



**BetaShares**  
Exchange Traded Funds



# FAIR: INDEX REBALANCE SUMMARY SEPTEMBER 2021



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

This report describes the changes made to the Index constituents as part of the annual index rebalance and reconstitution completed in September 2021. This process included full screening of eligible constituents in accordance with the Index methodology.

## INDEX ADDITIONS

Of the 176 companies that passed the screens, 17 new companies were added to the Index, with some noteworthy examples outlined below:

| COMPANY                         | TICKER | RELEVANT 'SUSTAINABILITY LEADER' SCREEN   | RATIONALE FOR ADDITION   |
|---------------------------------|--------|---|--|
| Vulcan Energy Resources Limited | VUL    | Renewable energy                          | The company's market capitalisation had increased, making it eligible for inclusion. The company's pioneering Zero Carbon Lithium project combines chemical lithium and renewable energy.  |
| Pushpay Holdings                | PPH    | Social services and social infrastructure | Pushpay operates a donor management system for charities operating within the United States, which provides them with a vital means of raising money.  |
| TPG Telecom Ltd                 | TPG    | Social services and social infrastructure | TPG passed the board gender diversity screen for the first time, after adding Arlene Tansey and Dr Helen Nugent AO to their board.   |
| PolyNovo Ltd                    | PME    | Healthcare                                | PolyNovo is a Melbourne-based biotechnology company that manufactures medical grade polymers used for numerous medical purposes, including healing infections and injuries.  |
| Scentre Group                   | SCG    | Green buildings                           | We were able to confirm for the first time that the company met the "green star rated buildings" positive screen. In previous years we did not consider enough information was available to confirm they derived the required 20% revenue from buildings of this kind. |

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

## SCOPE 4 INCLUSIONS

Three companies met the Index criteria for a 'Scope 4' company (whose products or services are leaders in avoiding 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):** With over 320,000 customers and operating 14 power stations, they generate electricity from 100% renewable sources - hydro, geothermal and wind.
- ▶ **New Energy Solar (Ticker: NEW):** Owns and manages large scale solar generation facilities in Australia and four states in the US. It was established in November 2015 with the objective of generating positive social impact alongside attractive financial returns through the generation of renewable energy sold under long term contracts.

## INDEX DELETIONS

11 companies were removed from the Index:

- ▶ 3 companies no longer qualified as Sustainability Leaders (due to industry reclassifications) and were also deleted due to size ranking consideration.
- ▶ 4 companies were no longer classified as Sustainability Leaders.
- ▶ 3 companies qualified as Sustainability Leaders, however were deleted due to size ranking consideration.
- ▶ 1 company had been delisted.

## APPENDIX A – FULL LIST OF ADDITIONS TO THE INDEX

| TICKER               | COMPANY NAME                                |
|----------------------|---|
| <b>VUL</b>           | Vulcan Energy Resources Limited             |
| <b>INR</b>           | Ioneer                                      |
| <b>LKE</b>           | Lake Resources NL                           |
| <b>SWM</b>           | Seven West Media Limited                    |
| <b>BWX</b>           | BWX Limited                                 |
| <b>PNV</b>           | Polynovo Limited                            |
| <b>REH</b>           | Reece Limited                               |
| <b>ORA</b>           | Orora Limited                               |
| <b>LNK</b>           | Link Administration Holdings Limited        |
| <b>PPH NZ Equity</b> | Pushpay Holdings Limited                    |
| <b>SCG</b>           | Scentre Group                               |
| <b>SCP</b>           | Shopping Centres Australasia Property Group |
| <b>PXA</b>           | Pexa Group Ltd                              |
| <b>DHG</b>           | Domain Holdings Australia Limited           |
| <b>TPG</b>           | TPG Telecom Ltd                             |
| <b>ABB</b>           | Aussie Broadband Limited                    |
| <b>CAR</b>           | Carsales.com Ltd                            |

## APPENDIX B - FULL LIST OF DELETIONS FROM THE INDEX

| COMPANY NAME                     | TICKER     | FAILED SCREEN PER INDEX METHODOLOGY   |
|----------------------------------|------------|---|
| Bingo Industries Ltd.            | <b>BIN</b> | Delisted  |
| G.U.D. Holdings Limited          | <b>GUD</b> | Deleted due to size ranking consideration (but was a Sustainability Leader) |
| Growthpoint Properties Australia | <b>GOZ</b> | Deleted due to size ranking consideration (but was a Sustainability Leader) |
| Mesoblast Limited                | <b>MSB</b> | Deleted due to size ranking consideration (but was a Sustainability Leader) |

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| COMPANY NAME                                | TICKER     | FAILED SCREEN PER INDEX METHODOLOGY   |
|---|------------|---|
| Breville Group Limited                      | <b>BRG</b> | No longer classified as a Sustainability Leader; also deleted due to size ranking consideration |
| Bapcor Ltd                                  | <b>BAP</b> | No longer classified as a Sustainability Leader; also deleted due to size ranking consideration |
| Abacus Property Group                       | <b>ABP</b> | No longer classified as a Sustainability Leader; also deleted due to size ranking consideration |
| Sigma Healthcare Ltd                        | <b>SIG</b> | No longer in starting universe (Previously a Sustainability Leader)                             |
| Phoslock Environmental Technologies Limited | <b>PET</b> | No longer in starting universe (Previously a Sustainability Leader)                             |
| Integrated Research Limited                 | <b>IRI</b> | No longer in starting universe (Previously a Sustainability Leader)                             |
| Vocus Group Limited                         | <b>VOC</b> | No longer in starting universe (Previously a Sustainability Leader)                             |

<sup>1</sup>Under the index methodology, “Sustainability Leaders” are companies that satisfy at least one of the following criteria:

- ▶ More than 20% revenue derived from one or more of the following: renewable energy; energy efficiency; water efficiency; recycling, waste remediation and re-use of materials; public transport and energy efficient transport; education; healthcare; animal health; healthy foods and nutrition products; green star rated buildings; community and regional banking; health insurance and personal insurance; social services and social infrastructure (e.g. employment services, child care); sustainability certified products and services (e.g. Fairtrade, certified organic); sustainable forestry; access to knowledge and information; access to communications;
- ▶ Recipient of either an “A” or “B” grade (or equivalent) rating from a trusted ethical consumer report (e.g. Ethical Consumer Guide, Baptist World Aid Behind Barcode Reports);
- ▶ Certified B Corporation (this is a private certification issued to for-profit companies by B Lab, a global non-profit organisation, which is available to companies that meet specified governance, transparency, environmental and social impact standards)..

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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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