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15 March 2023

Market Announcements Office
ASX Limited

(TO BE RELEASED FOR EACH OF THE ASX CODES LISTED BELOW)

**INTERIM FINANCIAL REPORT 2022**

Betashares Capital Ltd, the issuer of the following Funds, is pleased to provide the respective Interim Financial Report for the half-year ending 31 December 2022.

| ASX code | Fund |
|---|---|
| POU | Betashares British Pound ETF |
| OOO | Betashares Crude Oil Index ETF – Currency Hedged (Synthetic) |
| EEU | Betashares Euro ETF |
| QAU | Betashares Gold Bullion ETF - Currency Hedged |
| USD | Betashares U.S. Dollar ETF |

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

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

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

Betashares Capital Ltd | ABN 78 139 566 868 | AFS Licence 341 181

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Booklet 2

# Condensed Interim Financial Report

31 December 2022

**Responsible Entity**

Betashares Capital Limited Ltd

(ABN 78 139 566 868)

Level 11, 50 Margaret,
Sydney, NSW 2000

betashares.com.au

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**Booklet 2**

**Betashares British Pound ETF - ASX Code: POU (ARSN 151 133 514)**

**Betashares Crude Oil Index ETF - Currency Hedged (Synthetic) - ASX Code: OOO (ARSN 150 081 351)**

**Betashares Euro ETF - ASX Code: EEU (ARSN 151 131 967)**

**Betashares Gold Bullion ETF - Currency Hedged - ASX Code: QAU (ARSN 150 081 851)**

**Betashares U.S. Dollar ETF - ASX Code: USD (ARSN 147 517 280)**

**Condensed Interim Financial Report**

**for the half-year ended 31 December 2022**

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# Booklet 2
# Condensed Interim Financial Report
# for the half-year ended 31 December 2022

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## Directors' report

The directors of Betashares Capital Ltd, the Responsible Entity of the following managed investment funds (the "Funds") present their report together with the condensed interim financial report of the Funds for the half-year ended 31 December 2022 and the auditor's report thereon.

| Fund name | Referred to in this document as | Financial reporting period | ARSN |
|---|---|---|---|
| Betashares British Pound ETF | British Pound ETF | 1 July 2022 to 31 December 2022 | 151 133 514 |
| Betashares Crude Oil Index ETF - Currency Hedged (Synthetic) | Crude Oil Index ETF | 1 July 2022 to 31 December 2022 | 150 081 351 |
| Betashares Euro ETF | Euro ETF | 1 July 2022 to 31 December 2022 | 151 131 967 |
| Betashares Gold Bullion ETF - Currency Hedged | Gold Bullion ETF | 1 July 2022 to 31 December 2022 | 150 081 851 |
| Betashares U.S. Dollar ETF | U.S. Dollar ETF | 1 July 2022 to 31 December 2022 | 147 517 280 |

### Responsible Entity

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

### Principal activities

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

The Funds did not have any employees during the half-year.

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

### Directors

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

Mr Alex Vynokur (appointed 21 September 2009)
Mr Jason Gellert (appointed 5 March 2021)
Mr Edward Sippel (appointed 5 March 2021)

### Review and results of operations

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

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## Directors' report (continued)

### Review and results of operations (continued)

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

The results of operations of the Funds are disclosed in the condensed interim statements of comprehensive income. The income distributions payable by each of the Funds are disclosed in the condensed interim statements of financial position. The income distributions paid and payable by each of the Funds are disclosed in Note 4 to the condensed interim financial statements.

### Significant changes in state of affairs

As the global community moves toward 'living with' the COVID-19 pandemic, there have been continuous challenging economic conditions as a result of the pandemic such as supply chain constraints, inflation, increasing interest rates, the Russia- Ukraine war, or other events that may impact the Funds' future performance.

