6 November 2026

Market Announcements Office
ASX Limited

PRODUCT DISCLOSURE STATEMENT

Betashares Capital Ltd announces that it has issued a new Product Disclosure Statement (**PDS**) in respect of the following exchange traded fund quoted on the AQUA market of the ASX:

ASX Code	Issuer	Fund
BSUB	Betashares	Betashares Australian Major Bank Subordinated Debt ETF

This PDS replaces the PDS dated 24 April 2024.

The new PDS is also available at www.betashares.com.au.

For any inquiries regarding this announcement, please contact Betashares Customer Support on 1300 487 577.

IMPORTANT INFORMATION: This information has been prepared by Betashares Capital Ltd (ACN 139 566 868 AFS Licence 341181) (**Betashares**) the issuer of the Fund. It is general information only and does not take into account any person's objectives, financial situation or needs. The information does not constitute an offer of, or an invitation to purchase or subscribe for securities. You should read the relevant PDS and ASX announcements and seek professional legal, financial, taxation, and/or other professional advice before making an investment decision regarding any Betashares funds. You may also wish to consider the relevant Target Market Determination, which sets out the class of consumers that comprise the target market for the Betashares fund and is available at www.betashares.com.au/target-market-determinations. For a copy of the PDS and more information about Betashares funds go to www.betashares.com.au or call 1300 487 577.

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

betashares

6 November 2026

Product Disclosure Statement

Betashares Australian Major Bank Subordinated Debt ETF

ASX: **BSUB**

Betashares Fixed Rate Australian Major Bank Subordinated Debt ETF

ASX: **TIR2**

Betashares Capital Ltd ABN 78 139 566 868 | AFSL 341181



IMPORTANT INFORMATION

About this PDS

This Product Disclosure Statement (**PDS**) is dated 6 November 2026.

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

This PDS is the offer document for the following registered managed investment schemes: Betashares Australian Major Bank Subordinated Debt ETF (ARSN 670 330 953) and Betashares Fixed Rate Australian Major Bank Subordinated Debt ETF (ARSN 689 556 269). These are referred to in this PDS individually as "Fund" and collectively as "Funds" or "Betashares Funds".

A copy of this PDS has been lodged with the Australian Securities and Investments Commission (**ASIC**) on 6 November 2026. Neither ASIC nor ASX Limited takes any responsibility for the contents of this PDS.

The Betashares Australian Major Bank Subordinated Debt ETF commenced operations on 6 May 2024. An application was made to, and approved by, the ASX for Units in the Fund to be quoted for trading on the AQUA market of the ASX. The Units are currently quoted for trading on the AQUA market of the ASX under the AQUA Rules.

At the time of lodgement of this PDS with ASIC, Units in the Betashares Fixed Rate Australian Major Bank Subordinated Debt ETF are yet to be quoted for trading on the ASX. An application has been made to the ASX for Units in the Fund to be quoted for trading on the AQUA market of the ASX under the AQUA Rules.

No applications for Units in the Betashares Fixed Rate Australian Major Bank Subordinated Debt ETF will be accepted until the exposure period for the PDS, as it relates to this Fund, has expired. The exposure period for the PDS, as it relates to this Fund, 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.

The PDS is designed so that a number of Betashares exchange traded funds may be offered under it over time. Additional Funds may be added by the Responsible Entity issuing a supplementary PDS or a new PDS.

A copy of the latest PDS for each 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.

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 Funds 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, Betashares, or any of their related entities, directors or officers gives any guarantee or assurance as to the performance of, or the repayment of capital or income reinvested in, the Fund described in this PDS. Betashares Holdings Pty Ltd and its related entities may invest in or provide other services to the Fund.

Not personal advice

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

Investors should consult a professional financial adviser and ensure they understand the risks of each 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 Funds	8
3	Fees and other costs	10
4	Risks	19
5	How to buy and sell units	24
6	Additional Information	27
7	Taxation	35
8	Glossary	38
PRODUCT SUPPLEMENT: BETASHARES AUSTRALIAN MAJOR BANK SUBORDINATED DEBT ETF		41
PRODUCT SUPPLEMENT: BETASHARES FIXED RATE AUSTRALIAN MAJOR BANK SUBORDINATED DEBT ETF		43
DIRECTORY		45

1 KEY FEATURES

1.1 WHAT IS AN ETF?

Each Betashares Fund described in this PDS is an exchange traded fund (or "ETF"). An ETF is an investment vehicle traded on a stock exchange, such as the ASX, much like listed shares. An ETF generally aims to provide investors with exposure to a return that tracks the return of a particular index.

Indices are a method of measuring the performance of a financial market, or a segment of a financial market. Most commonly, an index measures the performance of a particular portfolio of shares, bonds or other securities that comprise the index.

Information on the indices applicable to the Betashares Funds is set out in the Product Supplement appearing after section 8.

An ETF may not replicate the performance of the relevant index exactly, but rather generally aims to minimise any deviation from the index, before fees and expenses, as much as possible.

ETFs combine certain features of index managed funds and listed shares in one investment. Like index managed funds, ETFs come with the benefits of diversification, transparency and attractive fee levels. Unlike index managed funds, however, ETFs trade on a stock exchange, so they also benefit from simple trading, including the ability to buy and sell during the course of the trading day, much like listed shares.

ETFs carry certain investment risks. For information on the risks applicable to the Betashares Funds see section 4 and the Product Supplement.

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 Funds.

The PDS is designed so that a number of Betashares exchange traded funds may be offered under it over time. Such funds are referred to in this PDS as "Funds" or "Betashares Funds". Additional Funds may be added by the Responsible Entity issuing a supplementary PDS or a new PDS.

Sections 1 to 8 of this PDS contain general information concerning the common features of all of the Betashares Funds that may be offered under the PDS. The Product Supplement appearing after section 8 contains information specific to each Betashares Fund being offered.

TABLE 1.3: SUMMARY OF KEY INFORMATION

TOPIC	SUMMARY	SECTION
Investment objective	The investment objective of each Fund is to provide an investment return, before fees and expenses, that aims to track the performance of the relevant Index. The Product Supplement sets out information specific to each Fund, including the investment objective and information about the Index applicable to the Fund. There is no assurance or guarantee that a Fund's returns will meet the investment objective.	**2.1 and Product Supplement**
Investing	The offer in this PDS is only available to Authorised Participants. 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 for each Fund is determined by the Responsible Entity and notified to Authorised Participants. Application amounts must be in the form of a parcel of securities selected by the Responsible Entity from time to time which generally corresponds to the composition of the relevant Index, together with any balancing cash payment, unless the Responsible Entity agrees to accept a cash application. Applications are subject to an application fee described in section 3. 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.	**5 and Product Supplement**
Redemptions	A Unitholder can generally only redeem Units if it is an Authorised Participant. 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 for each Fund is determined by the Responsible Entity and notified to Authorised Participants.	**5, 6.2.8 and 6.2.9**

TOPIC	SUMMARY	SECTION
	The amount payable to a Unitholder on redemption will be in the form of a parcel of securities selected by the Responsible Entity from time to time which generally corresponds to the composition of the relevant Index, together with any balancing cash payment, unless the Responsible Entity agrees to accept a cash redemption. Redemptions are subject to a withdrawal fee described in section 3. In certain specified circumstances, redemption requests may be delayed, rejected or scaled down. See sections 6.2.8 and 6.2.9 for further information. Subject to market conditions, investors may sell their Units by trading on the ASX. The sale of Units on the ASX is not governed by the terms of this PDS and therefore the minimum redemption does not apply to sales of Units on the ASX. A Unitholder who is not an Authorised Participant can only redeem Units in the special circumstances described in section 5.6.	
Distributions	The Responsible Entity intends to make monthly distributions in respect of each Fund (assuming there is distributable income).	**2.2 and Product Supplement**
Risks	There are a number of risks associated with investing in each Fund. The key risks include the following: • Investment objective risk - There is no assurance that each Fund's investment strategy will be successful or that the investment objective will be achieved. • Index tracking risk - Each Fund should not be expected to track the performance of the relevant Index exactly but generally aims to minimise any deviation from the Index, before fees and expenses, as much as possible. • Market risk - Each Fund's investment returns will be influenced by the performance of the bond market as a whole. Changes in the prices of the bonds held may result in a loss in the value of Units. • Subordinated ranking risk – Subordinated Bonds generally rank below senior debt (including secured debt, bank deposits and unsecured debt) and generally only rank above Tier 1 Capital and equity (ordinary shares) in respect of the order of payment in the event of default of the bond issuer. • Subordinated Bond risk – Subordinated Bonds have complex and unique terms of issue that can significantly affect the value of the securities. • Interest rate risk - Changes in interest rates may affect a Fund's income and the value of its investments. Falling rates may reduce income from floating rate securities, while rising rates may reduce the value of fixed rate securities. Fixed rate securities are generally more sensitive to interest rate movements than floating rate securities. • Concentration risk – The Fund's investments may be concentrated in a relatively small number of Subordinated Bonds and will be derived from a small number of issuers. • Bank sector risk – The bank sector in Australia is relatively concentrated, is subject to extensive government regulation and can be subject to rapid change. • Credit risk - Each Fund will be exposed to the risk that a bond issuer may default on making its payment obligations, thereby adversely affecting each Fund's value. • Counterparty risk - There is a risk of loss due to a counterparty to each Fund not honouring a financial commitment. Counterparties include service providers such as each Fund's trading counterparties, unit registrar, fund administrator and custodian. • Suspension risk - In certain circumstances, the Responsible Entity can suspend or scale down applications or redemptions. • Trading risk - In certain circumstances, the ASX may suspend trading of the Units of a Fund and in that event Unitholders would not be able to buy or sell Units of the Fund on the ASX.	**4 and Product Supplement**

TOPIC	SUMMARY	SECTION
	• Trading price risk - The trading price of Units on the ASX for each Fund 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 each Fund's investments. • Index risk - The sponsor of the relevant Index may change the Index methodology or stop publishing the Index, or the Responsible Entity's licence to use the Index may terminate. • Settlement risk - Each 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. This is not a comprehensive summary of all the risks of investing in each Fund. Before investing in a Fund, investors should carefully consider the risks associated with an investment in the Funds and obtain financial advice on whether an investment in the Funds is suitable for their objectives, financial situation and needs. For further details of the risks of investing, see section 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.	**6.2.23**
Responsible Entity	Betashares Capital Ltd is the responsible entity of each Fund and is the issuer of this PDS.	**1.3**

1.3 ABOUT BETASHARES

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

The Responsible Entity is an Australian asset management business located in Sydney which was established in 2009 to be a specialist provider of fund products that are exchange traded. The Responsible Entity launched its first funds in 2010. As at the date of this PDS, it manages over $75 billion in assets and acts as responsible entity for more than 100 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, each Fund.

