to carry on its business as a market participant and to satisfy the ASX of various matters including organisational competence and business integrity.

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

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

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

6.1.4 Auditor

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

6.1.5 Monitoring of service providers

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

6.2 OTHER INFORMATION YOU NEED TO KNOW

6.2.1 Betashares as the responsible entity

Betashares, as the responsible entity, is responsible for the management and administration of the Scheme. The Responsible Entity holds an Australian Financial Services Licence (AFSL 341181) that authorises it to act as the responsible entity of the Scheme. The powers and duties of the Responsible Entity are set

out in the Constitution of the Scheme, the *Corporations Act* and general trust law.

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

6.2.2 The Constitution

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

A copy of the Constitution may be inspected by Unitholders at the Responsible Entity's office, during business hours. The Responsible Entity will provide Unitholders with a copy of the Constitution upon request.

6.2.3 Amendments to the Constitution

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

6.2.4 The compliance plan

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

6.2.5 The compliance committee

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

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

6.2.6 Unit pricing policy

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

6.2.7 Suspensions of applications and redemptions

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

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

- the Responsible Entity has taken all reasonable steps to realise sufficient assets to pay amounts due in respect of Units to which a redemption request applies and is unable to do so due to circumstances outside its control, such as restricted or suspended trading in the market for an asset;
- the Responsible Entity believes that it is impracticable or not possible to transfer, in the manner acceptable to the Responsible Entity, sufficient assets to satisfy the redemption request (for example, because of disruption to a settlement or clearing system);
- the Responsible Entity believes that it is not practicable carry out the calculations necessary to satisfy a redemption request (for example, it is impracticable to calculate the Net Asset Value because of restricted or suspended trading in the market for an asset or because the value of any asset cannot otherwise promptly or accurately be ascertained);
- the quotation of any Units on the ASX is suspended or the trading of any Units is otherwise halted, interrupted or restricted by the ASX, or the trading of any Units is subject to a period of deferred settlement, or there is a period during which the Units are subject to a consolidation or division;
- the Units cease to be admitted to trading status on the ASX;
- a redemption request is received in a financial year and the Responsible Entity determines that the date on which the completion of the redemption of the Units would otherwise occur would be in the next financial year;
- a redemption request is received during any period before or after a distribution date which period the Responsible Entity determines to be necessary or desirable to facilitate the calculation and distribution of distributable income;
- the Responsible Entity does not consider that it is in the best interests of Unitholders as a whole to transfer or realise sufficient assets to satisfy the redemption request; or
- the Responsible Entity believes that assets cannot be realised at prices that would be obtained if assets were

realised in an orderly fashion over a reasonable period in a stable market.

6.2.8 Spreading redemption requests

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

6.2.9 Non-Authorised Participant redemption request

If there are no Authorised Participants, the Responsible Entity may accept a redemption request from a person who is not an Authorised Participant, provided such person is an Australian resident at the time of giving the redemption request.

6.2.10 Information relating to redemptions

The information in section 5 relating to redemptions assumes the Scheme is liquid within the meaning of section 601KA of the *Corporations Act*. The Scheme will be liquid if at least 80% of its assets, by value, are liquid assets under the *Corporations Act*. Broadly, liquid assets include money in an account or on deposit with a bank, bank accepted bills, marketable securities and other property which the Responsible Entity reasonably expects can be realised for its market value within the period specified in the Constitution for satisfying redemption requests. At the date of this PDS, the Responsible Entity expects that the Scheme will be liquid under the *Corporations Act*. If the Scheme is not liquid, a Unitholder will not have a right to redeem Units and can only redeem where the Responsible Entity makes a withdrawal offer to Unitholders in accordance with the *Corporations Act*. The Responsible Entity is not obliged to make such offers.

6.2.11 Rights of a Unitholder

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

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

6.2.12 Reimbursement of expenses

In addition to any other indemnity which the Responsible Entity may have under the Scheme's Constitution or at law, the Responsible Entity is indemnified and entitled to be reimbursed out of, or paid from, the assets of the Fund for all liabilities, losses and expenses incurred by it in relation to the proper performance of its duties as responsible entity of the Scheme.

