

BETASHARES AUSTRALIAN SUSTAINABILITY LEADERS ETF

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SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT

DATED: 20 SEPTEMBER 2024
ISSUER: BETASHARES CAPITAL LTD
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This Supplementary Product Disclosure Statement (“SPDS”) is supplemental to the Product Disclosure Statement dated 16 March 2023 in respect of Betashares Australian Sustainability Leaders ETF (the “PDS”).

The PDS and this SPDS should be read together.

A copy of this SPDS has been lodged with the Australian Securities and Investments Commission (“ASIC”) on 20 September 2024. Neither ASIC nor ASX Limited takes any responsibility for the contents of this SPDS.

Terms defined in the PDS have the same meanings when used in this SPDS.

Revisions to the underlying index methodology and additional disclosure for industry certification purposes

As stated in the PDS, the investment objective of the Fund is to provide an investment return that aims to track the performance of the Nasdaq Future Australian Sustainability Leaders Index (the “Index”), before taking into account fees and expenses.

As part of the Index methodology, preference is given to companies classified as “Sustainability Leaders” based on their involvement in sustainable business activities.

Effective 23 September 2024, the Index provider has amended the Index methodology which affects the classification of Australian Real Estate Investment Trusts (A-REITS) as Sustainability Leaders under the “Green Buildings” and “Water Efficiency” criteria set out in the Index methodology. The changes to these criteria, which include changes in data sources, are designed to better support global coverage of A-REIT portfolio assets and to set a stricter standard for classifying A-REITS as Sustainability Leaders. There are no changes to the other Sustainability Leaders identification criteria set out in the Index methodology.

The changes to these Sustainability Leaders classification criteria are shown below:

	Old criteria	New criteria effective 23 September 2024
Water efficiency	Companies that earn 50% or more of revenue from the manufacture or sale of water efficiency technology or that have a 5-star or higher NABERS water rating	Companies that earn 50% or more of revenue from the manufacture or sale of water efficiency technology
Green buildings	Companies/REITS that have an average 4.75 star or better NABERS energy rating or earn 50% of revenue from activities identified by Project Drawdown as Buildings Sector solutions	Companies/REITS that have either: (i) a 6-Star Green Star Portfolio Performance assessment; or (ii) have been designated as Global Leaders in the annual GRESB Real Estate Benchmark Assessment

Additionally, Betashares wishes to provide additional disclosure about the Index holdings’ expected collective carbon intensity relative to the broad Australian share market, for industry certification reasons.

The purpose of this SPDS is to update the disclosure in the PDS to reflect the matters described above.

Revisions to reflect the underlying index methodology

In the PDS, section 2.1.3 “About the Index” is amended by replacing the table on pages 10-11, which sets out the Sustainability Leaders criteria, with the following revised table:

Climate adaptation	Companies that earn 50% or more of revenue from the manufacture or sale of climate adaptation technologies, or associated research, consulting or engineering services
Nutrition, agriculture and land use	<ul style="list-style-type: none"> • Companies that earn 50% or more of revenue from the production or sale of healthy and nutritious foods, with a particular focus on plant- based foods • Companies that earn 50% or more of revenue from activities associated with sustainable agriculture, sustainable aquaculture, reduced food waste and other activities identified by Project Drawdown®, a non-profit organisation which conducts rigorous review and assessment of climate solutions, as Food, Agriculture and Land Use Sector solutions
Improved industrial processes, improved materials and pollution reduction	<ul style="list-style-type: none"> • Companies that earn 50% or more of revenue from pollution reduction technologies • Companies that earn 50% or more of revenue from wastewater treatment • Companies that earn 50% or more of revenue from activities associated with waste remediation, recycling, recycled materials, alternative refrigerants, plastic reduction, waste to energy and other activities identified by Project Drawdown® as Industry Sector solutions • Companies employing circular economy strategies as critical elements in their operations
Healthcare	<ul style="list-style-type: none"> • Companies that earn 50% or more of revenue from hospital treatment, medical services or personal health insurance • Companies that earn 50% or more of revenue from activities associated with reproductive and maternal health • Companies that earn 50% or more of revenue from activities which have a specific focus on vaccine development or the treatment of communicable diseases • Companies that earn 50% or more of revenue from activities which have a specific focus on the treatment of non-communicable diseases
Transportation solutions	<ul style="list-style-type: none"> • Companies that earn 50% or more of revenue from activities associated with traffic safety systems, autonomous vehicles (excluding military applications), electric vehicles, public transit, high speed rail, energy efficient transportation solutions, telepresence and other activities identified by Project Drawdown® as Transportation Sector solutions
Education	<ul style="list-style-type: none"> • Companies that earn 50% or more of revenue from early childhood education, vocational education, tertiary education or providing other educational services
Water efficiency	<ul style="list-style-type: none"> • Companies that earn 50% or more of revenue from the manufacture or sale of water efficiency technology
Renewable energy and energy efficiency	<ul style="list-style-type: none"> • Companies that earn 50% or more of revenue from activities associated with renewable energy and energy efficiency, including building automation, building technologies, lighting solutions, energy storage, improved electrical grids and other activities identified by Project Drawdown® as Electricity Sector solutions
Green buildings	<ul style="list-style-type: none"> • Companies/REITS that have either: (i) a 6-Star Green Star Portfolio Performance assessment (GBCA); or (ii) have been designated as Global Leaders in the annual GRESB Real Estate Benchmark Assessment (GRESB)
Sustainable tourism	<ul style="list-style-type: none"> • Companies that earn 50% or more of revenue from sustainable tourism
Sustainable and regional infrastructure	<ul style="list-style-type: none"> • Companies that earn 50% or more of revenue from sustainable infrastructure or alternative cement • Telecom companies that provide communication infrastructure that benefits rural and regional communities
Social and community housing	<ul style="list-style-type: none"> • Companies that earn 50% or more of revenue from social and community housing
Worker and consumer protection	<ul style="list-style-type: none"> • Companies that earn 50% or more of revenue from legal activities focused on workers' rights, consumer rights or otherwise protecting vulnerable people
Regional and community banking	<ul style="list-style-type: none"> • Companies with 20% or more of revenue from regional and community banking • Companies with 50% or more of revenue from the provision of microfinance
Relevant certification	<ul style="list-style-type: none"> • Certified B Corporations • Supply Nation registered businesses

	<ul style="list-style-type: none">• Companies with a Reconciliation Action Plan (RAP) Elevate (RAP)• Companies with 50% or more of revenue from the sale or manufacture of Fairtrade certified products
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Revision for industry certification purposes

In the PDS, section 1.1 “About the Fund” is amended by including the following as a new paragraph after the fifth paragraph in that section:

“Consequential to the index construction methodology, it is expected that the portfolio will achieve a carbon emissions intensity at least 33% less than the broad Australian share market.”