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

1.4 ADMISSION TO TRADING UNDER THE AQUA RULES

Units in the Betashares Australian Major Bank Subordinated Debt ETF have been admitted to trading status on the ASX under the AQUA Rules. The AQUA Rules form part of the ASX Operating Rules. The Fund is not listed on the ASX under the ASX Listing Rules.

At the time of lodgement of this PDS with ASIC, Units in the Betashares Fixed Rate Australian Major Bank Subordinated Debt ETF are yet to be quoted for trading on the ASX. An application has been made to the ASX for Units in this Fund to be quoted for trading on the AQUA market of the ASX under the AQUA Rules. The AQUA Rules form part of the ASX Operating Rules. The Fund will not be listed on the ASX under the ASX Listing Rules.

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

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

1.4.1 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	
An issuer of an entity listed under the ASX Listing Rules: • 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. 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.	An issuer of a product quoted under the AQUA Rules: • 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. The value (price) of products quoted under the AQUA Rules is dependent upon the performance of the underlying assets rather than the financial performance of the issuer itself e.g. an ETF issuer does not control the value of the shares it invests in.
Continuous Disclosure	
Issuers are subject to the continuous disclosure requirements under ASX Listing Rule 3.1 and Section 674 of the *Corporations Act*.	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 *Corporations Act* but must disclose information about: • the Net Tangible Assets ("NTA") or the Net Asset Value ("NAV") of the Funds; • distributions declared; and • any other information that is required to be disclosed to ASIC under section 675 of the *Corporations Act* 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. 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.
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 *Corporations Act.*
Corporate Control	
Requirements in the *Corporations Act* 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 *Corporations Act* 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 *Corporations Act.*

ASX LISTING RULES	AQUA RULES
Auditor Rotation Obligations	
There are specific requirements in relation to auditor rotation under Part 2M.4 Division 5 of the *Corporations Act*.	Issuers of products quoted under the AQUA Rules are not subject to the requirements under Part 2M.4 Division 5 of the *Corporations Act*. 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 *Corporations Act* and the auditor must not be the auditor of the scheme's financial statements (but may be from the same firm).

2 ABOUT THE FUNDS

2.1 INVESTMENT POLICY

2.1.1 Investment objective

The investment objective of each Fund is to provide an investment return, before fees and expenses, that aims to track the performance of the relevant Index.

The Index in relation to each Fund is set out in the Product Supplement. The Product Supplement also sets out more information about the investment objective of each Fund.

There is no assurance or guarantee that the returns of the Funds will meet their investment objectives.

2.1.2 What are Subordinated Bonds?

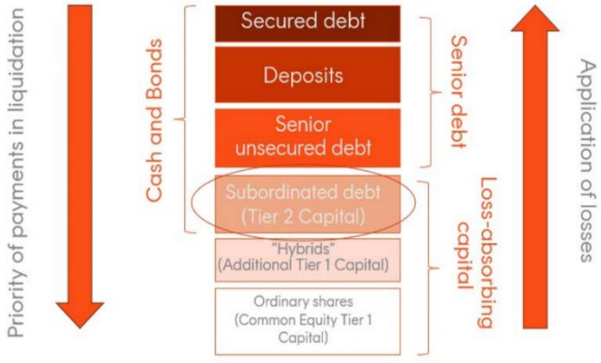
Each Fund's underlying index provides exposure to a portfolio of Subordinated Bonds. Subordinated Bonds are a class of debt security whose rights with respect to payment of interest and repayment of principal rank behind (are subordinated to) another class or classes of debts. In the case of Subordinated Bonds (being subordinated bonds issued by Major Australian Banks that satisfy the qualifying criteria as Tier 2 Capital instruments), they generally rank behind senior debt (including secured debt, deposits and senior unsecured debt), and generally only rank above Tier 1 Capital, including ordinary shares.

Subordinated Bonds are also unsecured obligations of the issuer, meaning repayment is not secured over any assets of the issuer. A key feature of the regulatory requirements for Subordinated Bonds is that they absorb losses at the point of non-viability of the issuer (see section 4 for more information on this and other risks associated with Subordinated Bonds).

Subordinated Bonds are generally issued with a fixed maturity date together with an optional early redemption date (being a date on which the instrument may be callable at the initiative of the issuer).

Subordinated Bonds may pay interest at either a fixed or floating rate. Fixed rate bonds pay interest at a set rate until the applicable reset date or maturity, while floating rate bonds pay interest at a rate that changes periodically, typically by reference to a benchmark interest rate. The interest rate structure does not change the bonds' ranking in the issuer's capital structure or their subordination features.

The following chart provides a simplified example of the capital structure of a hypothetical financial institution to illustrate how different securities issued rank in priority of payment on insolvency of the issuer and application of losses.



2.1.3 Investment strategy

In seeking to achieve the investment objective for each Fund, the Responsible Entity will employ a passive management approach with the aim of tracking the performance of the relevant Index, before fees and expenses.

Unless otherwise set out in the Product Supplement, each Fund will generally invest in the securities that comprise the relevant Index in proportion to the weightings of the securities in the Index. This is known as a "full replication" strategy. For such Funds, the timing and nature of any changes to the composition of the Fund's investments will generally correspond with the timing and nature of changes to the relevant Index.

The holdings of a Fund may not always exactly replicate its Index. For example, it may not be possible or practical to do so in some circumstances, such as where investment restrictions apply which would prevent direct investment in a particular security. A Fund, from time to time, may not hold all of the securities comprising the Index and may hold securities in weightings which differ from the Index (particularly while a Fund is growing initially).

In addition to holding securities directly, each Fund may for efficiency obtain some of its investment exposure by investing in relevant exchange traded funds providing fixed income exposure (including ASX-quoted funds managed by the Responsible Entity).

Each Fund may hold exchange-traded derivatives contracts from time to time (e.g. futures contracts) and other investments that do not form part of the Index where this may help to achieve the Fund's investment objective. For example, exchange-traded derivatives may be used where direct investment in a particular security or securities is not possible or practical, or to obtain an investment exposure without physically buying or selling the underlying asset, or to manage cash flows or to facilitate timely exposure to the market. Exchange-traded derivatives will only be used in limited circumstances and will not be used to leverage a Fund. Additionally, when used, the total notional value of such derivatives will generally be less than 5% of the Fund's NAV, except in exceptional circumstances. Please refer to section 4.9 for further information on the risks associated with use of derivatives.

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

As at the date of this PDS, the Responsible Entity does not intend to engage in securities lending in connection with a 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.

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

Cash balances (which may include holdings in ASX-quoted cash trusts, including those managed by the Responsible Entity) may be held in each Fund from time to time.

The assets of each Fund, whether securities or cash, will be held by the custodian, other than cash held as collateral for any derivatives positions.

2.1.4 Labour standards and environmental, social and ethical considerations

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

The Funds do not pursue a sustainable investment strategy or have a sustainable investment objective, and will not be marketed as sustainability-related products. The Funds are 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.

2.1.5 Performance

Performance information for each Fund, and the Net Asset Value for each 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.

2.1.6 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, 2.1.3 and in the Product Supplement) for any 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.

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 (see "PDS updates" on page 1).

2.2 DISTRIBUTIONS

Each Fund intends to pay monthly distributions based on interest and other income earned by each 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 each Fund.

2.2.1 Distributions

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

The distribution periods in relation to a Fund are set out in the relevant Product Supplement for each Fund. The amount of distributable income at the end of any distribution period will be determined by the Responsible Entity. Under the AMIT tax rules, a Fund may make cash distributions that differ from taxable income attributed by the Fund to Unitholders. See section 7 for further information.

Each 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.

Unless the distribution reinvestment plan applies (see section 2.2.3), 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 a Fund will vary from period to period, and there may be periods when a Fund will not pay a distribution.

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

Unitholders may also become entitled to the distributable income of a Fund 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 a Fund during a financial year, a tax statement which outlines the amount and composition of the taxable income to which the Unitholder became entitled and / or was attributed. Where the relevant 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 each Fund.

