



Betashares Australian Sustainability Leaders ETF

ASX: FAIR

Quarterly Report - March 2025

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Performance ¹	1 month %	3 month %	6 month %	1 year %	3 years % p.a.	Inception % p.a. ²
Fund Return (net)	-4.77%	-4.74%	-4.36%	1.01%	4.35%	6.72%
Growth Return	-4.77%	-5.78%	-5.41%	-1.36%	1.49%	3.84%
Income Return	0.00%	1.04%	1.05%	2.37%	2.86%	2.88%
Index	-4.73%	-4.63%	-4.13%	1.52%	4.87%	7.24%

Past performance is not a reliable indicator of future performance.

¹ As at 31 March 2025. Returns are calculated after fees & expenses have been deducted and distributions have been reinvested.

² Inception date for the Fund is 27 Nov 2017.

Investment objective

The Fund aims to track the performance of an index (before fees and expenses) that provides exposure to Australian companies that have been screened to preference companies engaged in sustainable business activities and to avoid companies engaged in activities deemed inconsistent with responsible investment considerations. The Fund's methodology also preferences companies classified as 'Sustainability Leaders' based on their involvement in business activities aligned to the United Nations Sustainable Development Goals.

Responsible entity

Betashares Capital Ltd

Distribution frequency

Semi-annual

Suggested minimum investment timeframe

At least five years

Fund facts	
Inception Date	27-Nov-17
Fund Size	\$1070.86m
Historical Tracking Error (annualised)	0.09%
ASX Code	FAIR
Bloomberg Code	FAIR.AU
IRESS Code	FAIR.ASW

Fees	% p.a.
Management fee	0.39
Recoverable expenses	0.10

Investment strategy

The Fund will generally invest in a portfolio of Australian securities that comprise the Index in proportion to the weightings of the securities in the Index.

Screening criteria

From the universe of eligible ASX listed securities, the Index methodology removes companies which are exposed to activities considered to carry significant negative environmental, social and governance (ESG) risks (subject to certain materiality thresholds), including:

- Fossil Fuels – including any direct and any material indirect exposure + any companies with high use of fossil fuels
- Gambling
- Tobacco

- Armaments and militarism
- Uranium and nuclear energy
- Destruction of valuable environments
- Chemicals of concern
- Mandatory detention of asylum seekers and for-profit prisons
- Alcohol
- Junk foods
- Pornography
- ESG related reputational risk or controversy
- Human and labour rights violations
- Lack of gender diversity at the board level
- Predatory lending

To be classified as a Sustainability Leader, a company must satisfy at least one of a number of criteria, which have been determined by reference to the United Nations Sustainable Development Goals. The criteria generally require a company to earn 50% or more of gross revenue from activities in at least one of the following categories:

- Climate Adaptation
- Nutrition, Agriculture and Land Use
- Improved Industrial Processes, Improved Materials and Pollution Reduction
- Healthcare
- Transportation Solutions
- Education
- Water Efficiency
- Renewable Energy and Energy Efficiency
- Green Buildings
- Sustainable Tourism
- Sustainable and Regional Infrastructure
- Social and Community Housing
- Worker and Consumer Protection
- Regional and Community Banking, or
- Have a Relevant Certification

Note that not every security in the Index is necessarily a Sustainability Leader (but every security will have met the above screening criteria).

The Index uses a modified market capitalisation weighting method, includes sector concentration limits, gives preferential weighting to Sustainability Leaders, and applies a maximum weight per security of 4% at each annual rebalance date.

For more information on the Index, see the Index methodology document available on our website.

Top 10 positions	% ¹
Suncorp Group	4.6
Brambles	4.5
Telstra Corp	4.4
Computershare	4.2
Xero	4.1
ResMed Inc	4.1
Goodman Group	3.5
Insurance Australia Group	3.5
Woolworths Group	3.4
Scentre Group	3.4

¹ As at 31 March 2025

Sector exposure	Fund Weight % ¹
Health Care	20.8
Financials	19.4
Information Technology	13.9
Real Estate	12.3
Industrials	10.9
Communication Services	10.5
Consumer Discretionary	6.5
Materials	4.7
Consumer Staples	0.9
Utilities	0.1
TOTAL	100.00

¹ As at 31 March 2025

Fund performance summary

The Fund returned -4.74% (in AUD) during the quarter. Assets decreased from \$1122.87m to \$1070.86m over this period.

