24 August 2026

IMPORTANT UPDATE

Betashares Australian Faith-Based Leaders Fund ARSN 652 043 171, APIR: BSC0951AU

Dear investor

Betashares Capital Limited (Betashares), the responsible entity (RE) of the **Betashares Australian Faith-Based Leaders Fund** (Fund) wishes to notify you of important upcoming changes to the Fund.

OVERVIEW OF CHANGES

The upcoming changes to the Fund are summarised below.

- **Strategy Change:** Effective 21 September 2026, the Fund will change to a passive strategy that aims to track the Solactive Australian Equities Catholic Values Index (Index). The Index will be applying Catholic values-based screens based primarily on the Socially Responsible Investment Guidelines for the United States Conference of Catholic Bishops (USCCB Guidelines) to the Index's starting universe being the Solactive Australia 200 Index. As part of the strategy change there will also be changes made to the investment screens for the Fund, as detailed further below (together, the 'Strategy Change').

  An updated PDS will be available to investors on 21 September 2026. Management fees and costs will reduce from 0.85% p.a. to 0.35% p.a. of the Fund's net asset value.

- **Special Distribution**: The RE intends to pay a special distribution on 24 September 2026 to distribute any income and capital gains received this financial year, including those associated with the Strategy Change, to unitholders recorded on the register as of 18 September 2026.

- **Unit Consolidation**: Following the special distribution, the RE intends to consolidate the Fund's units on a 5:2 basis (investors receive 2 consolidated units for every 5 units they hold) and any resulting fractional units will be rounded up at the expense of the RE (Unit Consolidation). The Unit Consolidation is proposed to occur from 25-30 September 2026, during which time applications and redemptions in the Fund will be suspended to facilitate the Unit Consolidation.

- **ETF Conversion:** Subject to regulatory approvals, the RE intends to reclassify the existing unlisted unit class (being the only unit class of the Fund) to an exchange traded fund class to be quoted on the ASX (ETF Conversion). The Fund will also be renamed the Betashares Australian Shares Catholic Values ETF. It is anticipated that the Fund will commence trading on the ASX on or about 1 October 2026.

You should read this notice in full before deciding whether to remain invested or to redeem your units in the Fund. Investors may wish to consider seeking professional financial, legal and taxation advice having regard to their individual circumstances.

Key Dates

Date*	Event
18 September 2026	Units eligible to be recorded on the Fund's register as at the close of this date will be eligible for the special distribution.
21 September 2026	Fund Strategy Change effective with a new Product Disclosure Statement (PDS) to be made available at www.faithfund.com.au.
24 September 2026	Last day for the registry to receive redemption requests for unlisted units, applications and transfers for existing unlisted units ahead of the Unit Consolidation. Special Distribution payment date.
25 September 2026	Applications and redemptions suspended. 5:2 Unit Consolidation commences.

25–30 September 2026	Suspension period — no application or redemption requests accepted.
1 October 2026 (indicative only, subject to regulatory approvals)	ETF units commence trading on ASX. Holding statements dispatched to investors following the Unit Consolidation.

*The RE reserves the right to amend the dates below, with appropriate advance notice to the investors.

STRATEGY CHANGE

The RE wishes to amend the Fund's investment objective and strategy to a passive index-tracking strategy that tracks the Solactive Australian Equities Catholic Values Index, applying Catholic values-based screens developed primarily with reference to the USCCB Guidelines. The screening criteria are not a restatement of the USCCB Guidelines and, in some areas, differ in scope or in the thresholds applied. The starting universe for the Fund is the Solactive Australia 200 Index.

In connection with this Strategy Change, the broader responsible investment screens previously applied to the Fund will no longer apply and additional Catholic values-based screens will be introduced (see Annexure A for an overview of the changes to the screens), and the management fee will be reduced from 0.85% p.a. to 0.35% p.a. of the Fund's net asset value.

The strategy change is expected to become effective on 21 September 2026. Investors will have until 20 September 2026 if they wish to redeem units before the Strategy Change occurs.

The key reasons for, and benefits of, the Strategy Change include:

- The proposed investment strategy uses a broad market-capitalisation universe with the Catholic values screens applied directly. By removing the broader responsible investment screens, the Fund is expected to demonstrate lower tracking error to the broad Australian share market while retaining specific exclusionary screens consistent with Catholic values. The Fund will passively track a published third-party benchmark, which improves transparency of holdings.
- Enhanced Catholic values alignment – the new Index provides a more clearly defined Catholic values-based investment framework, informed primarily by the USCCB Guidelines.
- The change is accompanied by a substantial reduction in management fees and costs.

While the Fund will aim to passively track the Index (before fees and expenses), its returns may not match the Index exactly or continuously.