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

Unitholders can choose to:

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

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

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

3 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 Major Bank Subordinated Debt ETF and Betashares Fixed Rate Australian Major Bank Subordinated Debt ETF

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Ongoing annual fees and costs		
Management fees and costs: The fees and costs for managing your investment	**Betashares Australian Major Bank Subordinated Debt ETF** As at the date of this PDS, the management fees and costs of the Fund consist of the following components: **Management fee** 0.29% per annum of the Fund's Net Asset Value. **Plus** **Recoverable expenses** 0.00% per annum of the Fund's Net Asset Value.[1] **Plus** **Indirect costs** 0.00% per annum of the Fund's Net Asset Value.[2]	The management fee is calculated and accrued daily as a percentage of each Fund's Net Asset Value and reflected in the daily Net Asset Value per Unit. The amount is deducted from each Fund's assets monthly on or after the first day of the following month. Any expenses normally incurred in operating each Fund are paid as and when they arise by the Responsible Entity out of its own resources. Any extraordinary expenses are deducted from each Fund's assets as and when they arise. Any indirect costs are calculated and accrued daily as a percentage of each Fund's Net Asset Value and reflected in the daily Net Asset Value per Unit. The amount is deducted from each Fund's assets as and when incurred.

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
	Betashares Fixed Rate Australian Major Bank Subordinated Debt ETF As at the date of this PDS, the management fees and costs of the Fund consist of the following components: **Management fee** 0.29% per annum of the Fund's Net Asset Value. **Plus** **Recoverable expenses** 0.00% per annum of the Fund's Net Asset Value.[1] **Plus** **Indirect costs** 0.00% per annum of the Fund's Net Asset Value.[2]	The management fee is calculated and accrued daily as a percentage of each Fund's Net Asset Value and reflected in the daily Net Asset Value per Unit. The amount is deducted from each Fund's assets monthly on or after the first day of the following month. Any expenses normally incurred in operating each Fund are paid as and when they arise by the Responsible Entity out of its own resources. Any extraordinary expenses are deducted from each Fund's assets as and when they arise. Any indirect costs are calculated and accrued daily as a percentage of each Fund's Net Asset Value and reflected in the daily Net Asset Value per Unit. The amount is deducted from each 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	**Betashares Australian Major Bank Subordinated Debt ETF:** Estimated at 0.00% per annum of each Fund's Net Asset Value. [3] **Betashares Fixed Rate Australian Major Bank Subordinated Debt ETF*:*** Estimated at 0.00% per annum of each Fund's Net Asset Value. [3]	Transaction costs reduce each 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 a Fund's assets or receivable by a Fund at the time of settlement in respect of investments purchased or sold for a Fund. Other costs, eg transactional custodian fees, are invoiced to a 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	**Betashares Australian Major Bank Subordinated Debt ETF*:*** If you are not an Authorised Participant - $0. If you are an Authorised Participant – up to $200 for in-kind applications, unless otherwise agreed by the Responsible Entity.[4]	Payable only by Authorised Participants[5]. This fee will be payable by Authorised Participants together with the application consideration at the time of applying for Units, for in-kind applications.

Betashares Australian Major Bank Subordinated Debt ETF and Betashares Fixed Rate Australian Major Bank Subordinated Debt ETF

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
	Betashares Fixed Rate Australian Major Bank Subordinated Debt ETF: If you are not an Authorised Participant - $0. If you are an Authorised Participant – up to $200 for in-kind applications, unless otherwise agreed by the Responsible Entity.[4]	
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	**Betashares Australian Major Bank Subordinated Debt ETF:** If you are not an Authorised Participant - $0. If you are an Authorised Participant – up to $200 for in-kind redemptions, unless otherwise agreed by the Responsible Entity.[4] **Betashares Fixed Rate Australian Major Bank Subordinated Debt ETF:** If you are not an Authorised Participant - $0. If you are an Authorised Participant – up to $200 for in-kind redemptions, unless otherwise agreed by the Responsible Entity.[4]	Payable only by Authorised Participants[5]. This fee will be deducted from the redemption proceeds at the time of the redemption, for in-kind redemptions.
Exit fee: The fee to close your investment	Nil	Not applicable
Switching fee: The fee for changing investment options	Nil	Not applicable

[1] In respect of the Betashares Australian Major Bank Subordinated Debt ETF, this figure reflects the estimated recoverable expenses incurred by the Fund for the previous financial year ended 30 June 2026 and may include the Responsible Entity's reasonable estimates where the Responsible Entity was unable to determine the exact amount or the information was not available at the date of the PDS. In respect of the Betashares Fixed Rate Australian Major Bank Subordinated Debt ETF, as this Fund was established in the current financial year, this figure reflects the recoverable expenses that the Responsible Entity reasonably estimates will apply to the Fund for the current financial year (adjusted to reflect a 12 month period), as at the date of this PDS. For more information on recoverable expenses, please see section 3.3.3 in the "Additional Explanation of Fees and Costs" section below.

[2] This figure reflects the estimated indirect costs incurred by the Betashares Australian Major Bank Subordinated Debt ETF for the previous financial year ended 30 June 2026 and may include the Responsible Entity's reasonable estimates where the Responsible Entity was unable to determine the exact amount or information was not available at the date of this PDS. In respect of the Betashares Fixed Rate Australian Major Bank Subordinated Debt ETF, as this Fund was established in the current financial year, this figure reflects the indirect costs that the Responsible Entity reasonably estimates will apply for the current financial year (adjusted to reflect a 12-month period), as at the date of this PDS. For more information on the meaning and calculation of indirect costs, see "Indirect costs" under the heading "Additional Explanation of Fees and Costs".

[3] In respect of the Betashares Australian Major Bank Subordinated Debt ETF, this figure reflects the estimated transaction costs incurred by the Fund for the previous financial year ended 30 June 2026 and may include the Responsible Entity's reasonable estimates where the Responsible Entity was unable to determine the exact amount or information was not available at the date of this PDS. In respect of the Betashares Fixed Rate Australian Major Bank Subordinated Debt ETF, as this Fund was established in the current financial year, this figure reflects the transaction costs that the Responsible Entity reasonably estimates will apply for the current financial year (adjusted to reflect a 12-month period), as at the date of this PDS. For all Funds, the estimate is net of estimated transaction costs for which the Responsible Entity reimburses

each 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”.

[4] Cash applications and redemptions are only available if agreed by the Responsible Entity. Additional contribution and withdrawal fees may apply in the case of a cash application or redemption as agreed with the Responsible Entity from time to time.

[5] An Authorised Participant is a participant in relation to a financial market (or which has engaged a participant to act on its behalf) which has entered into an agreement with the Responsible Entity in relation to Unit applications and redemptions. For an explanation of the contribution fees and withdrawal fees (also referred to in this PDS as application fees and redemption fees) please see section 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 5.6 - see “Additional Explanation of Fees and Costs” section below for more information.

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

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

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

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

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 managed investment schemes.

TABLE 3.2: EXAMPLE OF ANNUAL FEES AND COSTS

EXAMPLE - Betashares Australian Major Bank Subordinated Debt ETF	AMOUNT	**BALANCE** OF $50,000 WITH A CASH CONTRIBUTION OF $5,000[1] DURING THE YEAR
CONTRIBUTION FEES[2]	$0 if you are not an Authorised Participant; or $200 for in-kind applications if you are an Authorised Participant[2]	For every additional $5,000 you put in, you will be charged: **$0** if you are not an Authorised Participant; or **$200** if you are an Authorised Participant.
PLUS MANAGEMENT FEES AND COSTS[3]	0.29% 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 $145 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 COSTS[4]	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		If you had an investment of $50,000 at the beginning of the year and you put in an additional $5,000[5] during that year, you would be charged fees and costs of: **$145** (if you are not an Authorised Participant) or **$345** (if you are an Authorised Participant for the Fund). **What it costs you will depend on whether you are an Authorised Participant, the investment option you choose and the fees you negotiate.**

EXAMPLE - Betashares Fixed Rate Australian Major Bank Subordinated Debt ETF	AMOUNT	**BALANCE** OF $50,000 WITH A CASH CONTRIBUTION OF $5,000[1] DURING THE YEAR
CONTRIBUTION FEES[2]	$0 if you are not an Authorised Participant; or $200 for in-kind applications if you are an Authorised Participant[2]	For every additional $5,000 you put in, you will be charged: **$0** if you are not an Authorised Participant; or **$200** if you are an Authorised Participant.
PLUS MANAGEMENT FEES AND COSTS[3]	0.29% 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 $145 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 COSTS[4]	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		If you had an investment of $50,000 at the beginning of the year and you put in an additional $5,000[5] during that year, you would be charged fees and costs of: **$145** (if you are not an Authorised Participant) or **$345** (if you are an Authorised Participant for the Fund).* **What it costs you will depend on whether you are an Authorised Participant, the investment option you choose and the fees you negotiate.**

*An Authorised Participant who redeems Units directly will also be charged a withdrawal fee as set out in table 3.1 above (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 5.6 - see "Redemption fees for other unitholders" in the "Additional Explanation of Fees and Costs" section below for more information.

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. In respect of the Betashares Australian Major Bank Subordinated Debt ETF, this figure reflects the estimated amounts incurred by the Fund for the previous financial year ended 30 June 2026 and may include the Responsible Entity's reasonable estimates where the Responsible Entity was unable to determine the exact amount or the information was not available as at the date of the PDS. In respect of the Betashares Fixed Rate Australian Major Bank Subordinated Debt ETF, as the Fund was established in the current financial year, the figures used in the example above represent the amounts that the Responsible Entity reasonably estimates will apply for the current financial year (adjusted to reflect a 12 month period), as at the date of this PDS. For more information, refer to the "Additional Explanation of Fees and Costs" section below.

[4] In respect of the Betashares Australian Major Bank Subordinated Debt ETF, this figure reflects the estimated net transaction costs incurred by the Fund for the previous financial year ended 30 June 2026 and may include the Responsible Entity's reasonable estimates where the Responsible Entity was unable to determine the exact amount or information was not available at the date of this PDS. In respect of the Betashares Fixed Rate Australian Major Bank Subordinated Debt ETF, as the Fund is newly established, this figure reflects the transaction costs that the Responsible Entity reasonably estimates will apply for the current financial year (adjusted to reflect a 12 month period), as at the date of this PDS. For more information refer to "Additional Explanation of Fees and Costs" section below.

