

# BondAdviser

## ASX-Listed Additional Tier 1 Capital Instrument Index Methodology

# Table of Contents

## Overview

Introduction

Index Family

## Eligibility Criteria

Eligibility Factors

Eligibility Classification

## Index Construction

Weighting and Rebalancing

Accumulation

Security Valuation

## Index Maintenance

Franking Credits

Intra-Month Deletions

Corporate Events

## Index Maintenance

Franking Credits

Intra-Month Deletions

Corporate Events

## Index Data

Price Data

Date Data

## Index Policy

Announcements

Holiday Schedule

Recalculation Policy

Calculation

Index Dissemination

## Appendix 1: Historical Constituents

## Appendix 2: Corporate Actions

## Introduction

The BondAdviser Additional Tier 1 (AT1) Capital Instrument Index series is designed to accurately reflect the performance of the ASX-listed AT1 hybrid market. The main market index aims to track the broad AT1 instrument universe while sub-indices have also been created to reflect common subdivisions of the asset class by both income measurement and issuer type.

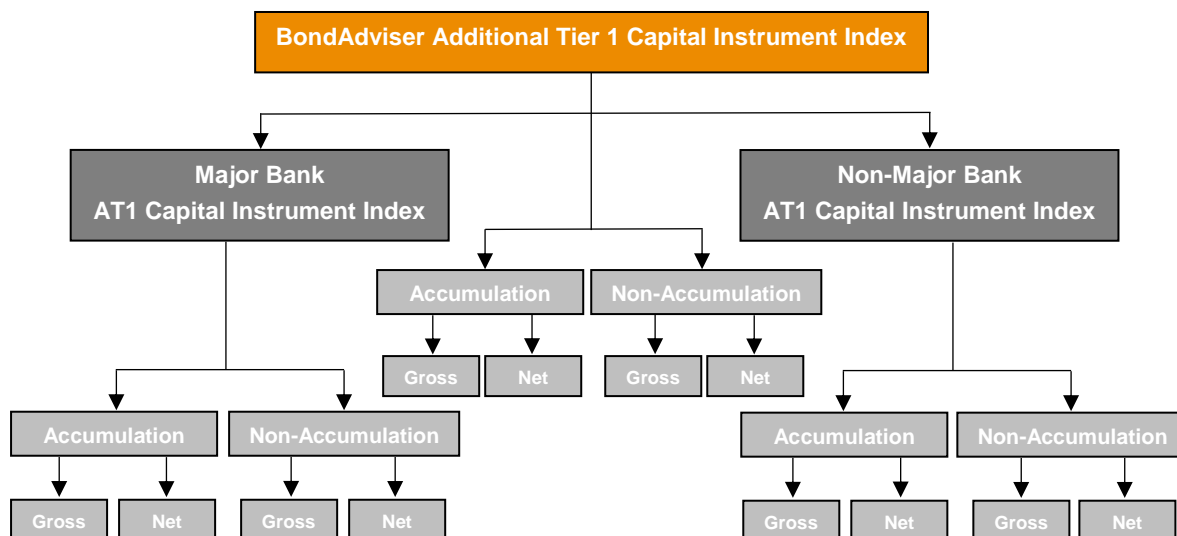
Given the persistently low interest rate environment, a healthy supply of hybrids has been met with robust demand from investors and at this point of the interest rate cycle, we believe hybrid securities will remain an important source of income over the coming years. To best capture, measure and benchmark security performance in a precise manner, we believe an independent and reliable framework is needed to improve the transparency for all users of the ASX-listed hybrid market. Although there are variations of such a framework currently deployed in Australia, we believe our offering will become the market standard and which will ultimately boost knowledge and help to remove the stigma of complexity associated with these types of instruments.

## Index Family

The index series includes the parent index known as the *BondAdviser Additional Tier 1 Capital Instrument Index*. From this, sub-indices are derived, namely the *Major Bank Additional Tier 1 Capital Instrument Index* and the *Non-Major Bank Additional Tier 1 Capital Instrument Hybrid Index*. Classification of securities into these sub-indices is binary and explained further in the “Sector Eligibility Classification” section.

Each index and sub-index will additionally be available as an *Accumulation* or *Non-Accumulation* variant and each of these on a *franked* (gross) and *unfranked* (net) basis with even further dissemination available on request (i.e. specific issuer(s), targeted term to redemption or Basel-III eligibility, for example).

