
Sustainability Report

Dimensional Two-Year Sustainability Fixed Interest Trust

As at 31 December 2023

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Focused Approach Guided by Science

Data Driven

We use environmental data to identify issues we believe have the potential to impose significant external costs on future generations.

Climate Focused

Our approach to sustainability focuses on the emissions that cause climate change.

Transparent Reporting

Our strategies are designed to provide a meaningful reduction in carbon footprint exposure.

Dimensional's sustainability strategies pursue reduced carbon footprint exposure.

Emissions Data

Focusing on greenhouse gas emissions data enables a climate-focused investment approach

Relevancy

Greenhouse gas emissions are the primary driver of climate change.

Accessibility

Companies around the world report greenhouse gas emissions annually.

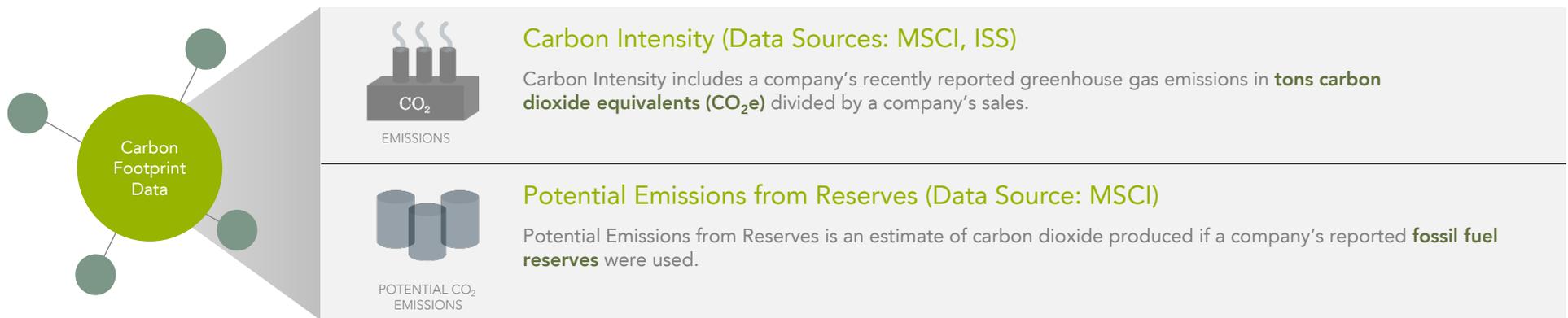
Comparability

Comparing companies' emissions data allows investors to compare companies' environmental characteristics.

Understanding Carbon Footprint Data

Evaluating company emissions by considering what's in the air and in the ground

Carbon Footprint Components:



Carbon Concepts at a Glance

What are carbon dioxide equivalents (CO₂e)?

CO₂e is a unit used to compare emissions of the seven greenhouse gases by converting each gas to an equivalent amount of CO₂ based on their global warming potential.¹

What is 1 Ton CO₂e?



Equivalent to emissions from **427** litres of petrol consumed¹



Equivalent to carbon sequestered by **1.2** acres of US forests in one year¹

What are fossil fuel reserves?

Companies may have physical assets that include coal, oil, and natural gas, which can lead to high emissions in the future.²