[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] Each 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 each Fund incorporate all relevant ongoing fees and other costs involved in managing each 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 each Fund's assets; and
- other costs that an investor would ordinarily incur when investing directly in each 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 each Fund's assets).

3.3.2 Management fee

The management fee is charged by the Responsible Entity for managing each Fund and making it available to investors. It is calculated and accrued daily as a percentage of each Fund's Net Asset Value, and reflected in the daily Net Asset Value per Unit. The amount is deducted from each 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 each Fund. Each Fund's Constitution allows all properly incurred expenses to be recovered from each 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 each Fund include custodian, fund administration, unit registry, ASX and audit costs (other than transaction costs described above). These expenses normally incurred and charged to each 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.

In respect of the Betashares Australian Major Bank Subordinated Debt ETF, the figure in Table 3.1 reflects recoverable expenses normally incurred per annum for the Fund as a percentage of the Fund's Net Asset Value, which is the amount incurred by the Fund for the previous financial year ended 30 June 2026. In respect of the Betashares Fixed Rate Australian Major Bank Subordinated Debt ETF, as the Fund was established in the current financial year, the figure in Table 3.1 reflects the recoverable expenses normally incurred by the Fund that will apply for the current financial year (adjusted to reflect a 12 month period), as at the date of this PDS.

Extraordinary expenses are expenses that are not normally incurred in the day to day operation of each Fund and are not necessarily incurred in any given year. They may include costs associated with holding unitholder meetings, changing each Fund'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 each Fund and reflected in its Net Asset Value per Unit. The management fees and costs figure disclosed in Table 3.1 includes extraordinary expenses of nil, which is the amount incurred by the Betashares Australian Major Bank Subordinated Debt ETF for the previous financial year ended 30 June 2026. In respect of the Betashares Fixed Rate Australian Major Bank Subordinated Debt ETF, 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 each Fund's returns that are paid from each Fund's assets (other than the management fee, recoverable expenses, and transaction costs described elsewhere in this section) or that are paid from the assets of any interposed vehicle (such as an underlying fund) in which each Fund may invest.

The Fund may incur indirect costs to the extent it invests in any ETF quoted on the ASX as described in section 2.1.3, which would be accrued and paid in the ETF and reflected in the value of the Fund's holding in that ETF.

In respect of the Betashares Australian Major Bank Subordinated Debt ETF, the management fees and costs figure disclosed in Table 3.1 includes indirect costs of nil, which is the Responsible Entity's estimate of the amount incurred Fund for the previous financial year ended 30 June 2026.

In respect of the Betashares Fixed Rate Australian Major Bank Subordinated Debt ETF, as the Fund was established in the current financial year, the nil figure in Table 3.1 reflects the indirect costs that the Responsible Entity reasonably estimates will apply for the Fund for the current financial year (adjusted to reflect a 12-month period), as at the date of this PDS.

3.3.5 Transaction costs

Each Fund incurs transaction costs, such as brokerage, clearing costs, transactional custodian fees, and other transaction fees associated with buying and selling each Fund's assets. Transaction costs also include costs incurred by an interposed vehicle that would be transaction costs if they had been incurred by each 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 each Fund's Net Asset Value. How and when they are paid varies depending on the type of transaction cost. Certain costs, e.g. brokerage, are added to or deducted from the amounts payable from each Fund's assets or receivable by each Fund at the time of settlement in respect of investments purchased or sold for each Fund. Other costs, e.g. transactional custodian fees, are invoiced and paid from each Fund's assets according to a regular monthly or quarterly cycle.

In respect of the Betashares Australian Major Bank Subordinated Debt ETF, the table below sets out the estimated total and net transaction costs borne by the Fund for the previous financial year ended 30 June 2026.

In respect of the Betashares Fixed Rate Australian Major Bank Subordinated Debt ETF, the table below sets out the estimated total and net transaction costs for the current financial year (adjusted to reflect a 12 month period).

Our estimate of the net transaction costs represents the total transaction costs minus the transaction costs reimbursed to the relevant Fund by the Responsible Entity for certain transaction costs out of the application and redemption fees it receives from

Authorised Participants, as described in section 3.3.6. The net transaction costs are borne by each Fund.

Stamp duty, if any, forms part of transaction costs. For Australian stamp duty, if a Fund was first offered before the current financial year, stamp duty is calculated as one-seventh of the total stamp duty incurred during the applicable look-back period. The look-back period phases in progressively, from looking back one financial year (for disclosure during the year ending 30 June 2027) to seven financial years (for the years ending 30 June 2033 and onwards), or the number of financial years the Fund has been operating, if the Fund has not been in operation for the relevant number of years. If the Fund has operated for fewer financial years than the applicable look-back period, the calculation uses the financial years for which it has operated. For a Fund first offered in the current financial year, stamp duty is calculated using a reasonable estimate for that financial year, adjusted to reflect a 12-month period, and divided by seven. As at the date of this PDS, no Australian stamp duty has been incurred by any Fund.

	Estimated total transaction costs per annum as a percentage of the Fund's Net Asset Value	Estimated net transaction costs per annum as a percentage of the Fund's Net Asset Value
Betashares Australian Major Bank Subordinated Debt ETF	0.00%	0.00% (or $0 for every $50,000 you have in the Fund)
Betashares Fixed Rate Australian Major Bank Subordinated Debt ETF	0.00%	0.00% (or $0 for every $50,000 you have in the Fund)

Note: Figures may be rounded to two decimal places.

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 each 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 each 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 each Fund for, the estimated transaction costs associated with the in-kind 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 5.6. 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 each Fund's Constitution.

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

The Constitution of each Fund provides for the following maximum fees:

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

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

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

Any estimates of fees and costs in this PDS are based on information available as at the date of this PDS. As such, the actual fees and costs may differ and are subject to change from time to time. Information in this PDS that is not materially adverse to investors is subject to change from time to time and may be updated by the Responsible Entity by publishing such information on the Betashares website at www.betashares.com.au. 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 each 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 each 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 each Fund, personal tolerance for fluctuating market values should be taken into account.

The most common risks associated with investing in the Funds are described below, but there could be other risks that affect the performance of the Funds. 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 each 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 each Fund fits into your overall investment portfolio.

Investors should note that:

i. Subordinated Bonds have complex and unique terms of issue and involve higher risk when compared to senior bonds from the same issuers;

ii. an investment in each Fund may not be suitable for all investors and should only be made by investors who fully understand the features and risks of Subordinated Bonds or after consulting a professional financial adviser; and

iii. an investment in each Fund should only be considered as a component of an investor's overall portfolio.

4.1 INVESTMENT OBJECTIVE RISK

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

The Responsible Entity will seek to maintain each Fund's investment in Subordinated Bonds in all market conditions. This means that investors should not expect each Fund's investments to be repositioned if market conditions for Subordinated Bonds are, or if the performance of the investments becomes, unfavourable.

4.2 MARKET RISK

Each Fund's investment returns will be influenced by the performance of the fixed income market as a whole. Changes in prices of the securities held by each Fund may result in a loss in value of each Fund's Units. Market factors that drive changes in the prices of the securities in the relevant Index, 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 that impact Australian banks and the financial performance of specific issuers, can be expected to influence the value of the Units. Markets are volatile and fluctuate from day-to-day. This volatility may cause the value of an investment in the Units to decrease.

4.3 CREDIT RISK

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

The value of each Fund will be affected by the perceived or actual creditworthiness of each Fund's securities. A perceived or actual deterioration of the credit quality of one or more securities in either 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.

The debt securities held in each Fund typically have credit ratings. Such ratings merely reflect the opinion of a particular ratings agency, and do not provide any assurance regarding the bond issuer's ability to meet its payment obligations in relation to a bond. 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.

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

4.4 INTEREST RATE RISK

Changes in interest rates may affect a Fund's income and the value of its investments. Falling rates may reduce income from floating rate securities, while rising rates may reduce the value of fixed rate securities. Fixed rate securities are generally more sensitive to interest rate movements than floating rate securities. For further information see the Product Supplement for each Fund.

4.5 SUBORDINATED RANKING RISK

Subordinated Bonds are unsecured and subordinated obligations of the issuer. This means repayment is not secured over any assets of the issuer and, in the case of insolvency of the issuer, Subordinated Bonds generally rank behind classes of debt below senior debt (including secured debt, deposits and senior unsecured debt), and generally only rank above Tier 1 Capital, including ordinary shares. This means that, in the event of the bond issuer's default, Subordinated Bond investors (such as either Fund) will only be paid once the obligations of the senior-ranking creditors have been paid, if there is anything left to pay Subordinated Bond holders and ordinary shareholders.

