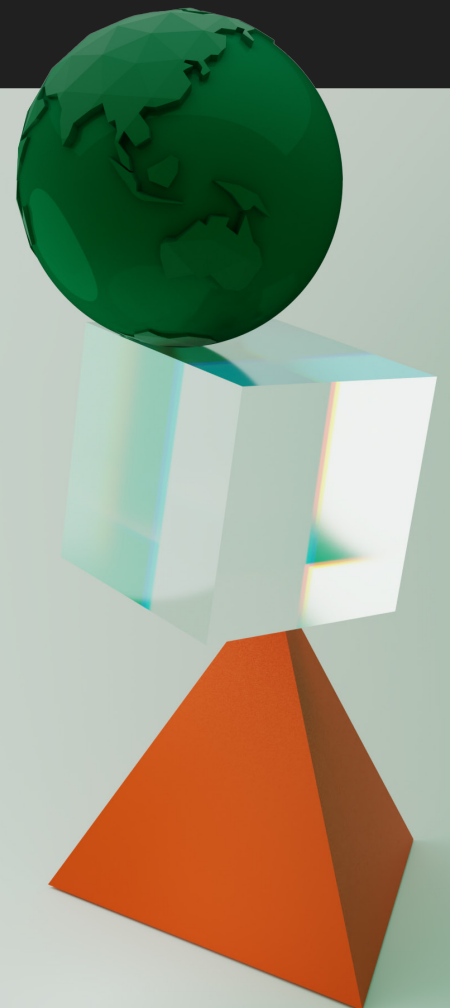


GBND

Index Rebalance Summary 2024



The Betashares Sustainability Leaders Diversified Bond ETF - Currency Hedged (ASX: GBND) aims to track the Solactive Australian and Global Select Sustainability Leaders Bond TR Index – AUD Hedged (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 February 2024. This process included full screening of eligible constituents in accordance with the Index methodology.

Bonds included in the Index are classified into two categories; ESG-screened green bonds, whose use of proceeds is consistent with the Climate Bonds Initiative (CBI) Green Bond Taxonomy, and other ESG-screened (non-green) bonds.

The ESG screens applied to issuers is detailed in the index methodology. Whilst non-green bonds will be excluded if the issuer has any exposure to fossil fuels, uranium or nuclear energy, green bonds will be excluded if the issuer’s exposure to the aforementioned activities exceeds a revenue threshold of 5%. As such, if an issuer passes the screening for non-green bonds, they will automatically qualify under the green bonds screen.

Issuer additions

There were 51 new issuers included in the green bond universe. Some noteworthy examples outlined below:

Name	Ticker	Use of proceeds
LG Energy Solution Ltd. (LGES) is a global battery manufacturer headquartered in Korea. It engages in the research, development, manufacture, and sale of a wide range of products in the battery storage business.	LGENSO	LGES plans to use the proceeds to finance projects focused on low carbon transport solutions and energy efficiency.
DS Smith is Europe’s largest cardboard and paper recycler, processing about six million tonnes of recycling material every year.	SMDSLN	DS Smith plans to use the proceeds to finance eligible projects across two main categories: the circular economy and sustainable management of natural resources and land use.
SK hynix Inc., headquartered in Korea, is a leading semiconductor manufacturer that offers Dynamic Random-Access Memory chips, Flash memory chips and CMOS Image Sensors for a wide range of customers globally.	HYUELE	SK hynix plans to use the proceeds to finance eligible projects in the following categories: sustainable water and wastewater management, energy efficiency, pollution prevention and control, and biodiversity conservation.

A full list of the Index Additions for Green Bonds and Non-Green Bonds is included in Appendix A.

Issuer deletions

The Index Guideline allows the RIC to exclude issuers if they are sovereign and subject to current sanctions, or (non-sovereign) issuers that are exposed to significant ESG-related reputational risk or controversy. In the green bond list, nine issuers were excluded under the controversy screen, of which three issuers were excluded at the last rebalance and continue to be excluded. In the non-green bond list, three non-green bond issuers were excluded under the controversy screen, of which one issuer was excluded at the last rebalance and continues to be excluded.

Excluded issuers based on controversy and norms-based screening

Issuer	Ticker	Relevant screen	Rationale for Exclusion	Universe
H&M Finance BV	HMBSS	Controversy	H&M Inc was excluded due to ongoing controversy related to human rights, greenwashing, and sustainability.	Green Bonds
Sumitomo Mitsui Financial Group	8316	Controversy	Excluded since 2021 due to financial ties with the Myanmar military. This year's analysis showed no significant change to the situation.	Green Bonds
Banco Santander	SANTAN	Controversy	Excluded due to controversy related to allegations of banking relationships with sanctioned entities.	Green Bonds
PostNL	PNL	Controversy	Excluded for significant ongoing issues related to alleged fraud, tax avoidance, and human trafficking for which the board is being prosecuted.	Green Bonds
Japan Bank for International Cooperation	JBIC	Controversy	Excluded due to financing a project linked to the Myanmar military.	Green Bonds