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

### Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect:

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

### Likely developments and expected results of operations

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

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

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## Directors' report (continued)

**Rounding of amounts to the nearest thousand dollars**

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

**Auditor's independence declaration**

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

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

Alex Vynokur
Director

Sydney
9 March 2023

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KPMG

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

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

Betashares British Pound ETF

Betashares Crude Oil Index ETF - Currency Hedged (Synthetic)

Betashares Euro ETF

Betashares Gold Bullion ETF - Currency Hedged

Betashares U.S. Dollar ETF

I declare that, to the best of my knowledge and belief, in relation to the review of Schemes for the half-year ended 31 December 2022 there have been:

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

ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Nicholas Buchanan

*Partner*

Sydney

9 March 2023



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| **Condensed interim statements of comprehensive income** | **British Pound ETF** | | **Crude Oil Index ETF** | | **Euro ETF** | |
|---|---|---|---|---|---|---|
| | **31 December 2022** | 31 December 2021 | **31 December 2022** | 31 December 2021 | **31 December 2022** | 31 December 2021 |
| | **$'000** | $'000 | **$'000** | $'000 | **$[1]** | $[1] |
| **Investment income** | | | | | | |
| Interest income | **-** | 1 | **2,041** | 114 | **-** | - |
| Net gains/(losses) on financial instruments at fair value through profit or loss | **98** | - | **(38,396)** | 16,514 | **77,594** | - |
| Net foreign exchange gains/(losses) | **(43)** | 218 | **-** | - | **253,908** | (105,983) |
| Other operating income | **-** | - | **-** | 1 | **-** | - |
| **Total net investment income/(loss)** | **55** | 219 | **(36,355)** | 16,629 | **331,502** | (105,983) |
| | | | | | | |
| **Expenses** | | | | | | |
| Management fees | **29** | 33 | **590** | 789 | **21,179** | 22,363 |
| Interest expenses | **(136)** | - | **-** | - | **5,903** | 33,609 |
| **Total operating expenses** | **(107)** | 33 | **590** | 789 | **27,082** | 55,972 |
| | | | | | | |
| **Operating profit/(loss)** | **162** | 186 | **(36,945)** | 15,840 | **304,420** | (161,955) |
| | | | | | | |
| **Finance costs attributable to unitholders** | | | | | | |
| (Increase)/decrease in net assets attributable to unitholders - liability | **-** | - | **-** | - | **(304,420)** | 161,955 |
| **Profit/(loss) for the half-year** | **162** | 186 | **(36,945)** | 15,840 | **-** | - |
| | | | | | | |
| Other comprehensive income | **-** | - | **-** | - | **-** | - |
| **Total comprehensive income/(loss) for the half-year** | **162** | 186 | **(36,945)** | 15,840 | **-** | - |

[1] *Rounded to the nearest whole dollar as the Fund does not meet the criteria set out in ASIC Instrument 2016/191 to round to the nearest thousand dollars.*

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



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| **Condensed interim statements of comprehensive income** | **Gold Bullion ETF** | | **U.S. Dollar ETF** | |
|---|---|---|---|---|
| | **31 December 2022 $'000** | 31 December 2021 $'000 | **31 December 2022 $'000** | 31 December 2021 $'000 |
| **Investment income** | | | | |
| Interest income | **5** | - | **1,839** | 47 |
| Net gains/(losses) on financial instruments at fair value through profit or loss | **6,481** | 7,247 | **2,141** | - |
| Net gains/(losses) on gold contract at fair value through profit or loss | **2,082** | 8,853 | **-** | - |
| Net foreign exchange gains/(losses) | **(8,262)** | (7,238) | **552** | 4,475 |
| Other operating income | **44** | 8 | **1** | 3 |
| **Total net investment income/(loss)** | **350** | 8,870 | **4,533** | 4,525 |
| | | | | |
| **Expenses** | | | | |
| Management fees | **851** | 739 | **325** | 327 |
| Other operating expenses | **183** | 155 | **-** | - |
| **Total operating expenses** | **1,034** | 894 | **325** | 327 |
| | | | | |
| **Operating profit/(loss)** | **(684)** | 7,976 | **4,208** | 4,198 |
| | | | | |
| **Profit/(loss) for the half-year** | **(684)** | 7,976 | **4,208** | 4,198 |
| | | | | |
| Other comprehensive income | **-** | - | **-** | - |
| **Total comprehensive income/(loss) for the half-year** | **(684)** | 7,976 | **4,208** | 4,198 |