4.6 SUBORDINATED BOND RISK

The Funds are specifically exposed to risks associated with Subordinated Bonds, which have a higher risk compared to senior bonds from the same issuers, and complex and unique terms of issue that can significantly affect the future value of the bonds. The risks associated with Subordinated Bonds include:

i. Call risk: Subordinated Bonds are generally issued with a fixed maturity date together with an optional early

redemption date (being a date on which the instrument may be callable at the initiative of the issuer). Current market practice for the Major Australian Banks is to issue Subordinated Bonds for a 10 year term with a call date at the expiry of 5 years, but other tenors may be issued in the market. Call risk is the risk that a Subordinated Bond issuer does not call and redeem the bond at the first call date specified in the disclosure document. This would result in a longer term to maturity. A decision by an issuer not to exercise a call right could negatively affect the price of the bond where the market perceives the issuer to be in financial difficulty, which may make it more difficult for the issuer to replace the capital and increase the costs to the issuer of a new issue.

ii. Additional issuer early redemption risk: The issuer may redeem the Subordinated Bond before the maturity date for certain tax and regulatory reasons, at par value plus accrued interest. Any early redemption is subject to prior approval by the banking and insurance regulator. Early redemption could result in losses to investors where the bond was trading at a premium prior to the event occurring.

iii. Non-viability trigger event risk: A key feature of the regulatory requirements for Subordinated Bonds, being Tier 2 Capital instruments, is that they absorb losses at the point of non-viability of the issuer. Under the terms of issue of the Subordinated Bond, the banking and insurance regulator may determine that conversion to equity or write-off of the security is necessary to prevent the issuer becoming non-viable ("**Non-Viability Trigger Event**"). Upon such a determination, the regulator can convert the bond into ordinary shares, or partially or wholly write the value of the bond down. If a Non-Viability Trigger Event occurs, investors in Subordinated Bonds may lose some or all of their money.

iv. Deferred income distribution risk: The terms of issue of some Subordinated Bonds may provide the issuer with discretion to defer interest distributions, subject to certain conditions, and distribution payments may be non-cumulative. This means there is a risk that the issuer may choose not to pay income distributions, with no obligation to catch-up missed payments. This could result in investors in Subordinated Bonds not receiving distributions in certain circumstances.

4.7 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 Subordinated Bonds. 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, regulatory conditions or regulatory changes, and market sentiment. Each Fund will be sensitive to security specific risk for those securities which form a material component of the relevant Index.

4.8 CONCENTRATION RISK

Each Fund's investments may be concentrated in a relatively small number of Subordinated Bonds and are derived from a small number of issuers. Therefore, there is greater potential for the overall returns of the investment portfolio to be adversely affected due to the poor performance of only one or a few of the issuers or securities held in the Fund.

4.9 DERIVATIVES RISK

Exchange traded derivatives may only be used in limited circumstances and will not be used to leverage either Fund. The primary risks associated with the use of such derivatives are:

- the values of the derivative failing to move in line with the underlying asset;
- the potential lack of liquidity of the derivative;
- the possibility that the derivative position is difficult or costly to manage or reverse;
- a Fund may not be able to meet payment obligations as they arise, including any requirements to make margin payments;
- the counterparties involved in trading derivatives (the relevant central clearing house or clearing broker) may not meet their contractual obligations;
- the collateral obligations in respect of margin requirements on derivative contracts can cause liquidity issues if insufficient collateral is available; and
- The electronic platforms on which such derivatives are traded are subject to risks related to system access, varying response times, security and system failure.

Any of the above factors could cause a Fund to incur losses, suffer increased costs, fail to realise gains or fail to achieve a high correlation with the performance of the relevant Index. The Responsible Entity will aim to ensure that there are sufficient cash and other liquid assets available in each Fund at all times to meet any payment obligations under derivatives.

4.10 BANK SECTOR RISK

Each Fund's Subordinated Bond holdings will be concentrated in the bank sector. The bank sector in Australia is itself relatively concentrated, is subject to extensive government regulation and can be subject to rapid change.

The performance of companies in the banking sector may be adversely impacted by many factors, including, the availability and cost of capital, changes in government regulations, economic conditions, the rate of corporate and consumer debt defaults, interest rates, credit rating downgrades, and decreased liquidity in credit markets.

The banking industry is highly regulated and the impact of laws or regulations (including those relating to required levels of bank capital and liquidity) may have an adverse effect on the banking industry and on the value of Subordinated Bonds issued by banks.

4.11 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 either Fund and its Unitholders.

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

4.12 TAX RISK

Taxation law is complex and subject to changes by Australian and overseas 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.

4.13 MANAGER RISK

This is the risk that the Responsible Entity's investment strategy is not successful, or not successfully implemented, resulting in a 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.

4.14 FUND RISK

There is a risk that either Fund could terminate, that either 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 Funds or the Funds could be wound up). Any replacement responsible entity might achieve different results for investors, positive or negative, than would otherwise be the case.

There is also a risk that investing in either Fund may give a different result than investing directly into the constituents or assets that make up either Fund's relevant underlying Index.

4.15 OPERATIONAL RISK

Either 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 either Fund.

4.16 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 either Fund's Units will be same as the yield on the securities in each Fund's relevant underlying Index. 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).

4.17 FUND TRADING RISK

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

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

4.18 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 both Funds 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 either Fund may suffer from restricted or limited liquidity, which may be associated with wider than usual bid-offer spreads for such assets, preventing a 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.

Each 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.

4.19 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, the bid-offer spread charged by a market maker and how closely the value of the assets of a Fund tracks the

performance of the relevant Index. 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 either Fund is closed on a particular day, the trading price might diverge further from the Net Asset Value per Unit.

If the trading of securities or assets which form part of the relevant Index is suspended or restricted, the Net Asset Value of the Funds that track the relevant Index may also be affected.

The Net Asset Value per Unit of each Fund may be calculated as at a time that is significantly later than the ASX market close. As a consequence, there is an increased risk of a divergence between the last trade price for Units and the Net Asset Value per Unit for that day.

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 each 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.

4.20 VALUATION RISK

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

4.21 INFLATION RISK

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

4.22 SETTLEMENT RISK

The application and redemption processes associated with the issue or redemption of Units are subject to the normal settlement procedures through CHESS and Austraclear or other central securities depositories such as Euroclear. Either Fund is exposed to some risk if an Authorised Participant or other market participant fails to comply with its settlement obligations. For example, the issue of Units occurs independently of the transfer of the application securities via Austraclear and therefore it is possible that Units may be issued before the Authorised Participant has complied with its obligation to deliver payment for the Units. These risks are mitigated by the fact that Authorised Participants and other market participants are subject to usual CHESS and Austraclear/central securities depository trading practices including sanctions for failure to comply with obligations. Each 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 a Fund has entered into transactions in reliance on delivery occurring.

4.23 RECONSTITUTION RISK

There is a risk that the disposal of securities upon reconstitution of the relevant Index may result in crystallisation of a capital loss. This risk is of particular significance in situations where an issuer's credit rating has been downgraded or where the credit spread on the security has materially increased.

4.24 INDEX RISK

Each Fund aims to provide Unitholders with a return that tracks the return of the relevant Index before fees and expenses. Each Fund will therefore employ a "passive" management approach, which means that the Responsible Entity will not seek to reposition investments in an attempt to avoid or limit any underperformance of a security held in the portfolio.

The securities included in each Index are selected from the eligible universe of possible securities. There is no assurance that either Index will outperform any other comparable index or direct investment in a particular security held by the relevant Index.

Occasionally, either published Index return may differ from what would be expected under the accepted index calculation methodology. The Index provider may or may not re-publish, restate, or advise market participants of an adjusted or corrected figure.

As described in section 6.2.7, the sponsor of either Index may change the Index methodology or stop publishing the Index, or the Responsible Entity's licence to use either Index may terminate, in which case the Responsible Entity may change the relevant Index for either Fund. The Net Asset Value of either Fund may be adversely affected by such adjustments.

4.25 RISK OF INDEX TRACKING ERROR

Each Fund should not be expected to track the performance of the relevant Index exactly, automatically and continuously. Each Fund's returns may not match the returns of the relevant Index for various reasons. For example, each Fund will incur fees, operating expenses and transaction costs in buying and selling securities, which are not applicable to the relevant Index. In addition, performance may differ due to differences between each Fund's portfolio and either Index resulting from regulatory or other investment restrictions, liquidity or other constraints, differences between the timing of investment transactions and the valuation time for determining either Fund's Net Asset Value, need to hold an amount of cash from time to time, or other factors.

4.26 COUNTERPARTY RISK

Counterparties used in connection with either 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 either Fund's custodian. Default on the part of a counterparty could result in financial loss to a Fund.

4.27 CYBER-SECURITY RISK

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

Cyber incidents can result from deliberate attacks or unintentional events, and include gaining unauthorised access to digital systems, networks or devices for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorised access, such

as causing denial-of-service attacks on websites (i.e. efforts to make network services unavailable to intended users).

Cyber-security breaches may cause disruptions to either 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 5.6. 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 that accompanies this PDS or is available from www.betashares.com.au/authorisedparticipants or by calling Client Services on +1300 487 577 (within Australia) or +61 2 9290 6888 (outside Australia).

Applications for, and redemptions of, Units will be settled through the CHESS 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 each 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.

5.2 IN-KIND APPLICATIONS AND REDEMPTIONS

An Authorised Participant must normally apply for, or redeem, Units in-kind, unless the Responsible Entity agrees to a cash application or redemption.

"In-kind" means that, rather than delivering cash in respect of an application and receiving cash proceeds in respect of a redemption, the Authorised Participant will deliver or receive securities plus or minus a balancing cash component acceptable to the Responsible Entity.

An in-kind application or redemption will consist of two components:

- application/redemption securities component; and
- cash component (described below).

An application or redemption fee (as applicable) is payable as described in section 3.

The application/redemption securities component generally corresponds to the composition of the relevant Index (or a sample of securities from the Index that reflects the relevant Fund's portfolio) and is prepared in respect of a Creation Unit by the Responsible Entity prior to the opening of trading for every ASX Business Day for the relevant Fund. Details of the daily application/redemption securities will be available by contacting the Responsible Entity on 1300 487 577 (within Australia) or +61 2 9290 6888 (outside Australia).

The Responsible Entity reserves the right to permit or require delivery of a previously agreed basket of securities as the application/redemption securities component that varies from the composition of the relevant Index. From time to time, there may also be some differences between the application securities that are to be delivered by an Authorised Participant and the redemption securities delivered by the Responsible Entity upon redemption.