Information Technology and Health Care were the largest sector detractors to total return, with returns of -18.29% and -7.22% in AUD; their contributions were -2.32% and -1.46%, respectively. Industrials was the largest positive sector contributor with a return of 4.25%, and contribution of 0.36%.

WiseTech, Goodman Group and Pro Medicus were the largest three stock detractors to total return, and with returns of -32.82%, -20.23% and -20.05%; their contributions were -1.27%, -0.82% and -0.48% respectively. Computershare, Medibank and Telstra were the largest positive contributors, returning 16.49%, 19.26% and 7.43%; they contributed 0.53%, 0.35% and 0.28% respectively.

Other commentary

Australia has entered a new era of sustainability reporting with the commencement of mandatory climate-related financial disclosures on 1 January 2025. Large entities meeting specific thresholds must now report climate risks, greenhouse gas emissions and transition plans as part of their annual financial reporting. This marks the first

phase of a three-year rollout under the Treasury Laws Amendment Act 2024, aligning Australian standards with international frameworks like ISSB and IFRS.¹

ASIC published a regulatory guide on sustainability reporting following an extensive public consultation with stakeholders. Regulatory Guide 280 Sustainability Reporting provides guidance for entities that are required to prepare a sustainability report containing climate-related financial information. The guide outlines which entities are required to prepare a sustainability report under the Corporations Act, what information must be included in sustainability reports, how to disclose sustainability-related financial information outside the report, and how ASIC will administer the reporting requirements.²

¹ <https://www.allens.com.au/insights-news/insights/2024/09/mandatory-climate-related-financial-reporting-legislation/>

² <https://asic.gov.au/regulatory-resources/find-a-document/regulatory-guides/rg-280-sustainability-reporting/>

Proxy voting & engagement

During the quarter, the Responsible Investment Committee (RIC) actively engaged in Proxy Voting on Environmental, Social, and Governance (ESG) resolutions for index constituents.

Voting activities in Q1 2025

	Number	Proportion of total
Votes lodged	18	100%
Votes against management	1	6%

Votes against management by topic

	Number	Proportion of total
Governance	1	100%
Social	0	0%
Environmental	0	0%

The Responsible Investment Committee (RIC), as part of a broader collaborative engagement project, met with ANZ's Group General Manager, Corporate Affairs, and Head of ESG Analytics and Advisory to discuss the bank's fossil fuel policy. ANZ is the largest domestic lender to the Australian energy sector, and in 2024, ANZ issued an updated policy document titled "Energy Customer Approach." The policy aims to balance addressing climate change while continuing to support existing energy sector clients. While ANZ has committed to aligning its financing activities with the Paris Agreement, aiming for net-zero emissions by 2050, the bank continues to facilitate fossil fuel finance, particularly for oil and gas sector clients. The bank has no plans to fully exit oil and gas financing. While ANZ has made progress in cutting financing to coal, its ongoing support for oil and gas industries highlights a tension between its sustainability commitments and its historic role in facilitating traditional energy finance.

There are risks associated with an investment in FAIR, including market risk, non-traditional index methodology risk and sector concentration risk. For more information on risks and other features of FAIR, please see the Product Disclosure Statement.



The Betashares Australian Sustainability Leaders ETF (ASX: FAIR) has 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 details¹.

Important

¹ The Responsible Investment Certification Program does not constitute financial product advice. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Appropriate professional advice should be sought prior to making an investment decision. RIAA does not hold an Australian Financial Services Licence.

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Any person wishing to invest in Betashares Funds should obtain a copy of the relevant PDS from www.betashares.com.au and obtain financial advice in light of their individual circumstances. You may also wish to consider the relevant Target Market Determination (TMD) which sets out the class of consumers that comprise the target market for the Betashares Fund and is available at www.betashares.com.au/target-market-determinations.

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