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

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| **Condensed interim statements of financial position** | | **British Pound ETF** | | **Crude Oil Index ETF** | | **Euro ETF** | |
|---|---|---|---|---|---|---|---|
| | | **31 December 2022** | 30 June 2022 | **31 December 2022** | 30 June 2022 | **31 December 2022** | 30 June 2022 |
| | Notes | **$'000** | $'000 | **$'000** | $'000 | **$[1]** | $[1] |
| **Assets** | | | | | | | |
| Cash and cash equivalents | | **13,317** | 13,179 | **184,090** | 218,090 | **9,754,206** | 9,455,885 |
| Financial assets at fair value through profit or loss | 5 | **-** | - | **-** | 4,303 | **-** | - |
| Due from brokers - receivable for securities sold | | **-** | - | **-** | 770 | **-** | - |
| Other receivables | | **35** | 11 | **467** | 167 | **1,305** | 735 |
| **Total assets** | | **13,352** | 13,190 | **184,557** | 223,330 | **9,755,511** | 9,456,620 |
| **Liabilities** | | | | | | | |
| Financial liabilities at fair value through profit or loss | 5 | **-** | - | **7,868** | - | **-** | - |
| Distributions payable | 4 | **-** | - | **-** | 34,411 | **-** | - |
| Other payables | | **5** | 5 | **99** | 3,901 | **3,597** | 9,126 |
| **Total liabilities (excluding net assets attributable to unitholders)** | | **5** | 5 | **7,967** | 38,312 | **3,597** | 9,126 |
| **Net assets attributable to unitholders - liability** | 3 | **-** | - | **-** | - | **9,751,914** | 9,447,494 |
| **Net assets attributable to unitholders - equity** | 3 | **13,347** | 13,185 | **176,590** | 185,018 | **-** | - |

*[1] Rounded to the nearest whole dollar as the Fund does not meet the criteria set out in ASIC Instrument 2016/191 to round to the nearest thousand dollars.*

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

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| **Condensed interim statements of financial position** | | **Gold Bullion ETF** | | **U.S. Dollar ETF** | |
|---|---|---|---|---|---|
| | | **31 December 2022** | 30 June 2022 | **31 December 2022** | 30 June 2022 |
| | Notes | **$'000** | $'000 | **$'000** | $'000 |
| **Assets** | | | | | |
| Cash and cash equivalents | | **895** | 350 | **131,264** | 148,838 |
| Applications receivable | | **1,000** | - | **-** | - |
| Financial assets at fair value through profit or loss | 5 | **1,667** | - | **-** | - |
| Due from brokers - receivable for securities sold | | **989** | - | **-** | - |
| Gold contract at fair value through profit or loss | 5 | **441,374** | 351,022 | **-** | - |
| Other receivables | | **29** | 29 | **410** | 141 |
| **Total assets** | | **445,954** | 351,401 | **131,674** | 148,979 |
| | | | | | |
| **Liabilities** | | | | | |
| Financial liabilities at fair value through profit or loss | 5 | **-** | 2,608 | **-** | - |
| Distributions payable | 4 | **-** | - | **2** | - |
| Due to brokers - payable for securities purchased | | **2,036** | - | **-** | - |
| Other payables | | **207** | 172 | **48** | 54 |
| **Total liabilities (excluding net assets attributable to unitholders)** | | **2,243** | 2,780 | **50** | 54 |
| | | | | | |
| **Net assets attributable to unitholders - equity** | 3 | **443,711** | 348,621 | **131,624** | 148,925 |