The application securities and the redemption securities will be the applicable securities determined by the Responsible Entity for the day on which the Issue Price or Withdrawal Amount for the application or redemption is determined (see "Applications and Redemptions" below). In certain circumstances the Responsible Entity may allow an application for or redemption of a number of Units that is not a whole multiple of the Creation Unit. In those circumstances, the Responsible Entity will agree the specific basket of application securities or redemption securities (as applicable) with the Authorised Participant.

The cash component reflects:

- the difference between the value of the application securities or redemption securities delivered by, or to, the Authorised Participant and the aggregate of the Net Asset Value per Unit for the number of Units being applied for or redeemed, as at the applicable valuation time. This is a balancing amount that aims to ensure there is no impact (e.g. no dilution in value) for existing Unitholders arising out of an application or redemption; and

- an amount payable by the Authorised Participant or the Responsible Entity (as applicable) as part of the consideration in respect of an application or redemption request, being the income or interest attributable to the application/redemption securities for the period between the applicable valuation time and the time the issue or redemption of Units settles.

5.3 CASH APPLICATIONS AND REDEMPTIONS

If agreed to by the Responsible Entity, a cash application involves payment to the Responsible Entity or custodian by an Authorised Participant of cash (plus an application fee) in return for the issue of Units by the Responsible Entity to the Authorised Participant.

If agreed to by the Responsible Entity, a cash redemption involves delivery of Units by an Authorised Participant to the Responsible Entity or custodian in return for the payment of cash proceeds (minus a redemption fee) by the Responsible Entity to the Authorised Participant.

5.4 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 each 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.

5.5 APPLICATIONS AND REDEMPTIONS

For applications, Authorised Participants must deliver to the Responsible Entity or custodian the "in-kind" application securities plus any required cash component (plus the application fee). In return, Authorised Participants will receive Units.

If the Responsible Entity agrees to a cash application, the Authorised Participant must deliver a cash amount equal to the Issue Price for the relevant Units (plus the application fee) plus a cash component representing interest accrued in respect of the investments of a Fund attributable to the application for the period between the applicable valuation time and the time the issue of Units settles. In return, they will receive the relevant Units.

An in-kind application received by the Dealing Deadline (on day T) will generally enable the Authorised Participant to receive the new Units in its CHESS account in accordance with the standard CHESS settlement period (two ASX Business Days later (T+2) as at the date of this PDS), provided the Authorised Participant has delivered the application consideration as follows - the application securities via relevant central securities depositories on T+2, and the cash component and application fee via CHESS by the standard CHESS 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 on the ASX Business Day after the trade date and quoted with effect from the settlement of the issue of the relevant Units through CHESS.

For redemptions, Authorised Participants must deliver the Units of a Fund to the Responsible Entity or custodian plus any required cash component (plus the redemption fee). In return, Authorised Participants will receive the "in-kind" redemption securities (plus any required cash component if payable by the Responsible Entity rather than the Authorised Participant).

If the Responsible Entity agrees to a cash redemption, the Authorised Participant will receive cash equal to the Withdrawal Amount for the relevant Units (less the redemption fee) plus a cash component representing interest accrued in respect of the bond investments of the Fund attributable to the redemption for the period between the applicable valuation time and the time the redemption of Units settles.

An in-kind redemption request received by the Dealing Deadline (on day T) will generally enable the Authorised Participant to receive the redemption payment as follows - the redemption securities via relevant central securities depositories on T+2 and the cash component less the redemption fee via CHESS, provided the Authorised Participant has transferred the redemption Units via CHESS in accordance with the standard CHESS settlement period (T+2 as at the date of this PDS) by the standard CHESS settlement time (11:30am on T+2 as at the date of this PDS), or as otherwise agreed with the Authorised Participant.

These transactions via CHESS and relevant central securities depositories respectively will occur on a delivery versus payment basis, unless otherwise agreed with an Authorised Participant.

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

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.

5.6 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 a 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 relevant Fund is being wound up;
- the relevant Fund is not "liquid" as defined in the Corporations Act; or
- the Responsible Entity has suspended redemptions in accordance with the Constitution for the relevant Fund.

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.

5.7 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.

5.8 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 5.6) is entitled on the redemption of Units is known as the Withdrawal Amount, and is equal to the Net Asset Value per Unit.

The Issue Price and the Withdrawal Amount are calculated in the same manner and will have the same value at any time. This value is determined by dividing the Net Asset Value of the relevant Fund by the number of Units on issue in that Fund 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 a Fund. Please refer to section 7.1.6 for information regarding how this entitlement is determined.

The Net Asset Value of the relevant Fund is calculated by deducting from the aggregate value of the assets of that Fund all liabilities such as accrued fees and other costs, and provisions relating to that Fund. Fees and other costs, including the Responsible Entity's fees, are normally accrued daily. Each Fund's assets reflect their market value. The valuation methods applied by the Responsible Entity to value the relevant 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 FUNDS

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

6.1.1 Custodian and Administrator

The custodian provides custodial services to the Responsible Entity, including holding the assets of the Funds. 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 each Fund.

The administrator provides administration services to the Responsible Entity. These services include fund accounting, maintenance of books and records, calculating distribution amounts, valuing each 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 in each Fund. 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:

MUFG Corporate Markets (AU) Limited
Level 41, Liberty Place
161 Castlereagh 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 in Australia or 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 Funds. The Responsible Entity may determine to no longer appoint a market maker in respect of a 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 Funds and of the Responsible Entity's compliance plan for each Fund.

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 Funds. The Responsible Entity holds an Australian Financial Services Licence (AFSL

341181) that authorises it to act as the responsible entity of the Funds. The powers and duties of the Responsible Entity are set out in the Constitution of each Fund, the *Corporations Act* and general trust law.

The Responsible Entity has the power to appoint an agent, or otherwise engage a person, to do anything that it is authorised to do in connection with a 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

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

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

6.2.4 The compliance plan

The Responsible Entity has prepared and lodged a compliance plan for each Fund with ASIC. The compliance plan sets out the key criteria that the Responsible Entity will follow to ensure that it is complying with the *Corporations Act* and the Constitution for each Fund. Each year the compliance plan for each Fund, and the Responsible Entity's compliance with the compliance plan for each Fund, 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 for each Fund 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 for each Fund, 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 Funds. 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 Change of Index

Subject to the contractual arrangements with an Index provider, it is possible that the Responsible Entity may change the relevant Index applicable to a Fund. This may be for reasons such as (but not limited to):

- the Index provider ceases to publish the particular Index or materially changes the methodology or constituents of the Index;
- a new index becomes available which supersedes the existing Index;
- a new index becomes available which is, in the opinion of the Responsible Entity, more cost effective for a Fund and/or is regarded as the market standard for investors in the particular market and/or would be regarded as of greater benefit to the Unitholders (for reasons including a reduction in transaction costs) than the existing Index;
- it becomes difficult to invest in securities comprised within the relevant Index;
- the Index provider increases its charges to a level which the Responsible Entity considers too high or if any Index licence provided by the relevant Index provider in connection with the use of the Index is terminated; or
- the quality (including accuracy and availability of data) of the relevant Index has, in the opinion of the Responsible Entity, deteriorated.

6.2.8 Suspensions of applications and redemptions

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

- 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 to determine the redemption securities for an in-kind redemption or carry out the calculations necessary to satisfy a redemption request (for example, because the relevant Index on which the redemption securities component is to be based is not compiled or published, or 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 of either Fund taken 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.

6.2.9 Spreading redemption requests

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

6.2.10 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.

6.2.11 Information relating to redemptions

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

6.2.12 Rights of a Unitholder

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

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

6.2.13 Reimbursement of expenses

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

6.2.14 Retirement of Betashares

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

6.2.15 Termination

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

6.2.16 Limitation of liability of Unitholders

The Constitution of each Fund 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 Fund. However, no complete assurance can be given in this regard, as the ultimate liability of a Unitholder has not been finally determined by the courts.

6.2.17 Meeting of Unitholders

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

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

6.2.18 Indemnities and limitation of liability of the Responsible Entity

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

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

6.2.19 Defective applications

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

6.2.20 Discretionary redemptions

The Constitution of each Fund 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.

6.2.21 Information from Unitholders

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

6.2.22 Borrowings

Each Fund's Constitution places no formal limits on borrowing. It is not the Responsible Entity's intention to enter into borrowing for the Fund, except that temporary borrowings may be used occasionally to manage certain cash flows. Any borrowing may be on a secured or unsecured basis and any borrowing costs would be borne by the Fund.

6.2.23 If you have a complaint

If a Unitholder has a complaint regarding a 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
Level 46, 180 George Street
Sydney NSW 2000

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

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

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

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

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

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

6.2.24 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 each 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, contact the Responsible Entity on 1300 487 577 (within Australia) or +61 2 9290 6888 (outside Australia).

6.2.25 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 relevant 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).

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

6.2.27 Other services

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

6.2.28 Warning statement for New Zealand investors

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

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

6.2.29 No minimum Unit holding requirement

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

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

6.3 MATERIAL CONTRACTS

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

TABLE 6.3: MATERIAL CONTRACTS

CONTRACT AND PARTY	DESCRIPTION
Index Licence Agreement Solactive AG	The Index provider in relation to each Fund is set out in the Product Supplement. There is an Index Licence Agreement in relation to each Fund that allows the Responsible Entity to use the relevant Index in the operation of the relevant Fund.
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 MUFG Corporate Markets (AU) Limited	This agreement sets out the services provided by the Registrar on an ongoing basis together with service standards.
Authorised participant agreement Authorised Participants	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. 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.
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

ASIC Corporations (Relief to Facilitate Admission of Exchange Traded Funds) Instrument 2024/147 exempts the Responsible Entity from the equal treatment requirement in section 601FC(1)(d) of the Corporations Act, to the extent necessary to allow the Responsible Entity to restrict eligibility to submit redemption requests in relation to Units to Authorised Participants. The Responsible Entity will not treat Unitholders of the same class equally to the extent that it restricts redemptions from a Fund to such Authorised Participants.