Figure 1. BondAdviser AT1 Capital Instrument Index Series



Source: BondAdviser

## Index Definition:

- i) **BondAdviser AT1 Capital Instrument Index** – This index is the primary performance gauge for the Australian ASX-listed AT1 hybrid market and will be utilised as a key benchmark for the performance of AT1 capital instruments.
- ii) **Major Bank AT1 Capital Instrument Index** – The major bank sub-index will comprise the bulk of the index universe due to the sheer volume in issue by the major banks. Accordingly, index constituents will more closely track the parent index and are naturally more liquid.
- iii) **Non-Major AT1 Capital Instrument Index** – This index covers all Additional Tier 1 (AT1) hybrid capital issued by the broader financial sector which are not issued by the major banks. As a result, insurance groups and other financial conglomerates are encompassed in this universe.

Each index also includes **Accumulation** and **Non-Accumulation** indices on both a **Gross** and **Net** basis.

**Accumulation and Non-Accumulation Indices** – All indices will be available on an accumulation and non-accumulation basis. Accumulation indices allow for the reinvestment of coupon payments into the index and underpin the methodologies behind Bloomberg's suite of AusBond indices as well as the S&P/ASX200 Accumulation Index. Although we offer both, we preference the non-accumulation approach as we believe this offers more realistic returns.

**Gross and Net Indices** – Due to the uniqueness of franking credits in both the Australian market and in relation to an investor's personal circumstances, it is difficult to standardise their impact to market performance. For this reason, franked and unfranked indices will be available for both the parent index and sub-indices.

## Eligibility Criteria

The index series draws contains the entire universe of AT1 hybrid securities listed on the ASX since July 2004. These instruments refer to a classification of securities that contain both debt and equity characteristics. Due to the complex and developing regulatory framework that governs the Additional Tier 1 asset class, there has been a variation in structural features over the past 15 years, albeit standardisation is becoming increasingly apparent.

AT1 capital security structures over the term of the index (July 2004 to present) have transitioned across income securities, convertible preference shares, reset preference shares and more recently, capital notes. For this reason, each constituent in the index has been analysed on a case-by-case basis to ensure return history is accurate and consistent with the treatment of every other constituent.

## Eligibility Factors

- **Classification** – Under the Australian regulatory framework administered by APRA, constituents of the index must be classified as Additional Tier 1 capital (excluding Common Equity Tier 1 capital). This is inclusive of transitional Tier 1 capital imposed under the APS300 and APRA's broader implementation of the Basel III measures.
- **Listing** – Securities that comply with the above requirement are required to be listed on the ASX to be included in the index series.
- **Amount Outstanding** – Total aggregate face value of each security must be greater or equal to \$A50 million. If the security is bought back on-market prior to the scheduled call or maturity date, the security will remain in the index unless the aggregate face value falls below the \$A50 million threshold, when it will be excluded from the index at the next reweighting date.
- **Term** – Constituents must have a call or maturity date greater than 12 months at time of issuance. Index constituents remain in the index until the nearest rebalancing date prior to scheduled redemption, conversion, exchange or buyback.

## Sector Eligibility Classification

There is no absolute sector eligibility criterion but due to the nature of the market, all issuers must be regulated by APRA and be approved to issue Additional Tier 1 capital instruments. This largely reflects the regulatory treatment of banks, insurers and financial conglomerates. As a result, all index constituents will naturally fall in the financial sector of the Global Industry Classification Standard (GICS) framework.

For the Major Bank Additional Tier 1 Capital Instrument Index, securities included must be issued by one of the four major Australian banks (or trust structures with a controlling interest from one of the four major banks):

- Australian and New Zealand Banking Group (ASX: ANZ)
- Commonwealth Bank of Australia (ASX: CBA)
- National Australia Bank (ASX: NAB)
- Westpac Banking Corporation (ASX: WBC)

For the Non-Major Additional Tier 1 Capital Instrument Index, securities included in are generally issued by second-and/or third-tier banks or insurers (or trust structures with a controlling interest from these entities). This typically covers all issuers which are not controlled by the entities stated above. We note that index entities can represent diversified financial conglomerates with operations spanning banking, insurance and other financial services.

## Index Construction

All securities that meet the eligibility criteria existing from 1 July 2004 onwards are included in the index. The index base is 1000 and the inception date is 1 July 2004. All security constituents are retained in the index series until the rebalancing date prior to scheduled redemption, conversion, exchange or buyback, unless classification criteria are no longer met.

### Rebalancing and Weighting Rules

The BondAdviser index series is calculated using a value-weighted approach. Indices are weighted to reflect the market value of individual securities relative to total index market value over a particular base period. Market value is calculated by multiplying the security's gross market price by outstanding unit volume.

The base period is monthly and the index will be rebalanced at market close on the last business day of each month using the closing price and the number of units outstanding in the market. For securities that have not traded on the last business day of the month, the security's pricing on the previous trading day will be utilised for the rebalancing process after adjusting for accrued interest. The index cut-off day is the last business day of the month and any eligible securities not already included in the index universe prior to this date will be incorporated into the rebalancing process. Constituents which fall below the aggregate face value threshold or which will cease to exist (by either conversion, redemption, exchange or buyback) within the next monthly period will be excluded from the index as at the close of the current month for the rebalancing process.