6.2.13 Retirement of Betashares

Betashares may retire as responsible entity of the Scheme by calling a meeting of Unitholders to enable Unitholders to vote on a resolution to choose a company to be the new responsible entity. The Responsible Entity may be removed from office by an

extraordinary resolution (i.e. a resolution passed by at least 50% of the total votes that may be cast by Unitholders entitled to vote on the resolution) passed at a meeting of Unitholders, in accordance with the *Corporations Act*.

6.2.14 Termination

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

6.2.15 Limitation of liability of Unitholders

The Constitution of the Scheme provides that the liability of each Unitholder is limited to the amount subscribed, or agreed to be subscribed, by the Unitholder, subject to:

- i. the indemnities each Unitholder gives the Responsible Entity for losses or liabilities incurred by the Responsible Entity:
 - a. in relation to the Unitholder's failure to provide requested information;
 - b. for tax or user pays fees as a result of a Unitholder's action or inaction, any act or omission by the Unitholder or any matter arising in connection with the Units held by the Unitholder;
 - c. in relation to the Unitholder paying or failing to pay the issue price or application or redemption fees in accordance with the constitution or otherwise failing to comply with the constitution; and
- ii. execution and settlement procedures prescribed by the Responsible Entity that relate to the issue and redemption of Units.

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

6.2.16 Meeting of Unitholders

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

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

6.2.17 Indemnities and limitation of liability of the Responsible Entity

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

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

6.2.18 Defective applications

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

6.2.19 Discretionary redemptions

The Constitution of the Scheme allows the Responsible Entity to redeem some or all of a Unitholder's Units at any time. The Responsible Entity will give the Unitholder at least 60 days' notice of such redemption, unless the Unitholder is not entitled to hold Units under any applicable law.

6.2.20 Information from Unitholders

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

6.2.21 Borrowings

The Scheme's Constitution places no formal limits on borrowing. It is not the Responsible Entity's intention to enter into borrowing for the Scheme, except that temporary borrowings may be used occasionally if required to manage redemption cash flows, up to a maximum of 10% of the Scheme's size. Any borrowing may be on a secured or unsecured basis and any borrowing costs would be borne by the Scheme.

6.2.22 If you have a complaint

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

complaints@betashares.com.au; or

Manager Client Services
Betashares Capital Ltd
Level 11, 50 Margaret Street
Sydney NSW 2000

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

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

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

In the event that a Unitholder is not satisfied with the outcome of a complaint, the Unitholder has the right to request the Responsible Entity to review its decision or to refer the matter to an external

complaints resolution scheme. The Responsible Entity is a member of the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services complaint resolution that is free to consumers. Unitholders can contact AFCA on:

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

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

6.2.23 Protecting your privacy

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

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

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

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

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

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

Unitholders may request access to the personal information held about them at any time and ask the Responsible Entity to correct this information if it is incomplete, incorrect or out of date.

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

6.2.24 Anti-money laundering

The Responsible Entity is bound by laws regarding the prevention of money laundering and the financing of terrorism, including the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*

(AML/CTF Laws). By completing the Application or Redemption Form, the Unitholder agrees that:

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

6.2.25 Foreign Account Tax Compliance Act (FATCA) & OECD Common Reporting Standard (CRS)

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

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

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

6.2.26 Other services

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

6.2.27 Warning statement for New Zealand investors

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

1. This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and regulations

made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

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

Currency exchange risk

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

Trading on financial product market

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

Dispute resolution process

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

6.2.28 No minimum Unit holding requirement

The Responsible Entity does not require an investor who invests through an Australian securities exchange to hold a minimum number of Units and therefore permits such an investor to establish a holding in the Scheme of one Unit or more. The Responsible Entity may, after giving at least 60 days' notice to Unitholders, update this PDS to specify a minimum number of

Units which must be held at any time. Where a minimum holding amount has been set and an existing Unitholder's holding is below the minimum holding amount, in accordance with the Scheme's Constitution we may choose to redeem that Unitholder's holding, after giving 60 days' notice to the Unitholder.

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

6.3 MATERIAL CONTRACTS

The Responsible Entity (or the Responsible Entity's holding company) has entered into (or will enter into prior to the date Units are first issued) a number of contracts in relation to the offer of the Fund, as set out below.

