



Betashares Australian Sustainability Leaders ETF

ASX: FAIR

Quarterly Report - September 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)	-2.91%	0.66%	12.23%	7.33%	13.26%	7.85%
Growth Return	-2.91%	-1.44%	9.89%	3.94%	10.33%	4.84%
Income Return	0.00%	2.10%	2.34%	3.39%	2.93%	3.01%
Index	-2.81%	0.84%	12.60%	7.95%	13.86%	8.39%

Past performance is not a reliable indicator of future performance.

¹As at 30 September 2025. 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	\$1278.94m
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
Telstra Corp	4.1
ResMed Inc	4.0
Xero	4.0
Brambles	3.9
Goodman Group	3.9
Suncorp Group	3.9
CSL	3.8
Woolworths Group	3.8
Scentre Group	3.7
Computershare	3.5

¹As at 30 September 2025

Sector exposure	Fund Weight % ¹
Health Care	19.7
Real Estate	19.0
Financials	16.3
Communication Services	12.3
Information Technology	10.4
Industrials	8.9
Consumer Discretionary	5.2
Consumer Staples	4.8
Materials	3.2
Utilities	0.0
TOTAL	100.00

¹As at 30 September 2025

Fund performance summary

The Fund returned 0.66% (in AUD) during the quarter. Assets increased from \$1258.17m to \$1278.94m over this period.

Real Estate and Materials were the largest sector contributors to total return, with returns of 8.33% and 33.00% in AUD; their contributions were 1.37% and 0.77%, respectively. Health Care was the largest sector detractor with a return of -5.60%, and contribution of -1.08%.

Life360, Pilbara Minerals and Scentre Group were the largest three stock contributors to total return, and with returns of 65.38%, 88.76% and 17.27%; their contributions were 0.63%, 0.61% and 0.55% respectively. Xero, CSL and Woolworths were the largest detractors, returning -12.40%, -16.27% and -12.79%; they contributed -0.54%, -0.46% and -0.44% respectively.

Other commentary

The Australian Government announced its 2035 climate target in September, committing to reduce national greenhouse gas emissions by 62-70% below 2005 levels by 2035. The target will be operationalised through an emissions budget for 2031-35 and supported by a Net Zero Plan, six sectoral transition strategies, a National Climate Risk Assessment and an Adaptation Plan which will cover energy, industry, transport and land use¹.

While the target provides a clearer medium-term signal for markets and policymakers, some stakeholders have noted that its broad range may limit certainty, and that credibility will depend on consistent delivery. Overall, the 2035 target is positioned as a key milestone on Australia's pathway towards Net Zero by 2020².

The Chief Executive Women (CEW) 2025 Census reveals

a stagnation in gender diversity at the upper echelons of Australian corporates. In the ASX 300, women occupy just 10% of CEO roles and 31% of executive leadership positions. 18 companies have no women in executive or leadership teams at all. The report notes a disparity between larger and smaller firms: 14% of ASX 100 chief executives are women, compared with 10% across the full ASX 300. CEW warns that a lack of accountability has enabled persistent gender gaps. The findings highlight the structural inertia in Australian boardrooms and executive suites, and underscores an urgent need for stronger governance mechanisms, tied incentives and deliberate succession planning³.

¹<https://www.nortonrosefulbright.com/en-au/knowledge/publications/2d059e5e/australian-government-releases-2035-target-and-other-national-climate-policy-updates>

²<https://www.abc.net.au/news/2025-09-18/climate-targets-australia-2035-on-path-to-net-zero/105719910>

³<https://www.fssustainability.com.au/gender-diversity-in-corporate-australia-stalling-cew-census>

Responsible Investment Committee

The Responsible Investment Committee (RIC) conducted the annual rebalance and re-screen of the Nasdaq Future Australian Sustainability Leaders Index this quarter (which the Betashares Australian Sustainability Leaders Portfolio derives its holdings from). This year the RIC removed nine companies from the index, including G8 Education Ltd under the controversy screen due to concerns relating to child safety, charges brought against a center staff member relating to child safety, multiple safety breaches and repeated penalties across centers.

Proxy voting & engagement

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

Voting activities in Q3 2025

	Number	Proportion of total
Votes lodged	47	100%
Votes against management	10	21%

Votes against management by topic

	Number	Proportion of total
Governance	10	100%
Social	0	0%
Environmental	0	0%

The RIC engaged with Woolworths Group following reports that the company has proposed a new development in Kincumber, New South Wales, which may adversely affect the Kincumber Wetlands. Local residents and environmental advocates have raised concerns that the proposed site includes ecologically significant wetlands that support diverse ecosystems and provide habitat for several species classified as vulnerable, endangered, or critically endangered⁴.

The site in question is owned by the Darkinjung Local Aboriginal Land Council (DLALC). Woolworths has stated that DLALC will make the final determination regarding the potential development. The company also confirmed that, should a development be proposed, it would adhere

to all standard processes of engagement, notification, public exhibition, and assessment required for any rezoning or associated development application.

The objective of the engagement is to understand how Woolworths' proposed activities in Kincumber align with its stated commitment to responsible environmental stewardship and sustainable land use.

⁴https://coastcommunitynews.com.au/central-coast/news/2025/05/opposition-to-proposed-woolies-development-ramps-up/?srsltid=AfmBOoqr_UbNuayrUr6bjbP14qZcv8YHOID3SRF-VTOmv9vSXWN140zR

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.

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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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