Relief is granted subject to certain conditions, including 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 relevant Fund is being wound up;
- the relevant Fund is no longer a liquid scheme; or
- the Responsible Entity has suspended redemptions in accordance with the relevant Fund's Constitution.

If such a redemption occurs, any redemption fee per Unit payable by Unitholders who are not Authorised Participants must 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 Corporations (Relief to Facilitate Admission of Exchange Traded Funds) Instrument 2024/147 exempts the Responsible Entity from the ongoing disclosure requirements in section 1017B of the Corporations Act on the condition that the Responsible Entity complies with the continuous disclosure provisions of the

Corporations Act that apply to an unlisted disclosing entity as if a Fund was an unlisted disclosing entity. The Responsible Entity will comply with these continuous disclosure provisions as if a Fund was an unlisted disclosing entity.

Periodic Statements Relief

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

6.5 DOCUMENTS LODGED WITH ASIC

As disclosing entities, each Fund 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 a 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 each 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 in any of the Funds. 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 relevant Fund. For example, if an investor is an indirect investor they will not have rights to attend and vote at Unitholder meetings, to withdraw Units or receive distributions. Instead the platform operator will exercise those rights in accordance with their arrangements with the investor. For information about their investment, an investor should contact their platform operator.

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 Funds 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 each Fund;
- the daily NAV per Unit for each Fund;
- each Fund's portfolio holdings, updated daily;
- the Responsible Entity's Unit pricing policy;
- the latest PDS for each 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 each Fund;
- details of the Distribution Reinvestment Plan;
- information in relation to each Fund to enable Authorised Participants and market makers to estimate the Net Asset Value per Unit of the Fund during the course of a trading day; and
- the Target Market Determination for each Fund 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 relevant Fund.

6.9 DISCLAIMERS

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

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

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 Funds for a potential Australian resident investor.

It does not take into account the specific circumstances of each person who may invest in each 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. Further details about the changes to the operation of the CGT regime are outlined in the Tax Reform section. These laws and interpretations may change.

7.1.1 Taxation of the Funds

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

The Responsible Entity intends that an irrevocable election for each Fund to enter the AMIT regime will be in effect from the financial year in which the relevant Fund is launched.

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

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

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

7.1.2 Taxation of Australian resident Unitholders

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

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

7.1.3 Taxable income of the Fund

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

Types of income

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

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

Capital gains and losses

A trust that qualifies as a managed investment trust ("MIT") can elect to treat its gains and losses on disposal of certain investments as capital gains and losses. Each Fund intends to make this election, where eligible.

Any assessable capital gains derived by a Fund to which a Unitholder becomes entitled or which is attributed to a Unitholder forms part of the Unitholder's assessable income.

Under the current tax rules, a Unitholder may be eligible for the 50% CGT discount (where the Unitholder is an individual or trust) or a 33 1/3% CGT discount (where the Unitholder is a complying superannuation fund) in respect of the gain that forms part of that Unitholder's assessable income, depending on the Unitholder's circumstances. Unitholders should seek professional advice in relation to the availability of any CGT concession.

For changes affecting capital gains and losses from 1 July 2027, refer to the Tax Reform section.

Tax deferred / non-assessable amounts

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

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

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

Taxation of Financial Arrangements (TOFA)

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

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 Fund would likely attract GST (at the rate of 10%).

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

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

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

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

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

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

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

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

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 Fund and its investors. Accordingly, Unitholders should monitor the progress of any proposed legislative changes or judicial developments, and seek their own professional advice, specific to their own circumstances, in relation to the taxation implications of investing in the Fund.

The Australian Government has passed legislation to enact changes to the operation of the CGT regime from 1 July 2027. Some aspects of the new law remain subject to further legislative instruments and ATO guidance. They will affect the taxation outcomes for investors, including in respect of capital gains arising on the disposal of Units (including on-market disposals) and any capital gains attributed to investors by the Fund. The 50% CGT discount for individuals and trusts will be replaced by cost base indexation for capital gains accruing on or after 1 July 2027, with pre-2027 gains continuing to be eligible for the 50% discount under transitional arrangements. A 30% minimum tax will also apply to post-1 July 2027 capital gains of individual investors. Recipients of certain government payments are fully exempt from the 30% minimum tax, and individuals who make deductible charitable donations in the same income year may reduce their exposure.

The impact of these changes will depend on each investor's individual circumstances, including their income level and portfolio composition. Investors should obtain independent professional tax

advice in relation to the application of these changes to their own circumstances.

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

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

7.1.9 Other comments

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

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

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 participant in relation to a financial market (or which has engaged a participant to act on its behalf), which has entered into an Authorised Participant Agreement with the Responsible Entity.
Authorised Participant Agreement	An agreement between the Responsible Entity and an Authorised Participant in relation to Unit applications and redemptions.
CHESS	The Clearing House Electronic Sub-Register System or any system that replaces it.
Constitution	In relation to a particular Fund, means the constitution governing the Fund, as amended or replaced from time to time.
Corporations Act	Corporations Act 2001 (Cth).
Creation Unit	In relation to a particular Fund, means 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	For an in-kind application/redemption 4:00 pm, and for a cash application/redemption (if agreed to by the Responsible Entity) 1:00 pm, 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.
ETF	Exchange Traded Fund.
Fund or Betashares Fund	The relevant Betashares exchange traded fund offered under this PDS, as the context requires.
Index	In relation to a particular Fund, the index of securities or other assets whose performance the Fund will aim to track, before fees and expenses, as set out in the Product Supplement.
Issue Price	The Net Asset Value divided by the number of Units on issue in the relevant Fund.
Major Australian Banks	ANZ Bank, Commonwealth Bank, National Australia Bank and Westpac Bank.
Net Asset Value or NAV	The net asset value of a Fund calculated in accordance with section 5.8.

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.
Product Supplement	The part of this PDS appearing after section 8 that contains information specific to each Fund.
Registrar	MUFG Corporate Markets (AU) Limited (ABN 54 083 214 537), or any other registry that the Responsible Entity appoints to maintain the register.
Subordinated Bonds	Australian dollar denominated subordinated bonds, that satisfy the qualifying criteria as Tier 2 Capital instruments, also known as “Tier 2 Notes” or “Tier 2 Capital Subordinated Notes” issued by Major Australian Banks.
Tax Act	The Income Tax Assessment Act 1936 (Cth), the Income Tax Assessment Act 1997 (Cth) or both, as appropriate.
Tier 1 Capital	A category of regulatory capital comprising Common Equity Tier 1 (CET1) Capital and Additional Tier 1 (AT1) Capital. Tier 1 Capital is going-concern capital, meaning it is capable of absorbing losses while an authorised deposit-taking institution (ADI) continues to operate. CET1 Capital includes paid-up ordinary shares and retained earnings, together with other eligible components and adjustments. AT1 Capital comprises instruments that meet APRA’s eligibility criteria, including requirements for loss absorption, subordination and fully discretionary capital distributions.
Tier 2 Capital	A category of regulatory capital comprising instruments and other eligible components that meet APRA’s eligibility criteria. Tier 2 Capital is gone-concern capital, meaning it absorbs losses when an ADI is wound up or when the capital is otherwise written off or converted into ordinary shares or mutual equity interests. Eligible Tier 2 instruments must be subordinated and unsecured, meet APRA’s maturity requirements, and provide for loss absorption at the point of non-viability.
Unit	A unit in a Fund.
Unitholder	A holder of a Unit.
Withdrawal Amount	The Net Asset Value divided by the number of Units on issue in a Fund.

PRODUCT SUPPLEMENT

BETASHARES AUSTRALIAN MAJOR BANK SUBORDINATED DEBT ETF
ASX CODE: BSUB

BETASHARES FIXED RATE AUSTRALIAN MAJOR BANK SUBORDINATED DEBT ETF
ASX CODE: TIR2

PRODUCT SUPPLEMENT:
BETASHARES AUSTRALIAN MAJOR BANK SUBORDINATED DEBT ETF

INVESTMENT OBJECTIVE

The investment objective of the Betashares Australian Major Bank Subordinated Debt ETF (referred to in this Product Supplement as the "**Fund**") is to provide an investment return that aims to track the performance of the Solactive Australian Bank Subordinated FRN Index (referred to in this Product Supplement as the "**Index**"), before taking into account fees and expenses.

The Index comprises a portfolio of floating rate, Australian dollar denominated subordinated bonds, also known as "Tier 2 Notes" or "Tier 2 Capital Subordinated Notes" ("**Subordinated Bonds**"), issued by ANZ Bank, Commonwealth Bank, National Australia Bank and Westpac Bank ("**Major Australian Banks**").

See "Further Information About the Index" below.

INVESTMENT STRATEGY

The Fund will seek to achieve the investment objective by adopting a "full replication" strategy. See section 2.1.3 for further information.

SUITABILITY

The Fund may be suitable for investors seeking regular income and capital preservation from an allocation to subordinated bonds issued by Major Australian Banks, who have a medium risk and return profile for that portion of their investment portfolio and a minimum investment timeframe of 3 years.