1. Source: EPA.gov.

2. Source: MSCI

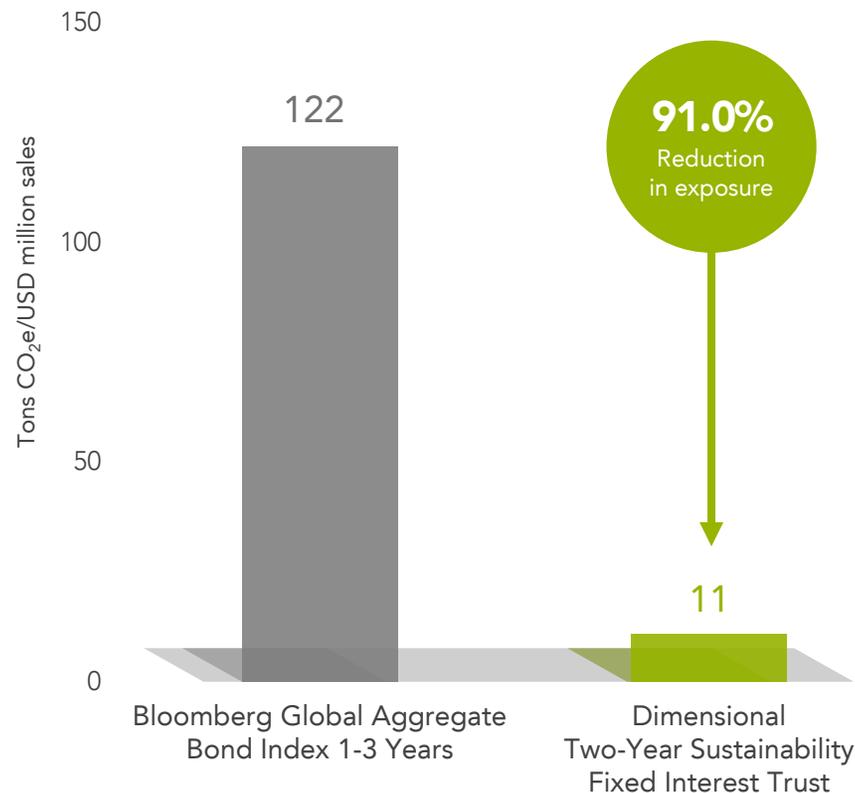
Carbon Intensity represents a company's recently reported or estimated Scope 1 (direct) + Scope 2 (indirect) greenhouse gas emissions in carbon dioxide equivalents (CO₂e) normalized by sales in USD (metric tons CO₂e per USD million sales). Greenhouse gases included are carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃). Potential Emissions from Reserves is a theoretical estimate calculated by MSCI of carbon dioxide produced if a company's reported reserves of oil, gas, and coal were converted to energy, given estimated carbon and energy densities of the respective reserves.

