Investor Insights

BHP Unification: What Does This Mean for Investors?

What Is Happening?

BHP has become the largest listing on Australia's share market after implementing the unification of its corporate structure to a single primary listing on the Australian Securities Exchange (ASX).

This corporate event has impacted the Australian equity market. For example, BHP's weight within the S&P/ASX All Ordinaries Index increased from 5.94% on 28 January 2022 to 9.83% on 31 January 2022.

Why Is It Happening?

In December 2021, BHP Group announced plans to unify its corporate structure from a Dual Listed Company with two parent companies each with separate primary stock exchange listings - BHP Group Limited on the ASX in Australia and BHP Group Plc on the London Stock Exchange (LSE) in the United Kingdom (UK) into a single company: BHP Group Ltd, listed in Australia.

This became effective as at 31 January 2022, following shareholder vote approval on 20 January 2022 and BHP Group Ltd's acquisition of all the outstanding shares of BHP Group Plc (UK) on close of 28 January 2022. The unified BHP now has one share price globally and primary listing on the ASX, a standard listing on the LSE, a secondary listing on the Johannesburg Stock Exchange (JSE), and a Level II American Depository Receipt (ADR) program on the New York Stock Exchange (NYSE).

More information on the structure can be found at BHP's website – https://www.bhp.com/about/our-businesses/unified-corporate-structure.

From time to time, dual listed companies move their structures. This is not the first time a unification has occurred, and can be likened to either large companies joining or leaving an exchange.

What Does It Mean for the SPDR® S&P®/ASX 200 Fund?

The SPDR® S&P®/ASX 200 Fund (STW) seeks to closely match, before fees and expenses, the returns of the S&P/ASX 200 Index. The S&P/ASX 200 index is designed to measure the performance of the 200 largest index-eligible stocks listed on the ASX by float-adjusted market capitalisation. BHP's weight in STW increased from 7.13% on 27 January 2022 to 11.25% on 31 January 2022. STW continues to hold all constituents in the S&P/ASX 200 Index.

Questions? We Are Here to Help.

If you have any questions regarding this or your SPDR ETF investments in general, please contact your investment professional or email a member of the SPDR ETF team on statestreetetfsau@ssga.com.

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Investing involves risk including the risk of loss of principal.

Diversification does not ensure a profit or guarantee against loss.

Risk associated with equity investing include stock values which may fluctuate in response to the activities of individual companies and general market and economic conditions.

Companies with large market capitalizations go in and out of favor based on market and economic conditions. Larger companies tend to be less volatile than companies with smaller market capitalizations. In exchange for this potentially lower risk, the value of the security may not rise as much as companies with smaller market capitalizations.

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