



Betashares Australian Sustainability Leaders ETF

ASX: FAIR

Quarterly Report - March 2026

E: info@betashares.com.au

T: 1300 487 577 (within Australia)

T: +61 2 9290 6888 (outside Australia)



Performance ¹	1 month %	3 month %	6 month %	1 year %	3 years % p.a.	Inception % p.a. ²
Fund Return (net)	-6.23%	-10.76%	-16.63%	-6.43%	3.48%	5.05%
Growth Return	-6.23%	-12.01%	-17.80%	-9.67%	0.70%	2.12%
Income Return	0.00%	1.25%	1.17%	3.24%	2.78%	2.93%
Index	-6.19%	-10.67%	-16.45%	-5.92%	4.01%	5.57%

Past performance is not a reliable indicator of future performance.

¹As at 31 March 2026. Returns are calculated after fees & expenses have been deducted and distributions have been reinvested.

²Inception 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 passed screens to exclude companies with direct or significant exposure to fossil fuels or 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	\$1086.49m
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 generally invests 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 very 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

Preference is given to companies engaged in sustainable activities that been identified as "Sustainability Leaders". 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
Woolworths Group	6.3
Telstra Corp	5.5
Brambles	4.4
ResMed Inc	3.8
Suncorp Group	3.7
Goodman Group	3.7
Scentre Group	3.7
Insurance Australia Group	3.7
Computershare	3.4
CSL	3.3

¹As at 31 March 2026

Sector exposure	Fund Weight % ¹
Real Estate	19.0
Health Care	17.6
Financials	16.9
Communication Services	12.2
Industrials	9.4
Consumer Staples	7.7
Information Technology	6.9
Materials	5.9
Consumer Discretionary	4.4
Utilities	0.0
TOTAL	100.00

¹As at 31 March 2026

Fund performance summary

The Fund returned -10.76% (in AUD) during the quarter. Assets decreased from \$1225.45m to \$1086.49m over this period.

Health Care and Real Estate were the largest sector detractors from total return, with returns of -17.79% and -16.21% in AUD; their contributions were -3.44% and -3.29%, respectively. Consumer Staples was the largest sector contributor with a return of 21.04%, and contribution of 1.20%.

Cochlear, Pro Medicus and Xero were the largest three stock detractors from total return, with returns of -34.29%, -46.94% and -34.12%; their contributions were -1.13%, -1.03% and -1.03% respectively. Woolworths, Telstra and PLS Group were the largest contributors, returning 25.48%, 11.70% and 21.33%; they contributed 1.15%, 0.52% and 0.51% respectively.

Other commentary

Early disclosures under Australia's new climate reporting regime highlight significant variability in how companies are applying the AASB S2 Climate-related Disclosures standard. Initial filings from large, listed entities suggest that while most organisations have established governance frameworks and begun reporting emissions, the financial quantification of climate risks and opportunities remains uneven.

A majority of companies have attempted to quantify financial impacts, but approaches vary widely, with some relying on qualitative disclosures due to uncertainty in assumptions and modelling. Use of transitional reliefs, particularly for Scope 3 emissions, remains common,

underscoring ongoing data limitations and system readiness issues. Overall, early reporting points to a transitional phase, where capability building and methodological development are still underway, with greater consistency and scrutiny expected as assurance frameworks evolve.¹

The Australian Treasury launched a second consultation on a proposed sustainable investment product labelling regime, marking a key step in the government's sustainable finance agenda. Open from February to March 2026, the consultation sought industry feedback on how financial products marketed as "sustainable", "green" or similar should be defined and disclosed to investors.²

The proposed framework focuses on core design elements including labelling thresholds, consumer-facing disclosures and evidentiary requirements, with an emphasis on ensuring claims are supported by credible and verifiable data. The initiative forms part of Australia's broader Sustainable Finance Roadmap, aimed at improving transparency, strengthening investor confidence and mobilising capital towards net zero and broader sustainability outcomes. Industry feedback has emphasised the need to balance credibility and flexibility, ensuring the regime remains practical while accommodating diverse investment strategies.³

¹<https://www.pwc.com.au/assurance/sustainability-reporting-and-assurance/aasb-s2-unpacked.html>

²<https://ministers.treasury.gov.au/ministers/daniel-mulino-2025/media-releases/consultation-sustainable-financial-product-label-policy>

³<https://www.responsibleinvestment.org/events-news/item/au-treasury---sustainable-investment-product-labelling---policy-design>

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 2026

	Number	Proportion of total
Votes lodged	16	100%
Votes against management	3	19%

Votes against management by topic

	Number	Proportion of total
Governance	3	100%
Social	0	0%
Environmental	0	0%

The RIC engaged with Woolworths Group Limited following media and stakeholder commentary regarding proposed development plans at Kincumber. Reports indicated that local residents and environmental advocates had called on Woolworths and the Darkinjung Local Aboriginal Land Council (DLALC) to reconsider plans for a potential development at Carrak Road, citing concerns around biodiversity impacts, increased traffic congestion, and alignment with community expectations for sustainable land use. These concerns were also framed in the context of Woolworths' stated commitment to environmental stewardship in its Sustainability Plan 2025.

The RIC sought clarification from Woolworths on how any potential development at Kincumber would align with its commitment to responsible stewardship of natural resources. Woolworths confirmed that there is no formal development proposal at this stage, but that it is in preliminary discussions with the Darkinjung Land Council, the landowner, regarding a potential lease arrangement for development on a portion of the site. The company noted that the area under initial consideration sits outside identified wetlands conservation zones and represents a limited section of the broader site, which is currently zoned for recreational use.

The engagement aimed to better understand the status of the proposal and its alignment with Woolworths' environmental commitments and community expectations. While discussions remain at an early stage, the RIC will continue to monitor developments and assess any implications for environmental risk management and stakeholder engagement.

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.

This information is for the use of licensed financial advisers and other wholesale clients only. It must not be distributed to retail clients.

The information contained in this document is general information only and does not constitute personal financial advice. It does not take into account any person's financial objectives, situation or needs. It has been prepared by Betashares Capital Limited (ABN 78 139 566 868, Australian Financial Services Licence No. 341181) ("Betashares").

The information is provided for information purposes only and is not a recommendation to make any investment or adopt any investment strategy. Betashares assumes no responsibility for any reliance on the information in this document. Past performance is not indicative of future performance. Investments in BetaShares Funds are subject to investment risk and the value of units may go down as well as up.

Future results are inherently uncertain. This information may include opinions, views, estimates, projections, assumptions and other forward-looking statements which are, by their very nature, subject to various risks and uncertainties. Actual events or results may differ materially, positively or negatively, from those reflected or contemplated in such forward-looking statements. Forward-looking statements are based on certain assumptions which may not be correct. You should therefore not place undue reliance on such statements.

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.

Betashares

T: 1300 487 577 (within Australia)

T: +61 2 9290 6888 (outside Australia)

E: info@betashares.com.au

W: betashares.com.au

   @betashares

  /betashares