TABLE 6.3: MATERIAL CONTRACTS

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

6.4 ASIC RELIEF

Equal Treatment Relief

Under the Fund's Constitution, the Responsible Entity has the power to restrict eligibility to redeem Units to Authorised Participants, subject to receiving the necessary relief from ASIC on such terms as ASIC deems appropriate. The Responsible Entity has obtained relief from ASIC such that the Responsible Entity may restrict redemptions from the Fund to Authorised Participants only. The relief has been granted on the condition that all Unitholders will have a right to a cash redemption if Units are suspended from trading on the ASX for more than five consecutive trading days, unless:

- the Scheme is being wound up;
- the Scheme is not liquid as defined in subsection 601KA(4) of the Corporations Act; or
- the Responsible Entity has suspended redemptions in accordance with the Scheme's constitution.

If such a redemption occurs, any redemption fee per Unit payable by Unitholders who are not Authorised Participants

could not be greater than the redemption fee per Unit that would generally be payable on redemption by an Authorised Participant for a cash redemption when withdrawing the minimum parcel of Units.

Ongoing Disclosure Relief

ASIC Class Order 13/721 exempts the Responsible Entity from the ongoing disclosure requirements in section 1017B of the *Corporations Act* on the condition that the Responsible Entity complies with the continuous disclosure provisions of the *Corporations Act* that apply to an unlisted disclosing entity as if the Fund was an unlisted disclosing entity. The Responsible Entity will comply with these continuous disclosure provisions as if the Fund was an unlisted disclosing entity.

Periodic Statements Relief

ASIC Class Order 13/1200 exempts the Responsible Entity from certain periodic statement requirements. In particular, the Responsible Entity is not required (and does not propose) to include in periodic statements details of the price at which an investor transacts in Units on the ASX, or information on the return on an investment in Units acquired on the ASX (for the year in which the Units are acquired), if the Responsible Entity is not able to calculate this and the periodic statement explains

why the information was not included and how it can be obtained.

6.5 DOCUMENTS LODGED WITH ASIC

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

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

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

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

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

6.6 COOLING OFF

There is no cooling off period in relation to the subscription for Units. This means that once an Application Form is submitted, an applicant cannot decide to withdraw the application.

6.7 INDIRECT INVESTORS

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

6.8 INFORMATION AVAILABLE FROM BETASHARES

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

- The daily Net Asset Value (NAV) for the Fund;
- The daily NAV per Unit for the Fund;
- The Fund's portfolio holdings, updated daily;

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

6.9 DISCLAIMERS

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

Citigroup and the Scheme's registrar, Link Market Services, were not involved in preparing, nor take any responsibility for this PDS and Citigroup and Link Market Services make no guarantee of the success of the Scheme nor the repayment of capital or any particular rate of capital or income return.

"Bloomberg®" and Bloomberg AusBond Bank Bill Index are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the index (collectively, "Bloomberg"), and have been licensed for use for certain purposes by the Responsible Entity.

The Scheme is not sponsored, endorsed, sold or promoted by Bloomberg. Bloomberg does not make any representation or warranty, express or implied, to the owners of or counterparties to the Scheme or any member of the public regarding the advisability of investing in securities generally or in the Scheme particularly. The only relationship of Bloomberg to the Responsible Entity is the licensing of certain trademarks, trade names and service marks and of the Bloomberg AusBond Bank Bill Index, which is determined, composed and calculated by BISL without regard to the Responsible Entity or the Bloomberg AusBond Bank Bill Index. Bloomberg has no obligation to take the needs of the Responsible Entity or the owners of the Scheme into consideration in determining, composing or calculating the Bloomberg AusBond Bank Bill Index. Bloomberg is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of the Scheme to be issued. Bloomberg shall not have any obligation or liability, including, without limitation, to Scheme customers, in

connection with the administration, marketing or trading of the Scheme.