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

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| **Condensed interim statements of changes in equity** | | **British Pound ETF** | | **Crude Oil Index ETF** | | **Euro ETF** | |
|---|---|---|---|---|---|---|---|
| | | **31 December 2022** | 31 December 2021 | **31 December 2022** | 31 December 2021 | **31 December 2022** | 31 December 2021 |
| | Notes | **$'000** | $'000 | **$'000** | $'000 | **$[1]** | $[1] |
| **Total equity at the beginning of the half-year** | 3 | **13,185** | 13,316 | **185,018** | 233,947 | **-** | - |
| **Comprehensive income for the half-year** | | | | | | | |
| Profit/(loss) for the half-year | | **162** | 186 | **(36,945)** | 15,840 | **-** | - |
| Other comprehensive income | | **-** | - | **-** | - | **-** | - |
| **Total comprehensive income/(loss) for the half-year** | | **162** | 186 | **(36,945)** | 15,840 | **-** | - |
| **Transactions with unitholders** | | | | | | | |
| Applications | 3 | **-** | 4,895 | **35,671** | 41,650 | **-** | - |
| Redemptions | 3 | **-** | (1,795) | **(9,844)** | (86,669) | **-** | - |
| Units issued upon reinvestment of distributions | 3 | **-** | - | **2,690** | 376 | **-** | - |
| **Total transactions with unitholders** | | **-** | 3,100 | **28,517** | (44,643) | **-** | - |
| **Total equity at the end of the half-year** | 3 | **13,347** | 16,602 | **176,590** | 205,144 | **-** | - |

[1] *Rounded to the nearest whole dollar as the Fund does not meet the criteria set out in ASIC Instrument 2016/191 to round to the nearest thousand dollars.*

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

| **Condensed interim statements of changes in equity** | | **Gold Bullion ETF** | | **U.S. Dollar ETF** | |
|---|---|---|---|---|---|
| | | **31 December 2022** | 31 December 2021 | **31 December 2022** | 31 December 2021 |
| | Notes | **$'000** | $'000 | **$'000** | $'000 |
| **Total equity at the beginning of the half-year** | 3 | **348,621** | 280,150 | **148,925** | 139,920 |
| **Comprehensive income for the half-year** | | | | | |
| Profit/(loss) for the half-year | | **(684)** | 7,976 | **4,208** | 4,198 |
| Other comprehensive income | | **-** | - | **-** | - |
| **Total comprehensive income/(loss) for the half-year** | | **(684)** | 7,976 | **4,208** | 4,198 |
| **Transactions with unitholders** | | | | | |
| Applications | 3 | **158,000** | 29,800 | **32,922** | 15,032 |
| Redemptions | 3 | **(62,226)** | (11,179) | **(54,431)** | (17,581) |
| **Total transactions with unitholders** | | **95,774** | 18,621 | **(21,509)** | (2,549) |
| **Total equity at the end of the half-year** | 3 | **443,711** | 306,747 | **131,624** | 141,569 |

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



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| **Condensed interim statements of cash flows** | **British Pound ETF** | | **Crude Oil Index ETF** | | **Euro ETF** | |
|---|---|---|---|---|---|---|
| | **31 December 2022** | 31 December 2021 | **31 December 2022** | 31 December 2021 | **31 December 2022** | 31 December 2021 |
| | **$'000** | $'000 | **$'000** | $'000 | **$[1]** | $[1] |
| **Cash flows from operating activities** | | | | | | |
| Proceeds from sale of financial instruments at fair value through profit or loss | **99** | - | **(25,455)** | 93,791 | **254,625** | - |
| Payments for purchase of financial instruments at fair value through profit or loss | **-** | - | **-** | - | **(167)** | - |
| Interest income received | **-** | - | **1,732** | 118 | **6,014** | - |
| Other operating income received | **-** | - | **10** | 13 | **2** | 154 |
| Management fees paid | **(29)** | (32) | **(629)** | (822) | **(21,041)** | (22,067) |
| Interest expenses paid | **-** | - | **-** | - | **-** | (34,204) |
| Other operating expenses paid | **112** | - | **(3,763)** | (3,564) | **(18,156)** | - |
| **Net cash inflow/(outflow) from operating activities** | **182** | (32) | **(28,105)** | 89,536 | **221,277** | (56,117) |
| **Cash flows from financing activities** | | | | | | |
| Proceeds from applications by unitholders | **-** | 4,895 | **35,671** | 42,888 | **-** | 1,126,634 |
| Payments for redemptions by unitholders | **-** | (1,795) | **(9,844)** | (84,152) | **-** | - |
| Distributions paid | **-** | - | **(31,722)** | (14,972) | **-** | - |
| **Net cash inflow/(outflow) from financing activities** | **-** | 3,100 | **(5,895)** | (56,236) | **-** | 1,126,634 |
| **Net increase/(decrease) in cash and cash equivalents** | **182** | 3,068 | **(34,000)** | 33,300 | **221,277** | 1,070,517 |
| Cash and cash equivalents at the beginning of the financial half-year | **13,179** | 13,321 | **218,090** | 185,111 | **9,455,885** | 8,822,146 |
| Effect of foreign currency exchange rate changes on cash and cash equivalents | **(44)** | 218 | **-** | - | **77,044** | (105,983) |
| **Cash and cash equivalents at the end of the financial half-year** | **13,317** | 16,607 | **184,090** | 218,411 | **9,754,206** | 9,786,680 |