### Return Calculation

BondAdviser provides two main return calculations, namely accumulation and non-accumulation (both also include franking and net versions).

The accumulation return index is designed to track performance where distributions are reinvested, similar to the approach of Bloomberg's AusBond suite of indices. The total return equates to movements in the capital prices of index constituents together with reinvested distributions. An investor holding securities on the ex-date is entitled to the upcoming scheduled distribution and the distribution amount is added back to the capital price during the ex-dividend period for index calculation purposes (this also applies to the non-accumulation index). On the distribution payment date, distributions are reinvested at the closing price of the same day and added to the capital value.

On any given day, the reinvestment rate is a function of the daily Internal Rate of Return (IRR) implied between two gross price data points. This method allows for the reinvested distribution component of the total return to be calculated across infrequent price data as well (i.e. where a security has limited liquidity). Distributions remain reinvested until the security is redeemed, converted, exchanged or bought back.

The non-accumulation index aims to measure performance where there is no reinvestment component and rather, distributions are simply paid out. Given this return calculation does not assume divisible units, it is a more realistic indicator of returns. Similar to the accumulation return calculation, any distribution amount is added back to the observed gross price during the ex-dividend period for index calculation purposes. However, actual distributions remain 'non-growing' rather than being reinvested in the original security.

### Aggregate Index Calculation

Constituent weightings are multiplied by the return of individual constituent indices to arrive at the value-weighted return of the aggregate index. The method is utilised to derive the aggregate market return for each return category.

### Valuation Conventions

Securities are valued with an extended version of the [Australian Financial Markets Association \(AFMA\)](#) methods for pricing Fixed Rate and Floating Rate Securities. This ensures a disciplined and consistent approach to valuations, which is valued by market participants. However, due to the complex structures of some securities, variations to formulae can occur at BondAdviser's discretion to better reflect individual security parameters. All indices are calculated using the last closing price of each ASX trading day. As mentioned, if no traded price is available for an index constituent on any given day, the capital price of the previous trading day will be utilised and accrued interest will be added using the AFMA accrued interest formula. All constituents are initially priced to call date in accordance with the local tendency for early redemption since securities will carry increasing extension and credit risks once they pass their first call date. However, where constituents are not called (on the first call date) a pricing-to-maturity (generally, the mandatory conversion date for AT1 capital instruments) method will be adopted, unless a different scheduled date is communicated by the issuer.

## Formulae

### Individual and Aggregate Market Value at Rebalancing Date

$$MV_{i,T} = P_{i,T} Q_{i,T}$$

$$MV_T = \sum_{i=1}^n P_{i,T} Q_{i,T} = \sum_{i=1}^n MV_{i,T}$$

Where:

$MV_{i,T}$  = Security market value on last business day of month (T)

$P_{i,t}$  = mid-closing gross price for security i on the last business day of the month (T).

$Q_{i,t}$  = Number of units outstanding for security i on the last business day of the month (T).

$MV_i$  = Aggregate security market value on last business day of month (T)

### Individual Security Weighting at Rebalancing Date

$$W_{i,T} = \frac{P_{i,T-1} Q_{i,T-1}}{\sum_{i=1}^n P_{i,T-1} Q_{i,T-1}} = \frac{MV_{i,T-1}}{\sum_{i=1}^n MV_{i,T-1}}$$

Where:

$W_{i,T}$  = Weighting of security (i) at the forthcoming month (T)

$P_{i,T-1}$  = mid-closing gross price for security i on the last business day of the previous month (T-1).

$Q_{i,T-1}$  = Number of units outstanding for security i on the last business day of the month (T-1).

$MV_{i,T-1}$  = Security market value on last business day of month (T-1)

### Individual Security Return Formulae

$$\text{Total Return}_{i,t} = \frac{\text{CapPrice}_{i,t} + \text{Modified AccruedInt}_{i,t} + \text{Distributions}_{i,t}}{\text{CapPrice}_{i,t-1} + \text{Modified AccruedInt}_{i,t-1}} - 1$$

$$\text{Non - Accumulation Return}_{i,t} = \frac{\text{CapPrice}_{i,t} + \text{Modified AccruedInt}_{i,t} + \text{AccumInt}_{i,t}}{\text{CapPrice}_{i,t-1} + \text{Modified AccruedInt}_{i,t-1} + \text{AccumInt}_{i,t-1}} - 1$$

$$\text{Price Return}_{i,t} = \frac{\text{CapPrice}_{i,t} + \text{Modified AccruedInt}_{i,t}}{\text{CapPrice}_{i,t-1} + \text{Modified AccruedInt}_{i,t-1}} - 1$$