Carbon Footprint

Emissions exposure as at 31 December 2023

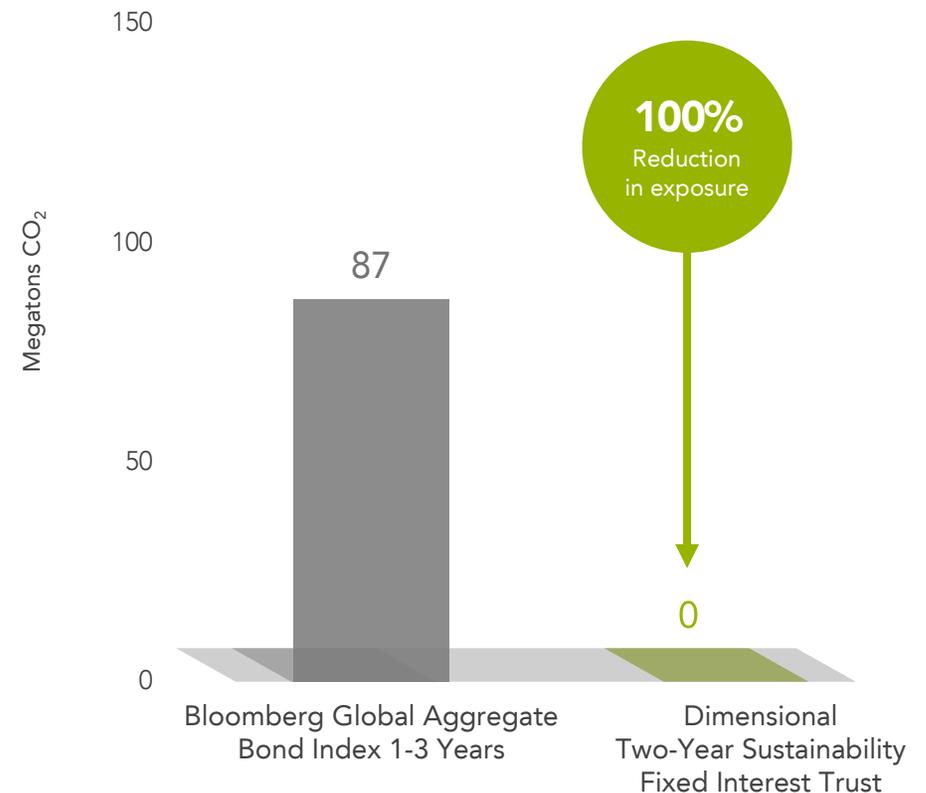
Weighted Average Carbon Intensity

Corporate Bonds Only



Weighted Average Potential Emissions from Reserves

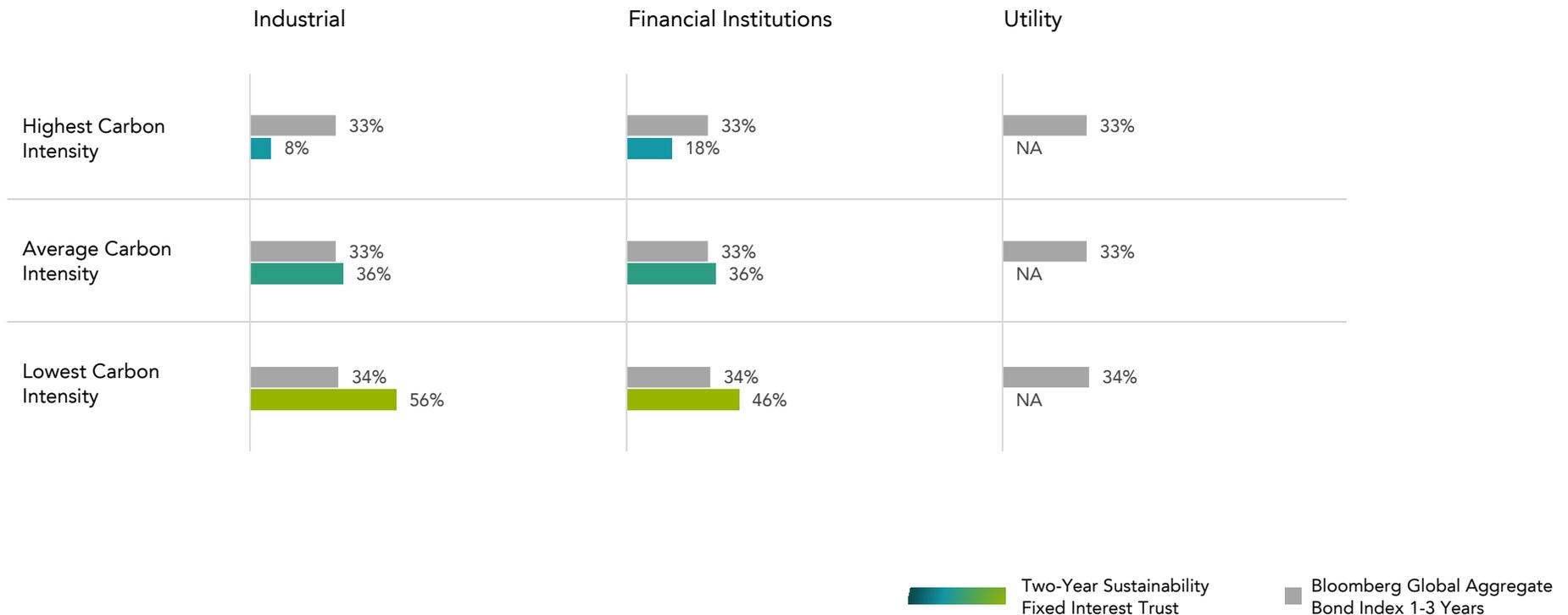
Corporate Bonds Only



Weighted Average Carbon Intensity is found by calculating the recently reported or estimated Scope 1 (direct) + Scope 2 (indirect) greenhouse gas emissions in carbon dioxide equivalents (CO₂e) normalized by sales in USD (metric tons CO₂e per USD million sales) for each portfolio or index company and calculating the weighted average by portfolio or index weight. Greenhouse gases included are carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃). **Weighted Average Potential Emissions from Reserves** is found using a theoretical estimate calculated by MSCI of carbon dioxide produced if a company's reported reserves of oil, gas, and coal were converted to energy, given estimated carbon and energy densities of the respective reserves, for each portfolio or index company and calculating the weighted average by portfolio or index weight. Please see "Sustainability Data Description and Disclosures" for additional information. Bloomberg data provided by Bloomberg.