[1] *Rounded to the nearest whole dollar as the Fund does not meet the criteria set out in ASIC Instrument 2016/191 to round to the nearest thousand dollars.*

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



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| **Condensed interim statements of cash flows** | **Gold Bullion ETF** | | **U.S. Dollar ETF** | |
|---|---|---|---|---|
| | **31 December 2022 $'000** | 31 December 2021 $'000 | **31 December 2022 $'000** | 31 December 2021 $'000 |
| **Cash flows from operating activities** | | | | |
| Proceeds from sale of financial instruments at fair value through profit or loss | **170,700** | 51,417 | **846** | - |
| Payments for purchase of financial instruments at fair value through profit or loss | **(263,979)** | (53,516) | **(243)** | - |
| Interest income received | **4** | - | **1,570** | 55 |
| Other operating income received | **45** | 22 | **1** | 6 |
| Management fees paid | **(823)** | (748) | **(329)** | (324) |
| Other operating expenses paid | **(176)** | (157) | **(2)** | - |
| **Net cash inflow/(outflow) from operating activities** | **(94,229)** | (2,982) | **1,843** | (263) |
| **Cash flows from financing activities** | | | | |
| Proceeds from applications by unitholders | **157,000** | 29,800 | **32,922** | 15,032 |
| Payments for redemptions by unitholders | **(62,226)** | (11,179) | **(54,431)** | (17,581) |
| Distributions paid | **-** | (15,456) | **2** | - |
| **Net cash inflow/(outflow) from financing activities** | **94,774** | 3,165 | **(21,507)** | (2,549) |
| **Net increase/(decrease) in cash and cash equivalents** | **545** | 183 | **(19,664)** | (2,812) |
| Cash and cash equivalents at the beginning of the financial half-year | **350** | 244 | **148,838** | 139,949 |
| Effect of foreign currency exchange rate changes on cash and cash equivalents | **-** | - | **2,090** | 4,475 |
| **Cash and cash equivalents at the end of the financial half-year** | **895** | 427 | **131,264** | 141,612 |

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



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## Contents of the notes to the condensed interim financial statements


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## 1 General information

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

| Abbreviated Fund name | Registered date | Commenced date | Financial reporting period |
|---|---|---|---|
| British Pound ETF | 9 June 2011 | 8 July 2011 | 1 July 2022 to 31 December 2022 |
| Crude Oil Index ETF | 8 April 2011 | 11 November 2011 | 1 July 2022 to 31 December 2022 |
| Euro ETF | 9 June 2011 | 8 July 2011 | 1 July 2022 to 31 December 2022 |
| Gold Bullion ETF | 8 April 2011 | 3 May 2011 | 1 July 2022 to 31 December 2022 |
| U.S. Dollar ETF | 3 December 2010 | 1 February 2011 | 1 July 2022 to 31 December 2022 |

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

The condensed interim financial statements were authorised for issue by the directors of the Responsible Entity on 9 March 2023. The directors of the Responsible Entity have the power to amend and reissue the condensed interim financial statements.

## 2 Summary of significant accounting policies

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

### (a) Basis of preparation

These general purpose condensed interim financial statements have been prepared in accordance with Australian Accounting Standards, AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001.* The Funds are for-profit unit trusts for the purpose of preparing the condensed interim financial statements.