Where:

**Total Return:** Total return of the security (i) on trading day (t)

**Non-Accumulation Return<sub>i,t</sub>:** Non-accumulation return of the security (i) on trading day (t)

**Price Return<sub>i,t</sub>:** Price Return of security (i) on trading day (t)

**CapPrice<sub>i,t</sub>:** Capital price of the security (i) on trading day (t)

**Modified AccruedInt<sub>i,t</sub>:** Modified Accrued Interest of the security (i) on trading day (t), which is the summation of daily interest from the beginning of the payment period to t. This is to remove the inaccuracy of negative accrued interest during ex-period, in which the actual interest is still accumulating without the effect of ownership transfer.

**Modified AccruedInt<sub>i,t</sub>:** = Daily Interest<sub>t</sub> \* Number of days with interest accruing within current interest period

**Distribution<sub>i,t</sub>:** Either Interest amount paid on the payment date or 0 on non-payment dates

**AccumInt<sub>i,t</sub>:** Non-growing interests accumulation.  $\text{AccumInt}_{i,t} = \text{Distribution}_{i,T_1} + \text{Distribution}_{i,T_2} + \dots + \text{Distribution}_{i,T_n}$ , where  $T_n$  is the nth interest payment and  $T_n \leq t$

### Individual Security Index Formula

$$Index_{i,t} = Index_{i,t-1} \times (1 + Return_{i,t})$$

$$Return_{i,t} = \frac{Index_{i,t}}{Index_{i,t-1}} - 1$$

Where:

$Return_{i,t}$  = Return (either total return, non-accumulation or price return) of the security (i) on trading day or period (t)

$Index_{i,t}$  = the index (total return, non-accumulation or price index) of the security (i) on trading day (t)

$Index_{i,t-1}$  = the index (total return, non-accumulation or price index) of the security (i) on the previous trading day or period.

### Market Aggregate Index Formula

$$Index_t = Index_{t-1} \times \sum_{i=1}^n W_{i,t} Return_{i,t}$$

$$Return_t = \sum_{i=1}^n W_{i,t} Return_{i,t} = \frac{Index_t}{Index_{t-1}} - 1$$

Where:

$Return_{i,t}$  = Return (either total return, non-accumulation or price return) of the security (i) on trading day or period (t)

$W_{i,t}$  = Weighting of security (i) on trading day (t)

$Index_t$  = the index (total return, non-accumulation or price index) of the aggregate index universe (i) on trading day or period (t)

$Index_{t-1}$  = the index (total return, non-accumulation or price index) of the aggregate index universe (i) on the previous trading day or period.

## Index Maintenance

### Franking Credits

Depending on the equity-like traits of a particular hybrid security, it may qualify for franking credits. The franking component can range from 0-100%, which is generally set by the issuer and can be adjusted upwards or downwards over the term of the security. Franking credits can be used by investors to reduce income tax paid or can potentially result in a tax refund. The index series assumes that franking credits are paid out on each distribution payment date. As a result, franked constituents are valued using the grossed-up (franked) yield. The BondAdviser Additional Tier 1 Capital Instrument Index series also provide a net version (cash) for each index which excludes any impact of franking credits.

Most franked securities within the BondAdviser Additional Tier 1 Capital Instrument Index series are fully franked (100%). However, there are some exceptions which are only partially franked (less than 100%). Franking credit percentages can sometimes be adjusted through an instrument's life depending on the issuer's underlying franking balance. If this occurs, the franking adjustment will be recognised for the applicable interest period(s) as they occur and as disclosed by the issuer.

### Month-end Deletions

Consistent with the rebalancing and reweighting process, constituent deletions can only occur on the last business day of the month prior to redemption, default, roll-over offer, conversion, exchange and other specific corporate events. The security being deleted will be removed at its market value, which incorporates interest accruing up to the deletion date. The index divisor will be adjusted accordingly at the deletion date to reflect the new total market value capitalisation of the index.

