

INDEX GUIDELINE

Solactive Australian and Global Select Sustainability Leaders Bond TR Index

Version 1.4

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INTRODUCTION

This document (the "GUIDELINE") is to be used as a guideline with regard to the composition, calculation and maintenance of the Solactive Australian and Global Select Sustainability Leaders Bond TR (the "INDEX"). Any amendments to the rules made to the GUIDELINE are approved by the OVERSIGHT COMMITTEE as specified in the Bond Index Methodology. The INDEX is owned, calculated, administered and published by Solactive AG ("SOLACTIVE") assuming the role as administrator (the "INDEX ADMINISTRATOR") under the Regulation (EU) 2016/1011 (the "BENCHMARK REGULATION" or "BMR"). The name "Solactive" is trademarked.

The GUIDELINE and the policies and methodology documents referenced herein contain the underlying principles and rules regarding the structure and operation of the INDEX. SOLACTIVE does not offer any explicit or tacit guarantee or assurance, neither pertaining to the results from the use of the INDEX nor the level of the INDEX at any certain point in time nor in any other respect. SOLACTIVE strives to the best of its ability to ensure the correctness of the calculation. There is no obligation for SOLACTIVE – irrespective of possible obligations to issuers of financial instruments or investment funds referencing the INDEX under a valid license – to advise third parties, including investors and/or financial intermediaries, of any errors in the INDEX. The publication of the INDEX by SOLACTIVE does not constitute a recommendation for capital investment and does not contain any assurance or opinion of SOLACTIVE regarding a possible investment in a financial instrument based on this INDEX.

1. INDEX SPECIFICATIONS

1.1. SCOPE OF THE INDEX

The Solactive Australian and Global Select Sustainability Leaders Bond TR Index (SOLESGAU) aims to track the total performance of a portfolio of ESG-screened global and Australian bonds, with a significant allocation to green bonds. 50% of the index weight on each REBALANCE DAY will be allocated to AUD denominated bonds and 50% to EUR/USD denominated bonds. The index uses a list of eligible issuers screened by the Selection Party. The index is rebalanced monthly and selected 5 days prior to REBALANCE DAY.

Given the multi-currency nature of the index's underlying instruments, an AUD hedged version of the SOLESGAU index is also available: Solactive Australian and Global Select Sustainability Leaders Bond TR Index – AUD Hedged (SOLESGAH).



1.2. IDENTIFIERS AND PUBLICATION

The INDEX is published under the following identifiers:

Name	ISIN	Currency	Type	RIC	BBG ticker
Solactive Australian and Global Select Sustainability Leaders Bond TR Index	DE000SLA9SQ2	AUD	TR	.SOLESGAU	SOLESGAU
Solactive Australian and Global Select Sustainability Leaders Bond TR Index – AUD Hedged	DE000SLA9SR0	AUD	CH	.SOLESGAH	-

*The calculation formula refers to the index calculation's dependency on cash reinvestment, based on whether the cash reinvestment occurs on a daily/direct basis or periodically.

*TR means that the INDEX is calculated as a Total Return index as described in the Bond Index Methodology, which is available on the SOLACTIVE website: <https://www.solactive.com/documents/bond-index-methodology/>

*CH means that the Index is calculated as Currency Hedge Index, as described in the Currency Hedged Index Methodology, which is available on the SOLACTIVE website: <https://www.solactive.com/documents/currency-hedged-general-methodology/>

The INDEX is published on the website of the INDEX ADMINISTRATOR (www.solactive.com) and is, in addition, available via the price marketing services of Boerse Stuttgart GmbH and may be distributed to all of its affiliated vendors. Each vendor decides on an individual basis as to whether it will distribute or display the INDEX via its information systems.

Any publication in relation to the INDEX (e.g. notices, amendments to the GUIDELINE) will be available at the website of the INDEX ADMINISTRATOR: <https://www.solactive.com/news/announcements/>.

1.3. INITIAL LEVEL OF THE INDEX

The initial level of the INDEX on the 20th November 2019 is 1000. Levels of the INDEX published for a period prior to this date have been back-tested. Historical values from the 20th November 2019 will be recorded in accordance with Article 8 of the BMR.