Excluded issuers based on controversy and norms-based screening

Issuer	Ticker	Relevant screen	Rationale for Exclusion	Universe
Mizuho Financial	MIZUHO	Controversy	Excluded due to financing a project linked to the Myanmar military.	Green Bonds
Telefonaktiebolaget LM Ericsson	ERICB	Controversy	Excluded due to repeated claims related to corruption.	Green Bonds
Xiaomi Best Time International Ltd	XIAOMI	Controversy	Excluded due to allegations that related to tax evasion and illegal remittance payments.	Green Bonds
The Nature Conservancy	N/A	Controversy	Excluded due to ongoing controversy that related to claims of greenwashing in voluntary carbon markets.	Green Bonds
Westconnex Finance Company	N/A	Controversy	Excluded since 2021. This project has been characterised by a lack of transparency and the forcing out of residents in lower socio-economic suburbs. This year's analysis showed no significant change to the situation.	Non-Green Bonds
Woolworths Group	WOW	Controversy	Excluded due to its 9.1% ownership in Endeavour Group, Australia's largest operator of poker machines and a distributor of alcohol.	Non-Green Bonds
Northern Territory Treasury Corp	NTTC	Controversy	Excluded for controversy that related to the expansion of a gas project in the Beetaloo Basin.	Non-Green Bonds

Excluded issuers based on other screening

Twenty-three issuers were removed from the Index on the basis of other screening undertaken by the RIC:

- One issuer did not pass the fossil fuel screen due to increase in revenues from fossil fuels power generation as set out in the index methodology at this rebalance.
- Two issuers did not pass the fossil fuel screen relating to financing of fossil fuel projects as set out in the index methodology at this rebalance.
- Three issuers did not pass the gender diversity screen as set out in the index methodology at this rebalance.
- Seventeen issuers were not included in the starting universe as per the requirements set out in the index methodology at this rebalance.

These constituents and the reasons for their removal are laid out below:

Issuer	Ticker	Relevant screen	Rationale for deletion	Universe
ACEA S.p.A	ACEIM	Fossil Fuels	No longer passed the fossil fuel screen due to increased revenue exposure to fossil fuel power generation.	Green Bonds
BNP Paribas SA	BNP	Fossil Fuels	No longer passed the fossil fuel screen due to ownership of fossil fuel assets and fossil fuel lending.	Green Bonds
Bank of China	BCHINA	Board Diversity	No longer passed the board diversity screen.	Green Bonds
State Grid Europe Development	CHGRID	Board Diversity	No longer passed the board diversity screen.	Green Bonds
Toyota Motor Credit Corp	TOYOTA	Board Diversity	No longer passed the board diversity screen.	Green Bonds
mBank SA	MBKPW	N/A	Not included in the starting universe as per the requirements set out in the index methodology.	Green Bonds
Unione di Banche Italiane SpA	ISPIM	N/A	Not included in the starting universe as per the requirements set out in the index methodology.	Green Bonds
Mitsubishi HC Capital Inc.	MITHCC	N/A	Not included in the starting universe as per the requirements set out in the index methodology.	Green Bonds
Royal Bank of Canada	RY	N/A	Not included in the starting universe as per the requirements set out in the index methodology.	Green Bonds
Mirae Asset Securities	DAESEC	N/A	Not included in the starting universe as per the requirements set out in the index methodology.	Green Bonds

Issuer	Ticker	Relevant screen	Rationale for deletion	Universe
National Grid Electricity Transmission	NGGLN	N/A	Not included in the starting universe as per the requirements set out in the index methodology.	Green Bonds
Westpac Banking Corporation	WSTP	N/A	Not included in the starting universe as per the requirements set out in the index methodology.	Green Bonds
China Development Bank	SDBC	N/A	Not included in the starting universe as per the requirements set out in the index methodology.	Green Bonds
Greentown China Holdings Ltd.	GRNCH	N/A	Not included in the starting universe as per the requirements set out in the index methodology.	Green Bonds
Deutsche Hypothekenbank	NDB	N/A	Not included in the starting universe as per the requirements set out in the index methodology.	Green Bonds
IDB Trust Services Ltd	ISDB	N/A	Not included in the starting universe as per the requirements set out in the index methodology.	Green Bonds
Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.	NEDFIN	N/A	Not included in the starting universe as per the requirements set out in the index methodology.	Green Bonds
Bank of the Philippine Islands	BPIPM	N/A	Not included in the starting universe as per the requirements set out in the index methodology.	Green Bonds
Renesas Electronics Corp	NECELE	N/A	Not included in the starting universe as per the requirements set out in the index methodology.	Green Bonds
UBS AG	UBSGAU	Fossil Fuels	No longer passed the fossil fuel screen due to ownership of fossil fuel assets and fossil fuel lending.	Non-Green Bonds
Kuntarahoitus Oyj	KITUS	N/A	Not included in the starting universe as per the requirements set out in the index methodology.	Non-Green Bonds
Province of British Columbia Canada	BCPRV	N/A	Not included in the starting universe as per the requirements set out in the index methodology.	Non-Green Bonds
ING Bank (Australia) Ltd	INGBKA	N/A	Not included in the starting universe as per the requirements set out in the index methodology.	Non-Green Bonds