### Corporate Actions

- **Events of Default:** Security constituents will remain in the index until an event of default has been triggered. For AT1 capital instruments, this will largely reflect an embedded non-viability or capital trigger resulting in equity conversion or capital write-down. If the latter occurs, the instrument will be reweighted at the new security aggregate market value or excluded if the security aggregate market value falls below \$A50 million. If converted and the security ceases trading, the total market value of the index used as the divisor for the index will be adjusted on the last rebalancing date prior to conversion.
- **Change of Control:** Under a Change of Control event, treatment of the security in question will depend on the terms of the security prospectus. If the issuer must redeem all securities outstanding, the security will remain outstanding until redeemed. As the security will cease trading, the total market value of the index used as the divisor for the index will be adjusted on the rebalancing date prior to redemption. If the holder has the option to have their securities redeemed, total security market value and the total market value used as the divisor for the index will be adjusted at the next month-end rebalancing date unless all securities are redeemed at the holders' discretion (i.e. security ceases trading).
- **Deferral of Interest Payments:** If security distributions are optionally or mandatorily deferred, the security will remain in the index and past distributions will remain reinvested.
- **Convertibility:** Security constituents will remain in the index until the rebalancing date prior to scheduled conversion, similar to redemption. On this date, the total market value of the index used as the divisor for the index will be adjusted.
- **Partial Buybacks:** If the security is bought back (wholly or partially) on-market prior to the scheduled call or maturity date, the security will remain in the index until its aggregate face value falls below the \$A50 million threshold. In these circumstances, total security market value and the total market value used as the divisor for the index will be adjusted at the next month-end rebalancing date.
- **Roll-Over Offers:** Due to issuer funding requirements, many issuers choose to pre-fund securities nearing their scheduled call or maturity dates. As a result, a reinvestment offer is typically made to existing security holders where they can reinvest their capital into a new issue. However, this is usually prior to the scheduled redemption date and the aggregate market value of the security in question will change due to the roll-over. In these circumstances, it is assumed that the security aggregate market value is maintained to the security's exclusion from the index, ignoring the impact of the roll-over for simplification.



## Index Data

### Price Data

Price sources for constituent securities is the Australian Securities Exchange (ASX). For sparse price data, the index is adjusted to reflect an implied price for the daily calculation. This implied price is derived from the last traded capital price and uses the AFMA accrued interest formula to approximate the accrued interest component for the missing price data date(s). Combining this with the last traded capital price, we derive the implied price data point used for the index calculation on the missing price data date. Using this method, we make no assumption to changes to the underlying security's capital price value during periods in which it does not trade.

### Date Data

Historical data is sourced from official issuer announcements located on the ASX and/or issuer websites. There is now a standard form of documentation for all securities regarding ex-dates, record dates, payment dates as well as distribution rates and cash amounts but prior to mid-2015 this documentation did not exist.

While historical constituent securities prior to the introduction of the standard documentation state record and payment dates for scheduled interest payments, whether or not ex-dividend dates was stated was at the issuer's discretion. Accordingly, there are a number of securities included in the BondAdviser ASX-listed debt & hybrid index which do not have verified ex-dividend dates. As securities on the ASX trade at gross prices (i.e. including accrued interest), ex-dates are an important variable to accurate index valuations.

The current convention for ex-dividend dates is the business day immediately preceding the record date but this has varied over time. As a result, a process has been set for the estimation of dividend ex-dates.

1. The ASX provides full distribution histories for the majority of index constituents, including income amounts, income rates, ex-dividend dates, record dates, payment dates etc.
2. In the case of unavailability of data from the ASX, Bloomberg will be used as an alternative data source.
3. If the data is still unavailable (including ex-dividend date), we utilise a manual observational approach - directly identifying a notable trend consistent with the securities' historical conventions.

### Rate Data

While not a direct data input for index series valuation, benchmark interest rates are used to value individual securities. The [Bank Bill Swap Rates \(BBSW\)](#) are used for this process. The BBSW represent the midpoint of the nationally observed best bid and best offer for AFMA Prime Bank Eligible Securities. These BBSW rates are the benchmark standard for the Australian fixed income market.

## Index Policy

### Announcements

Any changes to index constituents are announced at the rebalancing dates (end of month). All methodology changes are posted to the BondAdviser platform and any recalculation of index periods are made known to index series users.

### Holiday Schedule

The BondAdviser index series follows the [ASX trading calendar](#) and will be calculated on all business days that the market remains open as notified by the calendar. ASX Limited reserves the right to declare additional Non-Business Days or to alter those currently specified herein without notice to holders of this calendar. Indices will be adjusted accordingly to reflect any changes to scheduled business days.

### Recalculation Policy

The index may be recalculated at BondAdviser's discretion under certain conditions. These conditions include:

- Incorrect pricing, distribution or date data;
- Corporate events; and or
- Incorrect or adjusted application of the index policy and procedures.

### Calculation Frequency

The BondAdviser index series is not calculated in real-time and/or intra-day. Index values and calculations are updated on a daily basis using constituent prices at the end of each trading day.

### Index Dissemination

Index levels and relevant documentation and reporting are directly available through the BondAdviser platform.

Any queries, requests or bespoke solutions relating to the index should be directed to [info@bondadviser.com.au](mailto:info@bondadviser.com.au) or the intercom messaging system available on the platform.

