

Press Release

BetaShares Launches ETF Tracking Solactive Australian Investment Grade Bond Select DH Index

23 November 2022

FRANKFURT AM MAIN – In a slower economic environment with expectations of market volatility, investors might look for a quality portfolio that offers attractive income with reduced interest rate risk. Those may turn to investment grade corporate bonds, which are quality bonds that receive high rates from credit rating agencies. Within this framework, Solactive is pleased to announce that the Australian ETF provider BetaShares launched the BetaShares Interest Rate Hedged Australian Investment Grade Corporate Bond ETF, tracking the Solactive Australian Investment Grade Bond Select DH Index. The ETF was listed on the Australian stock exchange (ASX), with the ticker HCRD AU and ISIN AU0000247777.

The **Solactive Australian Investment Grade Bond Select DH Index (SOLASIGH)** tracks the performance of the **Solactive Australian Investment Grade Corporate Bond Select Index (SOLAUSIG)** while hedging its duration. The **SOLAUSIG** index provides exposure to AUD denominated non-government investment-grade bonds with a term to maturity between 5.25 and 10.25 years and includes up to 50 bonds selected based on option-adjusted spreads.

The duration hedge is performed by holding a rolling position of the ASX Treasury Bond Futures contracts. Given that movements in government bond yields typically are the largest contributor to the volatility of fixed rate corporate bonds, this hedging strategy aims to reduce volatility and capital variability of the affiliated bond portfolio.

Timo Pfeiffer, Chief Markets Officer at Solactive, comments: *"This launch demonstrates our expertise not only in the equity space but also in the fixed income realm. For investors trying to diversify their portfolio in current market situations, we, together with BetaShares, developed an index that serves as a suitable tool in times of uncertainty. We are happy to continue our engagement with one of the major Australian ETF providers and expand our footprint in the APAC region."*

Alex Vynokur, CEO at BetaShares, says that the BetaShares Interest Rate Hedged Australian Investment Grade Corporate Bond ETF (ASX: HCRD) uses an intelligent indexing approach, by selecting the bonds in its portfolio based on expected returns rather than debt, which aims to avoid shortcomings of traditional debt weighted indices. *"Australian corporate bonds are regarded as a core building block of a well-diversified portfolio. HCRD offers investors exposure to this core asset class in a way that reduces interest rate risk – an important consideration in an environment where inflation and interest rates are front of mind for investors and their advisers."*

Solactive AG
German Index Engineering
Platz der Einheit 1
60327 Frankfurt am Main
Germany

Steffen Scheuble
CEO
+49 (69) 719 160-20
steffen.scheuble@solactive.com

Michael Li Ming Nuske, CFA
Team Head Sales APAC
+852 3905 3101
michael.nuske@solactive.com

Maria Seifert
PR & Communications
+49 (69) 719 160-311
press@solactive.com

Vynokur concluded: "Our versatile range of fixed income investment solutions allows investors to easily add defensive assets to their portfolios, tailored to their needs. We're proud to offer another market-first ETF and to continue to contribute to the development of the Australian ETF industry."

For more information, please visit:

<http://www.solactive.com>

Note to editors

About Solactive

Solactive is a leading provider of indexing, benchmarking, and calculation solutions for the global investment and trading community. Headquartered in Frankfurt and with offices in Hong Kong, Toronto, Berlin, and Dresden, we innovate and disrupt the status quo as the partner of choice for our clients.

The unique blend of our 250 staff's expertise in data, data science, financial markets, and technology enables our clients' continued success through the delivery of a superior experience, unique customization capabilities, and the best value for money available in the industry. With more than 20,000 indices calculated daily, we offer a full suite of solutions, including market-leading ESG and thematic indices.

As at January 2022, Solactive served approximately 500 clients across the world, with approximately US\$250 billion invested in products linked to our indices. Solactive is registered with ESMA as a benchmark administrator and is supervised by the BaFin.

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Solactive AG, Platz der Einheit 1, 60327 Frankfurt am Main, Germany. Registered Office: Frankfurt am Main, Registration Court: Amtsgericht Frankfurt am Main, HRB: 79986, USt-IdNr.: DE 255 598 976. Management Board: Steffen Scheuble, Alexander Steiner, and Timo Pfeiffer, Head of Supervisory Board: Dr Felix Mühlhäuser.

Solactive AG
German Index Engineering
Platz der Einheit 1
60327 Frankfurt am Main
Germany

Steffen Scheuble
CEO
+49 (69) 719 160-20
steffen.scheuble@solactive.com

Michael Li Ming Nuske, CFA
Team Head Sales APAC
+852 3905 3101
michael.nuske@solactive.com

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