BLOOMBERG DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE BLOOMBERG AUSBOND BANK BILL INDEX OR ANY DATA RELATED THERETO AND SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS OR INTERRUPTIONS THEREIN. BLOOMBERG DOES NOT MAKE ANY WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE RESPONSIBLE ENTITY, OWNERS OF THE SCHEME OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE BLOOMBERG AUSBOND BANK BILL INDEX OR ANY DATA RELATED THERETO. BLOOMBERG DOES NOT MAKE ANY EXPRESS OR IMPLIED WARRANTIES AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR

FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE BLOOMBERG AUSBOND BANK BILL INDEX OR ANY DATA RELATED THERETO. WITHOUT LIMITING ANY OF THE FOREGOING, TO THE MAXIMUM EXTENT ALLOWED BY LAW, BLOOMBERG, ITS LICENSORS, AND ITS AND THEIR RESPECTIVE EMPLOYEES, CONTRACTORS, AGENTS, SUPPLIERS, AND VENDORS SHALL HAVE NO LIABILITY OR RESPONSIBILITY WHATSOEVER FOR ANY INJURY OR DAMAGES - WHETHER DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, PUNITIVE OR OTHERWISE - ARISING IN CONNECTION WITH THE SCHEME OR BLOOMBERG AUSBOND BANK BILL INDEX OR ANY DATA OR VALUES RELATING THERETO - WHETHER ARISING FROM THEIR NEGLIGENCE OR OTHERWISE, EVEN IF NOTIFIED OF THE POSSIBILITY THEREOF.

7 TAXATION

The taxation information in this PDS is provided for general information only. It is a broad overview of some of the Australian tax consequences associated with investing in the Fund for a potential Australian resident investor. It does not take into account the specific circumstances of each person who may invest in the Fund. It should not be used as the basis upon which potential investors make a decision to invest.

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

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

7.1.1 Taxation of the Scheme

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

As at the date of this PDS, the Responsible Entity intends that an irrevocable election for the Scheme to enter the AMIT regime will be in effect from the financial year in which the Scheme is launched.

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

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

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

7.1.2 Taxation of Australian resident Unitholders

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

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

7.1.3 Taxable income of the Scheme

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

Types of income

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

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

Tax deferred / non-assessable amounts

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

Taxation of Financial Arrangements (TOFA)

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

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

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

7.1.4 Selling or transferring Units

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

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

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

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

7.1.5 Goods and Services Tax (GST)

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

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

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

7.1.6 Applications and redemptions

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

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

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

Applications

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

Redemptions

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

The redemption of Units by an Authorised Participant may result in the Authorised Participant being assessed on some of the taxable income of the Scheme, through a distribution of income or an attribution under the AMIT regime. This includes, but is not limited to, income and other gains realised by the Scheme to fund the redemption of Units by the Authorised Participant, and potentially,

where fair and reasonable, a portion of undistributed income or gains for the year as at the time of the redemption.

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

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

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

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

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

7.1.7 Tax reform

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

7.1.8 Tax File Number ("TFN") or Australian Business Number ("ABN")

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

7.1.9 Other comments

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

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

8 GLOSSARY

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

Applicant Nominee	An entity which holds Units pending settlement on behalf of Authorised Participants applying for Units. As at the date of this PDS the Applicant Nominee is Citigroup Pty Limited. The Responsible Entity may determine that the Applicant Nominee is no longer to be appointed to hold Units pending settlement on behalf of Authorised Participants applying for Units.
AQUA Product	A product admitted under the ASX Operating Rules to the AQUA market of the ASX.
AQUA Rules	Schedule 10A of the ASX Operating Rules and related rules and procedures, as amended, varied or waived from time to time.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited or the Australian Securities Exchange, as the case requires.
ASX Business Day	A “Business Day” as defined in the ASX Operating Rules, unless determined otherwise by the Responsible Entity.
ASX Listing Rules	The listing rules of the ASX as amended, varied or waived from time to time.
ASX Operating Rules	The operating rules of the ASX as amended, varied or waived from time to time.
Authorised Participant	A financial institution which is a trading participant under the ASX Operating Rules (or which has engaged a trading participant to act on its behalf), which has entered into an Authorised Participant Agreement with the Responsible Entity.
Authorised Participant Agreement	An agreement between the Responsible Entity and an Authorised Participant in relation to Unit applications and redemptions.
Benchmark	The performance benchmark which the Fund will aim to exceed, namely, the Bloomberg AusBond Bank Bill Index.
CHESS	The Clearing House Electronic Sub-register System or any system that replaces it.
Constitution	The constitution governing the Scheme, as amended or replaced from time to time.
Corporations Act	Corporations Act 2001 (Cth).
Creation Unit	A particular number of Units of the Fund, as determined by the Responsible Entity from time to time and notified to Authorised Participants.
Dealing Deadline	11:00 am Sydney time on each ASX Business Day (or such other time advised by the Responsible Entity to Authorised Participants), being the time by which an Application/Redemption form must be received by the Responsible Entity to be processed for that ASX Business Day.
Fund	The class of units in the Scheme known as the “Betashares Australian Cash Plus Fund (managed fund)”, being the only class of units in the Scheme that will be quoted for trading on the AQUA market of the ASX under the AQUA Rules.
Issue Price	The Fund’s Net Asset Value divided by the number of Units on issue.
Net Asset Value or NAV	The net asset value of the Fund calculated in accordance with section 5.6.
Nominee Terms	In relation to an application for Units, the nominee terms made available by the Responsible Entity to the applicant, as described in section 6.3.
PDS	Product Disclosure Statement.
Registrar	Link Market Services Limited (ABN 54 083 214 537), or any other registry that the Responsible Entity appoints to maintain the register.