Sector Weight Distribution by Carbon Intensity

As at 31 December 2023



Corporate sectors defined by Barclays class 2 sector classifications for corporate issuers. Please see "Sustainability Data Description and Disclosures" slide for additional information. Please see "Sustainability Data Description and Disclosures" for additional information. Within the portfolio's target market, region, and industry, each company is classified from Lower Carbon Intensity to Higher Carbon Intensity. The Lowest Carbon Intensity group is defined as approximately the third of companies with the lowest carbon intensity. The Average Carbon Intensity group is defined as the next third; and the Higher Carbon Intensity group is defined as approximately the third of companies with the highest carbon intensity. Within the target market. Bloomberg data provided by Bloomberg.

Security Type and Corporate Sector Weights

Characteristics as at 31 December 2023

DISTRIBUTION BY SECURITY TYPE (%)



SECTOR WEIGHTS FOR CORPORATE BONDS (%)



Appendix

Sustainability Considerations

Sustainability Bond Trusts

SUSTAINABILITY EXCLUSIONS ¹			
Carbon Intensity ²	A company's most recently reported or estimated Scope 1 (direct) + Scope 2 (indirect) GHG emissions in carbon dioxide equivalents (CO ₂ e) normalised by sales (metric tons CO ₂ e per USD million sales). GHG included are carbon dioxide (CO ₂), methane (CH ₄), nitrous oxide (N ₂ O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF ₆), and Nitrogen trifluoride (NF ₃).	85% of score	Each corporate bond in the eligible universe is scored. Across the eligible universe, the lowest-scoring 10% by market value are generally excluded.
Land Use and Biodiversity	An assessment of a company's history of disturbing large and/or fragile ecosystems and whether they have adequate policies and programs designed to protect biodiversity.	15% of score	
Toxic Spills and Releases	An assessment of a company's involvement in non-greenhouse gas-related legal cases, criticisms by NGOs around non-GHG emission practices, resistance to improvement practices, and direct impact due to non GHG emissions.		
Operational Waste	An assessment of a company's history of involvement in non-hazardous waste-related legal cases, criticisms by NGOs around non-hazardous waste practices, resistance to improvement practices and direct impact due to non-hazardous waste.		
Water Management	An assessment of a company's history of involvement in water-related legal cases, criticisms by NGOs around water practices, resistance to improvement practices and direct impact due to water pollution.		
Potential Emissions from Reserves	Total potential emissions are an estimate of carbon dioxide produced if a company's reserves of oil, gas, and coal were converted to energy, given estimated carbon and energy densities of the respective reserves.	Corporate, agency and supranational issuers with high total potential emissions from reserves are generally excluded.	
EMISSIONS-FOCUSED WEIGHTING ¹			
Carbon Intensity ²	See "Sustainability Exclusions".	Corporate issuers in each sector are ranked by carbon intensity and bucketed into terciles based on percent of market value. In general, within a sector, the fund will allocate less than 25% among issuers in the worst tercile, and at least 40% among issuers in the best tercile. Agency and supranational issuers whose carbon intensity is within the worst 10% of the corporate universe are generally excluded.	

For more information on these factors please refer to the PDS (including Additional Information Guide). Investors should consider the current PDS in deciding whether to invest in the trusts, or to continue to hold their investments in the trusts.

1. The Global Sustainability Bond and Two-Year Sustainability Fixed Interest Trusts' primary sustainability goal is to aim to provide a reduction in exposure to carbon intensity of at least 50% and a reduction in exposure to potential emissions from reserves of at least 75% relative to the Bloomberg Global Aggregate Corporate Index and the Bloomberg Global Aggregate Corporate Index 1-3 Years respectively. There is no guarantee that the Trusts will meet their primary sustainability goal.