1.4. PRICES AND CALCULATION FREQUENCY

The INDEX is calculated and distributed once every BUSINESS DAY based on the LAST EVALUATED MID PRICE of the INDEX COMPONENTS. Bonds added in a rebalancing (see Section 3) are included the INDEX at the LAST EVALUATED MID PRICE on the relevant REBALANCE DAY. Bonds which are excluded from the INDEX in a rebalance are reflected in the calculation of the level of the INDEX for the REBALANCE DAY at the LAST EVALUATED MID PRICE on the relevant REBALANCE DAY. INDEX analytical values are calculated each BUSINESS DAY using the



LAST EVALUATED MID PRICE based on FIXING TIME. Prices of INDEX COMPONENTS not listed in the INDEX CURRENCY are converted using the 4:00 PM London WM Fixing Spot exchange rates.

The currency hedged indices are calculated based on TRADING PRICES on the exchanges on which the UNDERLYING INDEX COMPONENTS are listed. TRADING PRICES of the UNDERLYING INDEX COMPONENTS not listed in the INDEX CURRENCY are converted using the current Intercontinental Exchange (ICE) spot foreign exchange rate. Should there be no current TRADING PRICE for an INDEX COMPONENT, the later of: (i) the most recent CLOSING PRICE; or (ii) the last available TRADING PRICE for the preceding TRADING DAY is used in the calculation.

In addition to the intraday calculation a closing level of the INDEX for each calculation day is also calculated. This closing level is based on the CLOSING PRICES for the underlying index and 4:00 PM London WM Spot and Forward Fixings quoted by Reuters. If there is no 4:00 PM London WM Fixing for the relevant CALCULATION DAY, the last available 4:00 PM London WM Fixing will be used for the closing level calculation.

2. INDEX SELECTION

On each SELECTION DAY, all bonds which meet the INDEX COMPONENT REQUIREMENTS are eligible for inclusion in the INDEX and will be added as INDEX COMPONENT on the REBALANCE DAY. Additionally, on each SELECTION DAY, it will be evaluated whether all current INDEX COMPONENTS still meet the INDEX COMPONENT REQUIREMENTS. Each INDEX COMPONENT that does not meet the INDEX COMPONENT REQUIREMENTS will be removed from the INDEX on the next REBALANCE DAY.

2.1. SELECTION OF THE INDEX COMPONENTS

The initial composition of each INDEX, as well as any selection for a rebalance (as specified in Section 3) is determined using the following rules:

General Rules:

- > Only fixed coupon bonds are eligible. FLOATING RATE NOTES, INFLATION LINKED BONDS, CONVERTIBLE BONDS, US MUNICIPAL BONDS, ABS/MBS and other structured securities are excluded from the index
- > Time to maturity on REBALANCE DAY must be of at least 1 year. PERPETUAL BONDS are excluded
- > Instruments Issue Date must be on or before SELECTION DAY 1
- > Only senior debt is included, no subordination permitted
- > Bonds must be rated investment grade. The minimum bond rating from Standard & Poor's and Moody's should be at least BBB- or Baa3. If only one rating is available, and it is at least BBB- or Baa3, the bond will be eligible for inclusion. The issuer rating will be used if the bond rating is unavailable
- > An up-to-date price must be available on SELECTION DAY 1 by the PRICING PROVIDER



- > Assessed by the SELECTION PARTY on an annual basis as having passed the eligibility screens defined below which were designed to exclude issuers that have material exposure to the fossil fuel industry or that are engaged in other activities deemed inconsistent with responsible investment considerations (as further described in this guideline)

Bonds that satisfy the above criteria must then qualify as either Green Bonds or other ESG-screened bonds, as set out below.

Green Bonds:

- > Instruments are defined as GREEN BONDS by the Climate Bond Initiative (CBI)
- > Bonds are denominated in USD, EUR or AUD
- > Securities must have an amount outstanding of at least of 300 million of their currency of denomination (EUR, USD or AUD)
- > Private Placements are excluded. If a RegS version of the 144A Private Placement bond is or becomes available, the RegS version will be included

Other ESG-screened bonds:

- > Bonds are denominated in AUD
- > Bonds issued in the Australian local market, as identified by the "AU" prefix in the ISIN
- > Bond issuers must be Corporates, Agencies, Supranationals or any non-sovereign issuer
- > The bond amount outstanding on SELECTION DAY 1 must be at least AUD 500 million

(the "INDEX COMPONENT REQUIREMENTS")]

The INDEX ADMINISTRATOR has outsourced part of the selection of the INDEX COMPONENTS to the SELECTION PARTY. The SELECTION PARTY is in charge of performing the issuer ESG eligibility screens. Such outsourcing has been made in accordance with the requirements of the BMR (Article 10 BMR). Any discretionary decision of the SELECTION PARTY will be made in accordance with the specifications regarding the exercise of discretion or expert judgement established by the INDEX ADMINISTRATOR.