Scheme	Betashares Australian Cash Plus Fund, a registered managed investment scheme (ARSN 657 340 791).
Unit	A unit in the Fund.
Unitholder	A holder of a Unit.
Withdrawal Amount	The Fund's Net Asset Value divided by the number of Units on issue.

FORMS

APPLICATION FORM

**Product Disclosure Statement dated 10 November 2023
issued by Betashares Capital Ltd, ABN 78 139 566 868, AFSL
341181 as Responsible Entity.**

Please note: This form is for use by Authorised Participants. Other investors can buy Units on the ASX through a stockbroker or via a financial adviser.

It is important to read the Product Disclosure Statement (PDS) carefully. If this PDS was obtained electronically, a paper copy of this PDS (including any supplementary PDS) and the Application Form will be provided free of charge upon request. If you give another person access to the Application Form you must at the same time and by the same means give the other person access to this PDS and any supplementary PDS. Capitalised terms have the same meaning as in the PDS.

Please fax the completed Application Form to (02) 9262 4950 or scan it and send it by email to orders@betashares.com.au.

APPLICANT DETAILS

Name _____

ACN/ABN _____

Postal
address _____

Suburb _____

State _____

Postcode _____

Telephone
() _____

Fax
() _____

NUMBER OF UNITS APPLIED FOR

This Applicant hereby applies to the Responsible Entity for Units as specified below.

Please note: The minimum application is the number of Units that constitute one Creation Unit (as described in the PDS). Applications must be made in whole multiples of Creation Units unless the Responsible Entity agrees otherwise.

Fund: Betashares Australian Cash Plus Fund (managed fund)
(ASX Code: MMKT)

Number of Units:	
Market maker name (if applicable):	

ACKNOWLEDGEMENTS

By signing this Application Form:

- I/We confirm that the representations and warranties made and given in the Authorised Participant Agreement continue to be true and correct.
- I/We confirm that all of the information in this Application Form is true and correct.
- I/We represent and warrant that I/we have received the PDS (electronic or hard copy) in Australia.
- I/We declare I/we have read the PDS and agree to be bound by the terms and conditions of the PDS and the Constitution of the Scheme in which I/we are investing (as amended or replaced from time to time).
- I/We agree to the Applicant Nominee holding Units on the applicant's behalf pending settlement of this application in accordance with the Nominee Terms, if required, as determined by the Responsible Entity.
- I/We covenant, for the benefit of the Applicant Nominee, to be bound by the Nominee Terms, if applicable.
- I/We understand that none of Betashares Holdings Pty Ltd, Betashares Capital Ltd, any investment manager or their related entities, directors or officers guarantees the performance of, the repayment of capital invested in, or the payment of income from the Scheme.
- I/We acknowledge that an investment in Units is subject to risk which may include possible delays in repayment and loss of income and capital invested.
- I/We declare that the applicant has the capacity and power to make an investment in accordance with the application.
- I/We declare that in making a decision to invest the only information and representations provided by the Responsible Entity are those contained in this PDS to which this application relates.
- I/We understand the risks of the investment and have obtained all professional financial and taxation advice independently of the Responsible Entity as we consider necessary prior to deciding to invest in the Scheme.
- I/We acknowledge that I/we have read and understood the privacy disclosure statement in the PDS and agree to information about the applicant being collected, used and disclosed in accordance with that statement.
- If signed under power of attorney, the/each attorney verifies that no notice or revocation of that power has been received.
- I/We intend this Application Form to take effect as a deed poll.

