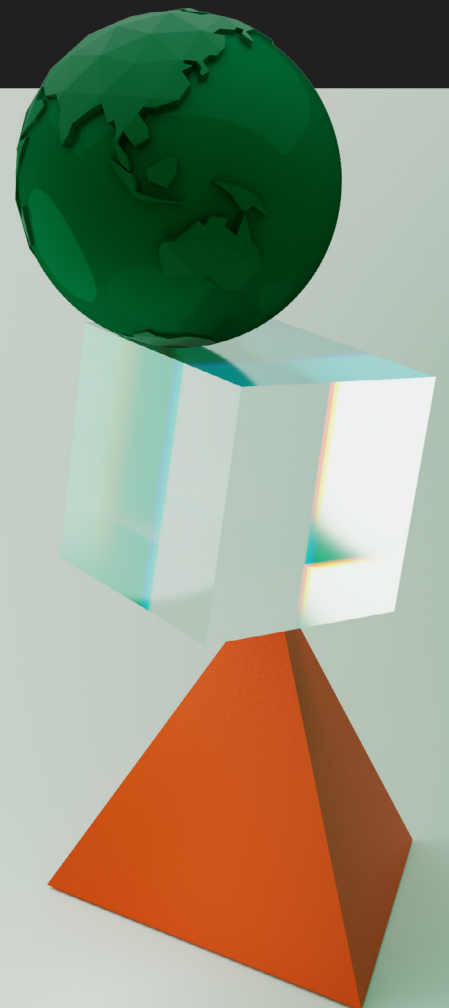


**FAIR**

# Index Rebalance Summary 2023



The Betashares Australian Sustainability Leaders ETF (ASX: FAIR) aims to track the Nasdaq Future Australian Sustainability Leaders Index (the Index) before fees and expenses.

This report describes the changes made to the Index constituents as part of the annual index rebalance and reconstitution in September 2023. This process included full screening of eligible constituents in accordance with the Index methodology.

## Index additions

Of the companies that passed the screens, 13 new companies were added to the Index, with some noteworthy examples outlined below:

Issuer	Ticker	Relevant 'Sustainability leader' screen	Rationale for Exclusion
Homeco Daily Needs REIT	HDN	Green buildings	The company had published new information to confirm that the average NABERs ratings for its portfolio met the requirements of the 'green buildings' positive screen.
Neuren Pharmaceuticals	NEU	Healthcare	Neuren Pharmaceuticals has commenced developing new therapies for highly debilitating neurodevelopmental disorders that emerge in early childhood and are characterised by impaired connections and signalling between brain cells.
Challenger Ltd	CGF	NA	Challenger is an Australian investment manager with \$105 billion in assets under management. Challenger Ltd was added due to size ranking consideration.

A full list of the Index Additions is included in Appendix A.

## Scope 4 inclusions

Two existing companies held in the Index met the criteria for Additional Renewable Energy Companies, with each deriving more than 50% of its revenue from renewable energy or activities that substantially reduce greenhouse gas emissions.

The basis for their inclusion is set out below:

- **Meridian Energy (Ticker: MEZ):** Operates a 100% renewable energy portfolio, including hydroelectric plants, wind farms and commercial and utility solar arrays across Australia and New Zealand.
- **Mercury NZ (Ticker: MCY):** Mercury NZ is a New Zealand-based company, which generates electricity from renewable sources, such as hydro, geothermal and wind.

## Issuer deletions

19 companies were removed from the Index:

- Three companies were delisted and hence were no longer in the starting universe
- Three companies were subject to takeover related matters
- Three companies were no longer classified as Sustainability Leaders
- Nine companies were no longer in the starting universe due to falling below minimum market capitalisation or liquidity requirements
- One company was removed based on application of the controversy screen

Some noteworthy examples are highlighted below:

Issuer	Ticker	Rationale for Exclusion
Cleanaway Waste Management Ltd	CWY	Excluded under the controversy screen for worker health and safety related matters
Scentre Group	SCG	No longer classified as a Sustainability Leader
Goodman Group	GMG	No longer classified as a Sustainability Leader

A full list of the Index deletions is included in Appendix B.

## Index additions

Ticker	Company Name	Reason for inclusion
A4N	Alpha HPA Limited	Added due to size ranking consideration
AGY	Argosy Mineral	Added due to size ranking consideration
COF	Centuria Office REIT	New Sustainability Leader, and added due to size ranking consideration
CGF	Challenger Limited	Added due to size ranking consideration
FLT	Flight Centre Travel Group Ltd	Added due to size ranking consideration
HCW	HealthCo Healthcare and Wellness REIT	New Sustainability Leader, and added due to size ranking consideration
HMC	HMC Capital Limited	New Sustainability Leader, and added due to size ranking consideration
HDN	Homeco Daily Needs REIT	New Sustainability Leader, and added due to size ranking consideration
IRE	Iress Limited	Added due to size ranking consideration
LNK	Link Administration Holdings Limited	Added due to size ranking consideration
NEU	Neuren Pharmaceuticals	New Sustainability Leader, and added due to size ranking consideration
SIG	Sigma Healthcare Limited	Added due to size ranking consideration
TYR	Tyro Payments Limited	Added due to size ranking consideration

## Index deletions

Ticker	Company Name	Reason for inclusion
AKE	Allkem Ltd	M&A activity
APM	APM Human Services International Ltd	No longer in starting universe
APX	Appen Limited	No longer in starting universe
BKL	Blackmores Limited	Delisted
BUB	Bubs Australia Limited	No longer in starting universe
CWY	Cleanaway Waste Management Limited	Excluded due to controversy
DXI	Dexus Industrial REIT	No longer in starting universe
DHG	Domain Holdings Australia Limited	No longer in starting universe
GEM	G8 Education Limited	No longer in starting universe
GMG	Goodman Group	No longer classified as a Sustainability Leader;
LLL	Goulamina Holdings Pty Ltd	M&A activity
HLS	Healius Limited	M&A activity
MFG	Magellan Financial Group Limited	No longer in starting universe
NEA	Nearmap Ltd	Delisted
NMT	Neometals Limited	No longer in starting universe
NEW	New Energy Solar	Delisted
SCG	Scentre Group	No longer classified as a Sustainability Leader.
SHV	Select Harvests Limited	No longer in starting universe
VCX	Vicinity Centres	No longer classified as a Sustainability Leader.

There are risks associated with an investment in FAIR, including market risk, non-traditional index methodology risk and sector concentration risk. An investment in the Fund should only be made after considering your particular circumstances, including your tolerance for risk. For more information on risks and other features of the Fund, please see the Product Disclosure Statement and Target Market Determination, available at [www.betashares.com.au](http://www.betashares.com.au).

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No assurance is given that any of the companies in FAIR's portfolio will be profitable investments.

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