2.1.1 ESG Screening

To define compliance with the index strategy, the SELECTION PARTY analyzes bond issuers according to the following ESG eligibility screens. The LIST OF ELIGIBLE ISSUERS is updated once a year in February and is effective on the February SELECTION DAY 2 after CLOSE OF BUSINESS.

For all bond issuers other than sovereign issuers:



Industry / Activity	Issuer Maximum Exposure Limit Guidelines (e.g. % of total Revenue)	Explanatory Notes
Fossil Fuels	<ul style="list-style-type: none"> • 0% • In the case of Green Bonds, an issuer exposure of up to 5% is permitted 	Companies which have fossil fuel reserves, fossil fuels infrastructure, or are involved in the mining, extraction, burning of fossil fuels; or top corporate funders of fossil fuels.
Gambling	<ul style="list-style-type: none"> • 0% for casinos, manufacture of gaming products, and poker machine operations • 5% for distribution of gambling products 	
Tobacco	<ul style="list-style-type: none"> • 0% for production or manufacture • 5% for sale of tobacco products 	
Uranium and Nuclear Energy	<ul style="list-style-type: none"> • 0% for uranium, mining and nuclear energy • In the case of Green Bonds, an issuer exposure of up to 5% is permitted • 5% for products and services related to nuclear energy 	
Armaments and Militarism	<ul style="list-style-type: none"> • 0% for manufacture of armaments and weapons • 5% for specific and significant services to military and armaments manufacture 	
Destruction of Valuable Environments	<ul style="list-style-type: none"> • 0% 	Activities which have direct negative impact on recognised World Heritage and High Conservation areas.
Animal Cruelty	<ul style="list-style-type: none"> • 0% 	Exposure to live animal export, animal testing for cosmetic purposes, factory farming, or controversial animal products (ivory, foie gras etc.).
Chemicals of Concern	<ul style="list-style-type: none"> • 0% 	Production or use of chemicals of concern recognised by UN Environmental Program, Producers of contentious agricultural chemicals.



2.1.2 SELECTION OF THE INDEX CURRENCY COMPONENTS

Based on the INDEX CURRENCY UNIVERSE, the initial composition of the INDEX as well as any selection for an ordinary rebalance is determined on the SELECTION DAY in accordance with the following rules (the "INDEX CURRENCY COMPONENT REQUIREMENTS"):

- All of the currencies from the INDEX CURRENCY UNIVERSE

2.2. WEIGHTING OF THE INDEX COMPONENTS

On each SELECTION DAY each INDEX COMPONENT is weighted using the market value based on the LAST EVALUATED MID PRICE and accrued interest as on the SELECTION DAY 1 in order to achieve the aim of the INDEX. The weighting of the INDEX COMPONENTS will be as follows:

- > Issuer caps:
 - Sovereign issuers and Australian state government issuers will not have a weight greater than 10%
 - All other issuers will not have a weight greater than 5%
- > Currency scaling:
 - AUD bonds will have a scaling factor applied such that they have a total weight of 50% of the index

EUR and USD bonds will have a total weight of 50% of the index

2.2.1 WEIGHTING OF THE INDEX CURRENCY COMPONENTS

On each SELECTION DAY, the weight of each INDEX CURRENCY COMPONENT is assigned according to the aggregated weights of all the UNDERLYING INDEX COMPONENTS quoted in the respective currency.

3. ORDINARY REBALANCE

In order to reflect the new selection of the INDEX COMPONENTS determined on the SELECTION DAY (in accordance with Section 2.1) the INDEX is adjusted on the REBALANCE DAY after CLOSE OF BUSINESS.

For more information on the rebalance procedure please refer to the Bond Index Methodology, which is incorporated by reference and available on the SOLACTIVE website: <https://www.solactive.com/documents/bond-index-methodology/>.

SOLACTIVE will publish any changes made to the INDEX COMPONENTS with sufficient notice before the REBALANCE DAY on the SOLACTIVE webpage.