These condensed interim financial statements do not include all the notes of the type normally included in annual financial statements. The financial report of the Funds complies with International Financial Reporting Standards adopted by the International Accounting Standards Board. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2022 and any continuous disclosure requirements of the *Corporations Act 2001.*

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

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

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

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## 2 Summary of significant accounting policies (continued)

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

*Use of estimates and judgement*

Management make estimates and assumptions that affect the reported amounts in the financial statements. These estimates and assumptions are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

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

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

*Gold contract*

The AASB do not have specific recognition and measurement requirements for investments in gold bullion. The Fund considers that measuring its investment in the Gold Contract at fair value through profit or loss is consistent with the determination that the Fund is an investment entity, and is consistent with how the performance of the fund is evaluated in accordance with the Fund's investment strategy.

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

*Functional currency and presentation*

The condensed interim financial statements are presented in Australian dollars, which is the funds' functional currency.

### (b) Australian accounting standards and interpretations

There are no new accounting standards, interpretations or amendments to existing standards that are effective for the half-year beginning 1 July 2022 that would be expected to have a material impact on the Funds.

### (c) Rounding of amounts

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

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## 3 Net assets attributable to unitholders

Subject to market conditions, unitholders may withdraw their units from the Funds at their election by trading on the Australian Securities Exchange at the prevailing market price for sale of the units at the time of the transaction.

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

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

| | British Pound ETF | | | | Crude Oil Index ETF | | | |
|---|---|---|---|---|---|---|---|---|
| | **31 December 2022 Units '000** | 31 December 2021 Units '000 | **31 December 2022 $'000** | 31 December 2021 $'000 | **31 December 2022 Units '000** | 31 December 2021 Units '000 | **31 December 2022 $'000** | 31 December 2021 $'000 |
| **Net assets attributable to unitholders** | | | | | | | | |
| Opening balance | **771** | 746 | **13,185** | 13,316 | **26,654** | 39,997 | **185,018** | 233,947 |
| Applications | **-** | 276 | **-** | 4,895 | **6,150** | 7,000 | **35,671** | 41,650 |
| Redemptions | **-** | (100) | **-** | (1,795) | **(1,600)** | (13,700) | **(9,844)** | (86,669) |
| Units issued upon reinvestment of distributions | **-** | - | **-** | - | **387** | 64 | **2,690** | 376 |
| Profit/(loss) for the half-year | **-** | - | **162** | 186 | **-** | - | **(36,945)** | 15,840 |
| **Closing balance** | **771** | 922 | **13,347** | 16,602 | **31,591** | 33,361 | **176,590** | 205,144 |

| | Euro ETF | | | | Gold Bullion ETF | | | |
|---|---|---|---|---|---|---|---|---|
| | **31 December 2022 Units[1]** | 31 December 2021 Units[1] | **31 December 2022 $[1]** | 31 December 2021 $[1] | **31 December 2022 Units '000** | 31 December 2021 Units '000 | **31 December 2022 $'000** | 31 December 2021 $'000 |
| **Net assets attributable to unitholders** | | | | | | | | |
| Opening balance | **665,000** | 590,000 | **9,447,494** | 8,814,075 | **21,900** | 17,822 | **348,621** | 280,150 |
| Applications | **-** | 75,000 | **-** | 1,126,634 | **10,612** | 1,859 | **158,000** | 29,800 |
| Redemptions | **-** | - | **-** | - | **(4,150)** | (700) | **(62,226)** | (11,179) |
| Change in net assets attributable to unitholders | **-** | - | **304,420** | (161,955) | **-** | - | **-** | - |
| Profit/(loss) for the half-year | **-** | - | **-** | - | **-** | - | **(684)** | 7,976 |
| **Closing balance** | **665,000** | 665,000 | **9,751,914** | 9,778,754 | **28,362** | 18,981 | **443,711** | 306,747 |

[1] *Rounded to the nearest whole dollar as the Fund does not meet the criteria set out in ASIC Instrument 2016/191 to round to the nearest thousand dollars.*