## Appendix 1: Index Constituents

Ticker	Issuer	Name	Date Issued	Date Redeemed / Converted	Expected Maturity	Index Inclusion Date	Index Exclusion Date	Issue Size (\$m)	Sub-Index
AMQHA	AMP Group Finance Services Limited	AMP Income Securities	26/11/1999	10/05/2005		30/06/2004	30/04/2005	1240.3	Non-Major
AMPPA	AMP Limited	AMP Capital Notes	30/11/2015		22/12/2021	30/11/2015		267.5	Non-Major
ANZPA	Australia and New Zealand Banking Group Limited	ANZ StEPs	15/09/2003	15/09/2008		30/06/2004	31/08/2008	750.0	Major
ANZPA	Australia and New Zealand Banking Group Limited	ANZ Convertible Preference Shares 2	17/12/2009	15/12/2016		31/12/2009	30/11/2016	1968.7	Major
ANZPB	Australia and New Zealand Banking Group Limited	ANZ Convertible Preference Shares 1	30/09/2008	16/06/2014		30/09/2008	31/05/2014	1081.2	Major
ANZPC	Australia and New Zealand Banking Group Limited	ANZ Convertible Preference Shares 3	28/09/2011		1/03/2017	30/09/2011		1340.0	Major
ANZPD	Australia and New Zealand Banking Group Limited	ANZ Capital Notes	7/08/2013		1/09/2021	31/08/2013		1120.0	Major
ANZPE	Australia and New Zealand Banking Group Limited	ANZ Capital Notes 2	31/03/2014		24/03/2022	31/03/2014		1610.0	Major
ANZPF	Australia and New Zealand Banking Group Limited	ANZ Capital Notes 3	5/03/2015		24/03/2023	31/03/2015		970.0	Major
ANZPG	Australia and New Zealand Banking Group Limited	ANZ Capital Notes 4	27/09/2016		20/03/2024	30/09/2016		1300.0	Major
ANZPH	Australia and New Zealand Banking Group Limited	ANZ Capital Notes 5	28/09/2017		20/03/2025	29/09/2017		1968.7	Major
BOQPA	Bank of Queensland Limited	Bank of Queensland Exchangeable Preference Shares	13/10/2000	15/10/2010		30/06/2004	30/09/2010	58.3	Non-Major
BOQPB	Bank of Queensland Limited	Bank of Queensland Series 1 Resettable Preference Shares	26/10/2004	20/10/2008		31/03/2005	30/09/2008	25.0	Non-Major
BOQPC	Bank of Queensland Limited	Bank of Queensland Perpetual Equity Preference Share	17/12/2007	15/04/2013		31/12/2007	31/03/2013	200.0	Non-Major
BOQPD	Bank of Queensland Limited	Bank of Queensland Convertible Preference Shares	24/12/2012		15/04/2018	31/12/2012		300.0	Non-Major
BOQPE	Bank of Queensland Limited	Bank of Queensland Limited Capital Notes	28/12/2017		15/08/2024	29/12/2017		350.0	Non-Major
BENPA	Bendigo and Adelaide Bank Limited	Bendigo Bank Reset Preference Shares	28/11/2002	1/11/2012		30/06/2004	31/10/2012	100.0	Non-Major
BENPB	Bendigo and Adelaide Bank Limited	Bendigo Bank Preference Shares	6/05/2005	15/06/2015		31/05/2005	31/05/2015	90.0	Non-Major
BENPC	Bendigo and Adelaide Bank Limited	Bendigo Step-Up Share	29/09/2004	10/10/2014		30/09/2004	30/09/2014	100.0	Non-Major
BENPD	Bendigo and Adelaide Bank Limited	Bendigo Convertible Preference Shares	1/11/2012		13/12/2017	30/11/2012		268.9	Non-Major
BENPE	Bendigo and Adelaide Bank Limited	Bendigo Convertible Preference Shares 2	10/10/2014		30/11/2020	31/10/2014		292.1	Non-Major