Index additions

Issuer	Ticker	Rationale for addition	Universe
CBRE Global Investors Open-Ended Funds	CBREGI	New data showed that services to gambling are indirect and accounted for less than 5% of revenue.	Green Bonds
Republic Of Korea	KOREA	Now has female representation on the board.	Green Bonds
Unibail-Rodamco-Westfield	ULFP	Company previously failed the gambling screen due to the operation of a casino. New data suggested that the company no longer operated a casino.	Green Bonds
Volkswagen International Finance NV	VW	Now has female representation on the board.	Green Bonds
Global Switch Finance	GSWITC	Now has female representation on the board.	Green Bonds
Buoni del Tesoro Poliennali	BTPS	Now has female representation on the board.	Green Bonds
Star Energy Geothermal Salak Ltd	STENGE	New issuer	Green Bonds
Grenke Finance PLC	GLJGR	New issuer	Green Bonds
Aldar Investment Properties LLC	ALDAR	New issuer	Green Bonds
Brambles Finance PLC	BXBAU	New issuer	Green Bonds
Volksbank Wien AG	VOWIBA	New issuer	Green Bonds
Erste Group Bank AG	ERSTBK	New issuer	Green Bonds
Stadshypotek AB	SHBASS	New issuer	Green Bonds
NEPI Rockcastle N.V.	NEPSJ	New issuer	Green Bonds
New Development Bank	NEWDEV	New issuer	Green Bonds
Koninklijke Ahold Delhaize N.V.	ADNA	New issuer	Green Bonds
Assicurazioni Generali S.p.A.	ASSGEN	New issuer	Green Bonds

Issuer	Ticker	Rationale for addition	Universe
Crelan SA/NV	CRELAN	New issuer	Green Bonds
Arkea Home Loans SFH SA A Conseil D'Administration	CMARK	New issuer	Green Bonds
Ford Motor Company	F	New issuer	Green Bonds
DS Smith Plc	SMDSLN	New issuer	Green Bonds
Bank of America Corporation	BAC	New issuer	Green Bonds
SK hynix, Inc.	HYUELE	New issuer	Green Bonds
Comcast Corporation	CMCSA	New issuer	Green Bonds
Valeo SA	FRFP	New issuer	Green Bonds
Autoliv Inc.	ALV	New issuer	Green Bonds
Statnett SF	STATNE	New issuer	Green Bonds
Volkswagen Leasing GmbH	VW	New issuer	Green Bonds
Wustenrot Bausparkasse Aktiengesellschaft	WUWGR	New issuer	Green Bonds
Hypo Vorarlberg Bank AG	VORHYP	New issuer	Green Bonds
Dp World Crescent Ltd.	DPWDU	New issuer	Green Bonds
Unicredit Bank Czech Republic & Slovakia AS	UNICZ	New issuer	Green Bonds
Proximus PLC	PROXBB	New issuer	Green Bonds
Centerpoint Energy Houston Electric, LLC	CNP	New issuer	Green Bonds
LG Energy Solution	LGENSO	New issuer	Green Bonds
Hypo Tirol Bank AG	LANTIR	New issuer	Green Bonds
Bank Polska Kasa Opieki Spolka Akcyjna	PEOPW	New issuer	Green Bonds
Dragados SA	ACSSCE	New issuer	Green Bonds

Issuer	Ticker	Rationale for addition	Universe
State Of Baden-Wurttemberg	BADWUR	New issuer	Green Bonds
Welltower OP LLC	WELL	New issuer	Green Bonds
East Japan Railway Company	EJRAIL	New issuer	Green Bonds
Amipeace Ltd	BCHINA	New issuer	Green Bonds
Nova Ljubljanska Banka D.D., Ljubljana	NOVALJ	New issuer	Green Bonds
Transpower New Zealand Limited	TPNZ	New issuer	Green Bonds
Bausparkasse Schwabisch Hall Aktiengesellschaft - Bausparkasse Der Volksban	BAUSCH	New issuer	Green Bonds
ASR Nederland N.V.	ASRNED	New issuer	Green Bonds
Stellantis NV	STLA	New issuer	Green Bonds
Western Australian Treasury Corp	WATC	New issuer	Green Bonds
Contact Energy Limited	CENNZ	New issuer	Green Bonds
United Overseas Bank Ltd (Sydney Branch)	UOBHSY	New issuer	Non-Green Bonds
Telstra Group Ltd	TESAG	New issuer	Non-Green Bonds
New Zealand Local Government Funding Agency Ltd	LGFA	New issuer	Non-Green Bonds
Swedish Export Credit Corp	SEK	New issuer	Non-Green Bonds
Credit Agricole SA	CAGR	New issuer	Non-Green Bonds
Svenska Handelsbanken AB	SHB	New issuer	Non-Green Bonds
Queensland Treasury Corp	QTC	Company has passed the fossil fuel screen	Non-Green Bonds

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