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## 3 Net assets attributable to unitholders (continued)

| | U.S. Dollar ETF | | | |
|---|---|---|---|---|
| | **31 December 2022 Units '000** | 31 December 2021 Units '000 | **31 December 2022 $'000** | 31 December 2021 $'000 |
| **Net assets attributable to unitholders** | | | | |
| Opening balance | **10,694** | 10,944 | **148,925** | 139,920 |
| Applications | **2,275** | 1,150 | **32,922** | 15,032 |
| Redemptions | **(3,750)** | (1,350) | **(54,431)** | (17,581) |
| Profit/(loss) for the half-year | **-** | - | **4,208** | 4,198 |
| **Closing balance** | **9,219** | 10,744 | **131,624** | 141,569 |

**Capital risk management**

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

Under the terms of the Funds' Constitutions, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of unitholders.

## 4 Distributions to unitholders

Distributions are payable as set out in the Funds' Product Disclosure Dtatement and/or Funds' Constitution. Such distributions are recognised as payable when they are determined by the Responsible Entity.

All funds had nil distributions for the half-year (31 December 2021: $nil).

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

The Funds measure and recognise the following assets and liabilities at fair value on a recurring basis:

| | **Crude Oil Index ETF** | | **Gold Bullion ETF** | |
|---|---|---|---|---|
| | **31 December 2022 $'000** | 30 June 2022 $'000 | **31 December 2022 $'000** | 30 June 2022 $'000 |
| **Financial Assets** | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Foreign currency contracts | **-** | - | **1,667** | - |
| Index swaps | **-** | 4,303 | **-** | - |
| Gold contract at fair value through profit or loss | | | | |
| Gold bullion | **-** | - | **441,374** | 351,022 |
| **Total financial assets at fair value through profit or loss** | **-** | - | **441,374** | 351,022 |
| **Financial liabilities** | | | | |
| Foreign currency contracts | **-** | - | **-** | 2,608 |
| Index swaps | **7,868** | - | **-** | - |
| **Total financial liabilities at fair value through profit or** | **7,868** | - | **-** | 2,608 |

An overview of the fair value measurements relating to financial instruments at fair value through profit or loss is included in Note 6 to the financial statements.

## 6 Fair value measurements

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

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

**Fair value estimation**

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

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

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## 6 Fair value measurements (continued)

**Fair value estimation (continued)**

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

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

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

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

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

The gold contract is valued by J.P.Morgan based on spot gold prices from the gold bullion market.

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

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

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

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Funds for similar financial instruments.

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

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

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## 6 Fair value measurements (continued)

**Fair value estimation (continued)**

*(iii) Recognised fair value measurements*

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

| | **Crude Oil Index ETF** | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Level 1 31 December 2022 $'000** | **Level 2 31 December 2022 $'000** | **Level 3 31 December 2022 $'000** | **Total 31 December 2022 $'000** | Level 1 30 June 2022 $'000 | Level 2 30 June 2022 $'000 | Level 3 30 June 2022 $'000 | Total 30 June 2022 $'000 |
| **Financial assets** | | | | | | | | |
| Financial assets at fair value through profit or loss: | | | | | | | | |
| Index swaps | **-** | **-** | **-** | **-** | - | 4,303 | - | 4,303 |
| **Total** | **-** | **-** | **-** | **-** | - | 4,303 | - | 4,303 |
| **Financial liabilities** | | | | | | | | |
| Financial liabilities at fair value through profit or loss: | | | | | | | | |
| Index swaps | **-** | **7,868** | **-** | **7,868** | - | - | - | - |
| **Total** | **-** | **7,868** | **-** | **7,868** | - | - | - | - |