Ticker	Issuer	Name	Date Issued	Date Called/Redeemed	Expected Maturity	Index Inclusion Date	Index Exclusion Date	Issue Size (\$m)	Sub-Index
BENPF	Bendigo and Adelaide Bank Limited	Bendigo Convertible Preference Shares 3	15/06/2015		15/06/2021	<b>30/06/2015</b>		282.2	Non-Major
BENPG	Bendigo and Adelaide Bank Limited	Bendigo Converting Preference Shares 4	13/12/2017		13/06/2024	<b>29/12/2017</b>		321.6	Non-Major
CGFPA	Challenger Limited	Challenger Limited Capital Notes	9/10/2014		25/05/2020	<b>31/10/2014</b>		345.0	Non-Major
CGFPB	Challenger Limited	Challenger Capital Notes 2	7/04/2017		22/05/2023	<b>28/04/2017</b>		460.0	Non-Major
CBAPA	Commonwealth Bank of Australia	PERLS	6/04/2001	6/04/2006		<b>30/06/2004</b>	<b>31/03/2006</b>	700.0	Major
CBAPA	Commonwealth Bank of Australia	PERLS V	14/10/2009	31/10/2014		<b>31/10/2009</b>	<b>30/09/2014</b>	1000.0	Major
CBAPB	Commonwealth Bank of Australia	PERLS IV	13/07/2007	31/10/2012		<b>31/07/2007</b>	<b>30/09/2012</b>	1465.0	Major
CBAPC	Commonwealth Bank of Australia	PERLS VI	17/10/2012		15/12/2018	<b>31/10/2012</b>		2000.0	Major
CBAPD	Commonwealth Bank of Australia	PERLS VII	1/10/2014		15/12/2022	<b>31/10/2014</b>		3000.0	Major
CBAPE	Commonwealth Bank of Australia	PERLS VIII	30/03/2016		15/10/2021	<b>31/03/2016</b>		1450.0	Major
CBAPF	Commonwealth Bank of Australia	PERLS IX	31/03/2017		31/03/2022	<b>31/03/2017</b>		1640.0	Major
PCBPA	Commonwealth Managed Investments Limited	PERLS II	6/01/2004	16/03/2009		<b>30/06/2004</b>	<b>28/02/2009</b>	750.0	Major
PCAPA	Preferred Capital Limited	PERLS III	6/04/2006	6/04/2016		<b>30/04/2006</b>	<b>31/03/2016</b>	1166.5	Major
IAGPA	Insurance Australia Group Limited	IAG Resettable Preference Shares 1	4/06/2002	15/06/2012		<b>30/06/2004</b>	<b>31/05/2012</b>	350.0	Non-Major
IAGPB	Insurance Australia Group Limited	IAG Resettable Preference Shares 2	20/06/2003	16/06/2008		<b>30/06/2004</b>	<b>31/05/2008</b>	200.0	Non-Major
IAGPC	Insurance Australia Group Limited	IAG Convertible Preference Shares	1/05/2012		1/05/2017	<b>31/05/2012</b>		377.4	Non-Major
IANG	IAG Finance (New Zealand) Limited	IAG Perpetual Reset Exchangeable Notes	11/01/2005		15/12/2019	<b>31/01/2005</b>		550.0	Non-Major
MBLHB	Macquarie Bank Limited	Macquarie Income Securities	19/11/1999		Perpetual	<b>30/06/2004</b>		400.0	Non-Major
MBLPA	Macquarie Bank Limited	Macquarie Bank Capital Notes	8/10/2014		24/03/2020	<b>31/10/2014</b>		429.4	Non-Major
MQCPA	Macquarie CPS Trust	Macquarie Convertible Preference Securities	8/07/2008	1/07/2013		<b>31/07/2008</b>	<b>30/06/2013</b>	600.0	Non-Major
MQGPA	Macquarie Group Limited	Macquarie Group Capital Notes	7/06/2013		7/06/2018	<b>30/06/2013</b>		600.0	Non-Major
MQGPB	Macquarie Group Limited	Macquarie Group Capital Notes 2	18/12/2015		17/03/2022	<b>31/12/2015</b>		531.0	Non-Major
NABHA	National Australia Bank Limited	National Income Securities	29/06/1999		Perpetual	<b>30/06/2004</b>		2000.0	Major
NABPA	National Australia Bank Limited	NAB Convertible Preference Shares	20/03/2013		20/03/2019	<b>31/03/2013</b>		1514.3	Major
NABPB	National Australia Bank Limited	NAB Convertible Preference Shares 2	17/12/2013		17/12/2020	<b>31/12/2013</b>		1717.2	Major