2. This methodology is subject to change with data developments or other findings or events.

Sustainability Considerations

Sustainability Bond Trusts

ADDITIONAL ESG REFINEMENTS ^{1,2}	
Coal	Evidence of owning proven and probable thermal or metallurgical coal reserves or revenue from the mining of thermal coal and its sale to external parties.
Factory Farming	>10% of revenue from sectors related to factory farming.
Palm Oil	>10% of revenue from palm oil farming and/or palm oil processing.
Controversial Weapons	Involvement in the manufacture of cluster munitions or anti-personnel mines or their key components, chemical and biological weapons, or depleted uranium ammunition and armour.
Nuclear Weapons Components, Systems and Support Services	Involvement in the manufacture of components of nuclear weapons or systems that are capable of the delivery of nuclear warheads, or provision of support services related to nuclear weapons (such as the repair and maintenance of nuclear weapons).
Tobacco	Involvement in the production of tobacco products or, >10% of total revenue related to tobacco products.
Child Labour	Involvement in severe controversies related to child labour practices.
Alcohol	>10% of revenue from the production, distribution, retailing, licensing or supply of alcoholic beverages, key products and services.
Gambling	>10% of revenue from the ownership or operation of gambling facilities, or from the support or services to the gambling industry.
Adult Entertainment	>10% of revenue from the production, distribution or retailing of adult entertainment products.
Personal Firearms	Involvement in the manufacture of handguns, pistols, shotguns, rifles, revolvers, and ammunition for civilian (nonmilitary) use, or >20% of revenue from distribution of personal firearms

Data sources: Depending on each ESG consideration, data may be sourced externally from one or several vendors, including MSCI ESG Research and ISS. It may be cross-referenced and supplemented in order to create a proprietary data set. Alternatively, data may be created and maintained internally by our portfolio management team, using reported financial data and sector information, among others.

For more information on these factors please refer to the PDS (including Additional Information Guide). Investors should consider the current PDS in deciding whether to invest in the trusts, or to continue to hold their investments in the trusts.

1. Dimensional's sustainability funds generally (a) avoid purchase and (b) divest from issuers which, in our opinion, are involved in these activities and controversies. Indirect involvement, for example through ownership structures, may also lead to exclusion. Should existing holdings, compliant at the time of purchase, subsequently become ineligible, they will be divested within a reasonable period of time considering turnover, liquidity and associated trading costs.

2. Issuers may be excluded for other factors believed to be important to investors interested in sustainability, such as issuers associated with significant environmental controversies.

Sustainability Data Description and Disclosures

Data Provider Disclosure

Certain information incorporated herein has been provided by Institutional Shareholder Services Inc. (“ISS”) and by MSCI ESG Research Inc. (“ESG”). Although Dimensional Fund Advisors’ information providers, including without limitation, ESG and its affiliates (the “ESG Parties”), obtain information from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy, and/or completeness of any data herein. None of the ESG Parties makes any express or implied warranties of any kind, and the ESG Parties hereby expressly disclaim all warranties of merchantability and fitness for a particular purpose, with respect to any data herein. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein. Further, without limiting any of the foregoing, in no event shall any of the ESG Parties have any liability for any direct, indirect, special, punitive, consequential, or any other damages (including lost profits) even if notified of the possibility of such damages.

Additional Information

Carbon Intensity and Potential Emissions from Reserves data is provided by third-party data providers, and methodology is subject to change with data developments or other findings or events. Third-party emissions data is available for over 99% of public companies. For companies where data is not available, Dimensional applies a sector average value.

Disclosures

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Dimensional's Sustainability Trusts Certified as Responsible Investments by RIAA

DIMENSIONAL'S SUSTAINABILITY TRUSTS

Australian Sustainability Trust

Global Sustainability Trust Unhedged Class

Global Sustainability Trust AUD Hedged Class

Global Sustainability Trust NZD Hedged Class

Emerging Markets Sustainability Trust

Global Bond Sustainability Trust AUD Hedged Class

Global Bond Sustainability Trust NZD Hedged Class

Two-year Sustainability Fixed Interest Trust AUD Hedged Class

Two-year Sustainability Fixed Interest Trust NZD Hedged Class

Sustainability World Allocation 70/30 Trust

Sustainability World Equity Trust



CERTIFIED BY RIAA

Dimensional's Sustainability Trusts have been certified by the Responsible Investment Association Australasia according to the strict operational and disclosure practices required under the Responsible Investment Certification Program. See www.responsiblereturns.com.au for details.¹

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