| | **Gold Bullion ETF** | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Level 1 31 December 2022 $'000** | **Level 2 31 December 2022 $'000** | **Level 3 31 December 2022 $'000** | **Total 31 December 2022 $'000** | Level 1 30 June 2022 $'000 | Level 2 30 June 2022 $'000 | Level 3 30 June 2022 $'000 | Total 30 June 2022 $'000 |
| **Financial assets** | | | | | | | | |
| Financial assets at fair value through profit or loss: | | | | | | | | |
| Foreign currency contracts | **-** | **1,667** | **-** | **1,667** | - | - | - | - |
| Gold contract at fair value through profit or loss: | | | | | | | | |
| Gold bullion | **441,374** | **-** | **-** | **441,374** | 351,022 | - | - | 351,022 |
| **Total** | **441,374** | **-** | **-** | **441,374** | 351,022 | - | - | 351,022 |
| **Financial liabilities** | | | | | | | | |
| Financial liabilities at fair value through profit or loss: | | | | | | | | |
| Foreign currency contracts | **-** | **-** | **-** | **-** | - | 2,608 | - | 2,608 |
| **Total** | **-** | **-** | **-** | **-** | - | 2,608 | - | 2,608 |

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## 6 Fair value measurements (continued)

**Fair value estimation (continued)**

*(iv) Transfers between levels*

There were no transfers between levels during the half-year ended 31 December 2022 and 30 June 2022.

*(v) Movement in level 3 instruments*

There were no investments classified as Level 3 within the Funds as at 31 December 2022 and 30 June 2022.

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

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

The carrying value of the net assets attributable to unitholders differs from its fair value (deemed to be the redemption price for individual units) due to differences in valuation inputs. This difference is not material in the current half-year.

## 7 Events occurring after the reporting period

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Funds disclosed in the condensed interim statements of financial position as at 31 December 2022 or on the results and cash flows of the Funds for the period ended on that date.

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**Directors' declaration**

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

Betashares British Pound ETF
Betashares Crude Oil Index ETF - Currency Hedged (Synthetic)
Betashares Euro ETF
Betashares Gold Bullion ETF - Currency Hedged
Betashares U.S. Dollar ETF

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

(a) the financial statements and notes set out on pages 6 to 22 are in accordance with the *Corporations Act 2001,* including:

(i) complying with Australian Accounting Standards, and interpretations issued by the Australian Accounting Standards Board and the *Corporations Regulations 2001;* and

(ii) giving a true and fair view of the Funds' financial positions as at 31 December 2022 and of their performance for the financial half-year ended on that date; and

(b) there are reasonable grounds to believe that the Funds will be able to pay their debts as and when they become due and payable.

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

Alex Vynokur
Director

Sydney
9 March 2023

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# Independent Auditor's Review Report

To the unitholders of following Schemes (the "Schemes")

Betashares British Pound ETF

Betashares Crude Oil Index ETF - Currency Hedged (Synthetic)

Betashares Euro ETF

Betashares Gold Bullion ETF - Currency Hedged

Betashares U.S. Dollar ETF

## Conclusion

We have reviewed the accompanying ***Condensed Interim Financial Reports*** of the Schemes.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Condensed Interim Financial Reports of the Schemes do not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the Schemes' financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Condensed Interim Financial Reports*** comprise:

- Condensed interim statements of financial position as at 31 December 2022;
- Condensed interim statements of comprehensive income for the half-year ended on that date;
- Condensed interim statements of changes in equity and Condensed interim statements of cash flows for the half-year ended on that date;
- Notes 1 to 7 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The ***Interim Period*** is the 6 months ended on 31 December 2022.



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## Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our reports.

We are independent of the Scheme in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

## Responsibilities of the Directors for the Condensed Interim Financial Reports

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

- the preparation of the Condensed Interim Financial Reports that give a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- for such internal control as the Directors determine is necessary to enable the preparation of the Condensed Interim Financial Reports that give a true and fair view and is free from material misstatement, whether due to fraud or error.

## Auditor's responsibility for the review of the Condensed Interim Financial Reports

Our responsibility is to express a conclusion on the Condensed Interim Financial Reports based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Condensed Interim Financial Reports do not comply with the *Corporations Act 2001* including giving a true and fair view of the Scheme's financial position as at 31 December 2022 and its performance for the Half-year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a Condensed Interim Financial Reports consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Nicholas Buchanan
*Partner*
Sydney
9 March 2023

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Betashares Capital Ltd (ABN 78 139 566 868 AFSL 341181) is the issuer. Investors should read the relevant fund PDS and TMD (available at www.betashares.com.au) and consider whether the fund is appropriate for them. Past performance is not indicative of future returns. Investing involves risk.