Ticker	Issuer	Name	Date Issued	Date Called/Redeemed	Expected Maturity	Index Inclusion Date	Index Exclusion Date	Issue Size (\$m)	Sub-Index
NABPC	National Australia Bank Limited	NAB Capital Notes	23/03/2015		23/03/2020	<b>31/03/2015</b>		1342.8	Major
NABPD	National Australia Bank Limited	NAB Capital Notes 2	7/07/2016		7/07/2022	<b>31/07/2016</b>		1498.9	Major
PMNPA	Promina Group Limited	Promina Reset Preference Shares	30/04/2004	29/06/2007		<b>30/06/2004</b>	<b>31/05/2007</b>	300.0	Non-Major
SGBPA	St George Bank	St George SAINTS	13/08/2004	1/12/2008		<b>31/08/2004</b>	<b>30/11/2008</b>	350.0	Non-Major
SGBP B	St George Bank	St George PRYMES	21/02/2001	21/02/2006		<b>30/06/2004</b>	<b>31/01/2006</b>	300.0	Non-Major
SGBPC	St George Bank	St George SPS	20/06/2006	31/03/2009		<b>30/06/2006</b>	<b>28/02/2009</b>	150.0	Non-Major
SGBPD	St George Bank	St George Converting Preference Shares	19/12/2006	31/03/2009		<b>31/12/2006</b>	<b>28/02/2009</b>	325.0	Non-Major
SGBPE	St George Bank	St George Converting Preference Shares 2	28/12/2007	31/03/2009		<b>31/12/2007</b>	<b>28/02/2009</b>	400.0	Non-Major
SUNPC	Suncorp Group Limited	Suncorp Convertible Preference Shares II	6/11/2012		17/12/2017	<b>30/11/2012</b>		560.0	Non-Major
SUNPE	Suncorp Group Limited	Suncorp Convertible Preference Shares III	8/05/2014		17/06/2020	<b>31/05/2014</b>		400.0	Non-Major
SUNPF	Suncorp Group Limited	Suncorp Capital Notes	5/05/2017		17/06/2022			375.0	Non-Major
SUNPG	Suncorp Group Limited	Suncorp Capital Notes 2	24/11/2017		17/06/2024	<b>30/11/2017</b>		375.0	Non-Major
SBKPB	Suncorp-Metway Limited	Suncorp Convertible Preference Shares	12/06/2008	14/06/2013		<b>30/06/2008</b>	<b>31/05/2013</b>	735.0	Non-Major
SBKPA	Suncorp-Metway Limited	Suncorp Reset Preference Shares	14/09/2001	16/09/2013		<b>30/06/2004</b>	<b>31/08/2013</b>	144.1	Non-Major
WBCPA	Westpac Banking Corporation	Westpac SPS	30/07/2008	26/09/2013		<b>31/07/2008</b>	<b>31/08/2013</b>	1036.3	Major
WBCPB	Westpac Banking Corporation	Westpac SPS II	31/03/2009	17/09/2014		<b>31/03/2009</b>	<b>31/08/2014</b>	908.3	Major
WBCPC	Westpac Banking Corporation	Westpac Convertible Preference Shares	23/03/2012		31/03/2018	<b>31/03/2012</b>		1189.4	Major
WBCPD	Westpac Banking Corporation	Westpac Capital Notes	8/03/2013		8/03/2019	<b>31/03/2013</b>		1383.6	Major
WBCPE	Westpac Banking Corporation	Westpac Capital Notes 2	23/06/2014		23/09/2022	<b>30/06/2014</b>		1310.6	Major
WBCPF	Westpac Banking Corporation	Westpac Capital Notes 3	8/09/2015		22/03/2021	<b>30/09/2015</b>		1324.4	Major
WBCPG	Westpac Banking Corporation	Westpac Capital Notes 4	30/06/2016		20/12/2021	<b>30/06/2016</b>		1700.0	Major
WBKPA	Westpac Funds Management Limited	Westpac FIRSts	19/12/2002	31/12/2007		<b>30/06/2004</b>	<b>30/11/2007</b>	667.1	Major
WCTPA	Westpac Funds Management Limited	Westpac Trust Preferred Securities	21/06/2006	30/06/2016		<b>30/06/2006</b>	<b>31/05/2016</b>	762.7	Major

## Appendix 2: Corporate Actions

Changes to Issue Size							
Ticker	Date	Action	Pre-Event	Δ	Post-Event	Outcome	Effective Date
ANZPC	28/09/2017	Buyback	1340.0	(767.1)	572.9	Reweight	30/09/2017
BOQPA	17/10/2005	Partial Conversion	58.3	(11.1)	47.2	Exclusion	31/10/2005
BOQPB	1/03/2005	Additional Issuance	25.0	39.7	64.7	Inclusion	31/03/2005
BENPA	2/11/2007	Partial Conversion	100.0	(10.5)	89.5	Reweight	30/11/2007
PMNPA	13/04/2007	Acquisition Event	300.0	(243.0)	57.0	Reweight	30/04/2007
SBKPA	23/03/2011	Partial Exchange	144.1	(41.8)	102.3	Reweight	31/03/2011
SBKPA	14/09/2011	Partial Exchange	102.3	(71.9)	30.4	Exclusion	30/09/2011

Ticker Changes	
Ticker	Description
ANZPA	Code used for ANZ StEPs and ANZ CPS2
CBAPA	Code used for PERLS and PERLS V
BENPA	Previously ADBPA (ISIN: AU0000ADBPA1) prior to 12/02/2008
BENPC	Previously ADBPB (ISIN: AU0000ADBPB9) prior to 12/02/2008
SBKPA	Previously SUNPA (ISIN: AU0000SUNPA2) prior 24/12/2010
SBKPB	Previously SUNPB (ISIN: AU0000SUNPB0) prior 24/12/2010