GENERAL INFORMATION

ASX code	BSUB
Periodic distributions	The Responsible Entity intends to make monthly distributions based on interest and other income earned by the Fund, after allowing for fees and expenses. Information about the timetable for each distribution and the declared distribution amount will be announced via the ASX Market Announcements Platform. For further information, see "Distributions" in section 2.2 of the PDS.
Distribution Reinvestment Plan	Available. For further information, see "Distribution Reinvestment Plan" in section 2.2.3 of the PDS.
Fees and other costs	See "Fees and Other Costs" in section 3 of the PDS.

FURTHER INFORMATION ABOUT THE INDEX

The index sponsor is Solactive AG ("Solactive" or the "Index Provider"), a leading global provider of index solutions.

The Index measures the performance of a subset of the domestic subordinated bonds market, being floating rate Subordinated Bonds issued by Major Australian Banks.

To be eligible for inclusion in the Index initially and at each rebalance, a security must meet certain eligibility criteria, including the following:

- only Basel III Tier-2 floating rate Subordinated Bonds denominated in Australian dollars and issued by Major Australian Banks, are eligible;
- securities must have a principal amount outstanding of at least $500 million;
- securities must have a minimum remaining time to first call of 1 year (in respect of callable securities) or minimum remaining time to maturity of 1 year (in respect of non-callable securities or callable securities where an exercise date has not been specified for the call option); and
- securities must have a maximum remaining time to maturity of 10 years.

Securities with the longest remaining:

- time to first call (in respect of callable securities); or

- time to maturity (in respect of non-callable securities or callable securities where an exercise date has not been specified for the call option),

are selected for each issuer, up to a maximum of 4 securities per issuer).

Accordingly, the Fund will hold a maximum of 16 securities from up to 4 issuers.

The Index is rebalanced quarterly (on the last business day in February, May, August and November). On each rebalance day, each security is weighted based on market value, with weighting determined as follows:

- if the number of securities is more than 10, market value weighting is applied together with an issuer cap of 35% per issuer and a maximum weight of 10% per issue; or

- if the number of securities is equal to or less than 10, equal weighting is applied.

The Index constituents will comprise bonds that are eligible instruments under the AQUA Rules.

As at the date of the PDS, the Index holds approximately 13 constituents in total.

The nature and method of calculation of the Index may change from time to time.

Further information about the Index can be found on the Fund's webpage on the Betashares website at www.betashares.com.au.

Neither the Responsible Entity nor any other company in the Betashares group has any control over, or responsibility for, the composition, calculation or availability of the Index. The Index provider is not a related company of the Responsible Entity.

Past performance information about the Index is available from various sources, including stockbrokers, financial information websites and major data providers such as Bloomberg or Reuters. Any past performance information about the Index does not take into account fees, costs or taxes that may be incurred as a result of investing in the Fund. Past performance of the Index is not a reliable guide to future performance of the Index or the Fund.

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

SPECIFIC RISK FACTORS

Floating rate risk

The interest rates payable on the securities held by the Fund, being floating rate debt securities, will typically vary from period to period based on movements in the relevant reference rate. In a period of falling interest rates, income payments can be expected to fall, reducing the Fund's returns. However, because the debt securities held by the Fund adjust their interest payments frequently (typically, every quarter), movements in interest rates can be expected to have less impact on the prices of the securities, relative to fixed rate debt securities.

INDEX DISCLAIMER

The Fund is not sponsored, promoted, sold or supported in any other manner by Solactive AG nor does Solactive AG offer any express or implicit guarantee or assurance either with regard to the results of using the Index and/or Index trade mark or the Index Price at any time or in any other respect. The Index is calculated and published by Solactive AG. Solactive AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards the Issuer, Solactive AG has no obligation to point out errors in the Index to third parties including but not limited to investors and/or financial intermediaries of the Fund. Neither publication of the Index by Solactive AG nor the licensing of the Index or Index trade mark for the purpose of use in connection with the Fund constitutes a recommendation by Solactive AG to invest capital in the Fund nor does it in any way represent an assurance or opinion of Solactive AG with regard to any investment in the Fund.

PRODUCT SUPPLEMENT:
BETASHARES FIXED RATE AUSTRALIAN MAJOR BANK SUBORDINATED DEBT ETF

INVESTMENT OBJECTIVE

The investment objective of the Betashares Fixed Rate Australian Major Bank Subordinated Debt ETF (referred to in this Product Supplement as the "**Fund**") is to provide an investment return that aims to track the performance of the Solactive Australia Bank Fixed Rate Subordinate Bond TR Index (referred to in this Product Supplement as the "**Index**"), before taking into account fees and expenses.

The Index comprises a portfolio of fixed rate, Australian dollar denominated subordinated bonds, that satisfy the qualifying criteria as Tier 2 Capital instruments, also known as "Tier 2 Notes" or "Tier 2 Capital Subordinated Notes" ("**Subordinated Bonds**"), issued by ANZ Bank, Commonwealth Bank, National Australia Bank and Westpac Bank ("**Major Australian Banks**").

See "Further Information About the Index" below.

INVESTMENT STRATEGY

The Fund will seek to achieve the investment objective by adopting a "full replication" strategy. See section 2.1.3 for further information.

SUITABILITY

The Fund may be suitable for investors seeking income from an allocation to subordinated bonds issued by Major Australian Banks, who have a medium risk and return profile for that portion of their investment portfolio and a minimum investment timeframe of 3 years.

GENERAL INFORMATION

ASX code	TIR2
Periodic distributions	The Responsible Entity intends to make monthly distributions based on interest and other income earned by the Fund, after allowing for fees and expenses. Information about the timetable for each distribution and the declared distribution amount will be announced via the ASX Market Announcements Platform. For further information, see "Distributions" in section 2.2 of the PDS.
Distribution Reinvestment Plan	Available. For further information, see "Distribution Reinvestment Plan" in section 2.2.3 of the PDS.
Fees and other costs	See "Fees and Other Costs" in section 3 of the PDS.

FURTHER INFORMATION ABOUT THE INDEX

The index sponsor is Solactive AG ("Solactive" or the "Index Provider"), a leading global provider of index solutions.

The Index measures the performance of a subset of the domestic subordinated bonds market, being fixed rate Subordinated Bonds issued by Major Australian Banks.

To be eligible for inclusion in the Index initially and at each rebalance, a security must meet certain eligibility criteria, including the following:

- only Basel III Tier-2 fixed rate Subordinated Bonds denominated in Australian dollars and issued by Major Australian Banks, are eligible;
- securities must have a principal amount outstanding of at least $500 million;
- securities must have a minimum remaining time to first call of 4 years (in respect of callable securities) and (in respect of all securities) a minimum remaining time to maturity of 4 years; and
- securities must have a maximum remaining time to first call of 10 years (in respect of callable securities); and
- securities must have a maximum remaining time to maturity of 15 years.

Securities with the longest remaining:

- time to first call (in respect of callable securities); or

- time to maturity (in respect of non-callable securities or callable securities where an exercise date has not been specified for the call option),

are selected for each issuer, up to a maximum of 4 securities per issuer).

Accordingly, the Fund will hold a maximum of 16 securities from up to 4 issuers.

The Index is rebalanced quarterly (on the last business day in February, May, August and November). On each rebalance day each security is weighted based on market value, with weighting determined as follows:

- if the number of securities is 10 or more, market value weighting is applied together with an issuer cap of 35% per issuer and a maximum weight of 10% per issue; or
- if the number of securities is less than or equal to 10, equal weighting is applied.

The Index constituents will comprise bonds that are eligible instruments under the AQUA Rules.

As at the date of the PDS, the Index holds approximately 13 constituents in total.

The nature and method of calculation of the Index may change from time to time.

Further information about the Index can be found on the Fund's webpage on the Betashares website at www.betashares.com.au.

Neither the Responsible Entity nor any other company in the Betashares group has any control over, or responsibility for, the composition, calculation or availability of the Index. The Index provider is not a related company of the Responsible Entity.

Past performance information about the Index is available from various sources, including stockbrokers, financial information websites and major data providers such as Bloomberg or Reuters. Any past performance information about the Index does not take into account fees, costs or taxes that may be incurred as a result of investing in the Fund. Past performance of the Index is not a reliable guide to future performance of the Index or the Fund.

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

SPECIFIC RISK FACTORS

Fixed rate risk

The interest rates payable on the fixed rate debt securities held by the Fund are set when the securities are issued and generally do not change over the term of the securities. The value of these securities will fluctuate as market interest rates change. Typically, their prices fall when interest rates rise and their prices increase when interest rates fall. The extent of the change depends on the term of the securities: longer-term securities are generally more sensitive to movements in interest rates than shorter-term securities. This may reduce the Fund's returns, particularly given the maturity profile of the Fund's holdings. Fixed rate securities are generally more sensitive to movements in interest rates than floating rate securities.

INDEX DISCLAIMER

The Fund is not sponsored, promoted, sold or supported in any other manner by Solactive AG nor does Solactive AG offer any express or implicit guarantee or assurance either with regard to the results of using the Index and/or Index trade mark or the Index Price at any time or in any other respect. The Index is calculated and published by Solactive AG. Solactive AG uses its best efforts to ensure that the Index is calculated correctly. Irrespective of its obligations towards the Issuer, Solactive AG has no obligation to point out errors in the Index to third parties including but not limited to investors and/or financial intermediaries of the Fund. Neither publication of the Index by Solactive AG nor the licensing of the Index or Index trade mark for the purpose of use in connection with the Fund constitutes a recommendation by Solactive AG to invest capital in the Fund nor does it in any way represent an assurance or opinion of Solactive AG with regard to any investment in the Fund.

DIRECTORY

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

Custodian & Fund Administrator
Citigroup Pty Limited
Level 23
2 Park Street
Sydney NSW 2000

Registrar
MUFG Corporate Markets (AU) Limited
Level 41, Liberty Place
161 Castlereagh Street
Sydney NSW 2000