4. CORPORATE ACTIONS

As part of the INDEX maintenance SOLACTIVE will consider various events – also referred to as corporate actions – which result in an adjustment to the INDEX between two regular REBALANCE DAYS. Such events have a material impact on the price, weighting or overall integrity of INDEX COMPONENTS. Therefore, they need to be accounted for in the calculation of the INDEX. Adjustments to the INDEX to account for corporate actions will be made in compliance with the Bond Index Methodology.

5. DEFINITIONS

“BENCHMARK REGULATION” shall have the meaning as defined in Section “Introduction”.

“BMR” shall have the meaning as defined in Section “Introduction”.

“BUSINESS DAY” is with respect to the INDEX each day Monday to Friday except the following sets of days: Australian Securities Exchange (ASX).

“CLOSE OF BUSINESS” is a time stamp when an INDEX is calculated.

“CLOSING PRICE” in respect of an INDEX COMPONENT and a TRADING DAY is a security's final regular-hours TRADING PRICE published by the EXCHANGE and determined in accordance with the EXCHANGE regulations. If the EXCHANGE has no or has not published a CLOSING PRICE in accordance with the EXCHANGE rules for an INDEX COMPONENT, the last TRADING PRICE will be used.

“CURRENCY HEDGE INDEX” represent the return resulting from the sum of an underlying index performance and the performance of the hedge of this index using currency forward contracts.

“GUIDELINE” shall have the meaning as defined in Section “Introduction”.

“INDEX” shall have the meaning as defined in Section “Introduction”.

“INDEX ADMINISTRATOR” shall have the meaning as defined in Section “Introduction”.

“INDEX CALCULATOR” is SOLACTIVE or any other appropriately appointed successor in this function.

“INDEX COMPONENT” is each bond reflected in the INDEX.

“INDEX COMPONENT REQUIREMENTS” shall have the meaning as defined in Section 2.1.

“INDEX CURRENCY” is the currency specified in the column “Currency” in the table in Section 1.2.

“INDEX CURRENCY COMPONENTS” is each currency on which UNDERLYING INDEX COMPONENT trades in the market.

“INDEX CURRENCY COMPONENT WEIGHT” is value resultant from the sum of all the UNDERLYING INDEX COMPONENT'S weights quoted in the respective currency.



“INDEX CURRENCY UNIVERSE” is the sum of all currencies which fulfill the INDEX CURRENCY UNIVERSE REQUIREMENTS.

“INDEX CURRENCY UNIVERSE REQUIREMENTS” shall have the meaning as defined in Section 2.1.1

“ISSUER” is the issuing entity of the respective bond.

“OVERSIGHT COMMITTEE” shall have the meaning as defined in the Bond Index Methodology.

“PRICING PROVIDER” is Bloomberg (BVAL).

“REBALANCE DAY” is the last BUSINESS DAY of the month.

“SELECTION DAY 1” is 5 BUSINESS DAYS before the scheduled REBALANCE DAY, disregarding any potential change of the REBALANCE DAY

“SELECTION DAY 2” is 3 BUSINESS DAYS before the scheduled REBALANCE DAY, disregarding any potential change of the REBALANCE DAY

“SELECTION PARTY” is the Responsible Investment Committee established by BetaShares Capital Limited for determining the list of securities as outlined in section 2.1.1

“SOLACTIVE” shall have the meaning as defined in Section “Introduction”.

“SPOT” is the spot foreign exchange rate to convert the currency of the INDEX COMPONENT into the denomination of the INDEX CURRENCY.

“TRADING PRICES” in respect of an INDEX COMPONENT and a TRADING DAY is the most recent published price at which the INDEX COMPONENT was traded on the respective EXCHANGE.

“UNDERLYING INDEX COMPONENTS” is each security reflected in the composition of the UNDERLYING INDEX.

Please note that the definitions included in the Bond Index Methodology apply to this guideline. In case of a discrepancy, the definition presented in the guidelines should prevail.

6. HISTORY OF INDEX CHANGES

Version	Date	Description
1.4	12 June 2024	Adding Clarification around issue date rule
1.3	27 March 2024	Format Update
1.2	16 February 2023	Updating ESG screening criteria
1.1	17 September 2021	Updating annual review date to February



1.0	20 November 2019	Index Guideline creation (initial version)
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