Applicant signatures

Signature of Authorised Person _____

Name of Authorised Person (block letters) _____

Position (block letters) _____

Signature of Authorised Person _____

Name of Authorised Person (block letters) _____

Position (block letters) _____

Date: _____

FORMS

REDEMPTION FORM

Product Disclosure Statement dated 10 November 2023 issued by Betashares Capital Ltd, ABN 78 139 566 868, AFSL 341181 as Responsible Entity.

Please note: This form is for use by Authorised Participants (and other Unitholders where they have a right to redeem Units as described in the PDS). Unitholders can also sell Units on the ASX through a stockbroker or via a financial adviser.

It is important to read the Product Disclosure Statement (PDS) carefully. If this PDS was obtained electronically, a paper copy of this PDS (including any supplementary PDS) and the Redemption Form will be provided free of charge upon request. Capitalised terms have the same meaning as in the PDS.

Please fax the completed Redemption Form to (02) 9262 4950 or scan it and send it by email to orders@betashares.com.au.

UNITHOLDER DETAILS

Name _____

ACN/ABN _____

Postal
address _____

Suburb _____

State _____ Postcode _____

Telephone
() _____

Fax
() _____

NUMBER OF UNITS TO BE REDEEMED

We hereby request the Responsible Entity to redeem Units as specified below.

Please note: The minimum redemption is the number of Units that constitute one Creation Unit, unless the PDS provides otherwise. Redemptions must be made in whole multiples of Creation Units unless the Responsible Entity agrees otherwise.

Fund: Betashares Australian Cash Plus Fund (managed fund)
(ASX Code: MMKT)

Number of Units:	
Market maker name (if applicable):	

SIGNATURE BY REDEEMING UNITHOLDER

By signing this Redemption Form:

- If an Authorised Participant, I/we confirm that the representations and warranties made and given in the Authorised Participant Agreement in relation to redemption requests continue to be true and correct.
- I/We confirm that I/we am/are entitled to deliver or arrange delivery of the Units the subject of the redemption request to the Responsible Entity or its custodian.
- I/We agree to reimburse and indemnify the Responsible Entity for all taxes, duties and charges imposed against the Responsible Entity or its agents that may be assessed against the Responsible Entity as a result of my/our entitlement to the capital or distributable income of the Scheme (Taxation Amount).
- I/We authorise the Responsible Entity to deduct from my/our income distributions payable from the Scheme, on account of the Taxation Amount which the Responsible Entity is or may become liable to pay in respect of my/our entitlement to the capital or distributable income of the Scheme.
- I/We confirm that I/we have read and understood the PDS as it relates to redemptions.
- If signed under power of attorney, the/each attorney verifies that no notice or revocation of that power has been received.

Applicant signatures

Signature of Authorised Person _____

Name of Authorised Person (block letters) _____

Position (block
letters) _____

Signature of Authorised Person _____

Name of Authorised Person (block letters) _____

Position (block
letters) _____

Date: _____

DIRECTORY

Responsible Entity

Betashares Capital Ltd
Level 6
50 Margaret Street
Sydney NSW 2000
Telephone: 1300 487 577 (within Australia) or +61 2 9290 6888 (outside Australia)

Custodian & Fund Administrator

Citigroup Pty Limited
Level 23
2 Park Street
Sydney NSW 2000

Registrar

Link Market Services
Level 12
680 George Street
Sydney NSW 2000

Solicitors to Betashares

MinterEllison
Governor Macquarie Tower
Level 40
1 Farrer Place
Sydney NSW 2000

Auditor

KPMG
Level 38
Tower Three, International Towers Sydney
300 Barangaroo Avenue
Sydney NSW 2000