The table below sets out a comparison of the current and proposed investment objective and strategy for the Fund:

	Current	From 21 September 2026
Investment objective	To provide capital growth and some income from a portfolio of listed Australian equities selected using Catholic values and responsible investment criteria, with a preference for companies engaged in sustainable business activities.	To provide an investment return that aims to track the performance of the Solactive Australian Equities Catholic Values Index, before fees and expenses.
Investment strategy	Rules-based portfolio methodology screening out activities inconsistent with Catholic values and responsible investment criteria, preferring sustainable companies.	Passive index-tracking strategy applying Catholic values-based screens based primarily on USCCB Guidelines. The Index's starting universe is the Solactive Australia 200 Index.
Investment screens	Collection of both faith-based and broader responsible investment screens (including fossil fuels, animal cruelty, junk foods, etc).	Catholic values-based screens based primarily on USCCB Guidelines. Broader responsible investment screens removed; certain new Catholic values screens introduced.
Management fees and costs*	0.85% p.a. of the Fund's net asset value	0.35% p.a. of each Fund's net asset value
Benchmark / index	Rules based strategy, no published benchmark.	Solactive Australian Equities Catholic Values Index.

*Excludes transaction costs associated with buying and selling Fund assets.

SPECIAL DISTRIBUTION

Betashares will pay a special distribution following the strategy change to distribute any associated capital gains. Units eligible to be recorded on the Fund's register as at the close of business on 18 September 2026 will be eligible for the special distribution. Payment will be made on 24 September 2026. The distribution may include any income and capital gains received this financial year from normal trading and associated with implementing the strategy change. On the ex-distribution date (18 September 2026), the unit price of the Fund will decrease by approximately the amount of the distribution, all else being equal, with investors receiving the corresponding payment. The special distribution facilitates an orderly implementation of the strategy change and the distribution of realised income and gains to unitholders.

UNIT CONSOLIDATION

In connection with the ETF Conversion and prior to ASX quotation, a 5:2 Unit Consolidation will be undertaken. This means every five existing units held will become two consolidated units.

The Unit Consolidation will cause an increase in the Fund’s unit price, reflecting the reduced number of units on issue, which is intended to result in a more favourable bid-offer spread for investors in percentage terms, when units trade on the ASX. Any remaining fractional unit entitlements after the consolidation will be rounded up to the nearest whole unit at the expense of the RE.

To implement the Unit Consolidation, it is proposed that applications and redemptions will be suspended for 4 business days from 25 September 2026 to 30 September 2026. Investors will have until 24 September 2026 if they wish to redeem units in the Fund before the suspension.

ETF CONVERSION

Subject to regulatory approvals, the RE intends to reclassify the existing unlisted unit class (being the only unit class of the Fund) to an exchange traded fund class to be quoted on the ASX. As part of this ETF Conversion, the Fund will also be renamed the Betashares Australian Shares Catholic Values ETF.

It is anticipated that the Fund will commence trading on the ASX on or about 1 October 2026, and that from this date investors must use a registered broker or investment platform to transact units in the Fund. The RE will appoint MUFG Investor Services as unit registry for the Fund, otherwise there will be no change to the Fund’s service providers.

An ETF PDS for the Fund will be made available on or around 1 October 2026. The RE also intends to amend the constitution of the Fund to make the changes needed to give effect to the ETF Conversion. The RE considers that these changes are purely mechanical to facilitate the ETF Conversion and as such are not materially adverse to investors.

The key reasons for, and benefits of, the ETF Conversion include:

- Greater accessibility – investors will be able to buy and sell units on the ASX during the trading day through a broker or online trading platform.
- Improved liquidity - ASX-quoted ETF units benefit from intraday trading and the presence of a market maker to provide on-market liquidity.
- Improved transparency – as an ETF, the Fund will track a published third-party index (the Solactive Australian Equities Catholic Values Index), with holdings disclosed daily on the fund web page.

Trading in the Fund's units on the exchange carries several risks. The ASX trading price may diverge from the net asset value per unit, driven by factors such as supply and demand for Units, the availability and performance of market maker services, bid-offer spreads, and how closely the Fund's assets track the Index. Trading may also be suspended by the ASX in certain circumstances - during which unitholders could not buy or sell on-market and the Responsible Entity may suspend applications and redemptions - and there is no assurance Units will remain quoted at all times. While Units are quoted under the AQUA Rules and market making arrangements are in place, there is no guarantee of a liquid market, nor that a market maker will meet its obligations or remain appointed, giving rise to liquidity and settlement risks. Finally, index risk arises if the Index sponsor changes the methodology or ceases publication of the Index, or the licence to use the Index terminates, potentially requiring a change of index and adversely affecting the Fund's net asset value.

TAX CONSIDERATIONS

Set out below is a summary of the general Australian tax implications for investors who hold their units on capital account. The summary in this section is general in nature only. It does not constitute tax advice and should not be relied upon as such.

The RE does not expect the Strategy Change to give rise to a capital gain or loss for investors, because investors will not be required to dispose of their units.

The implementation of the Strategy Change will require the Fund to acquire and dispose of portfolio investments to rebalance to track the new index. These transactions may realise capital gains or losses within the Fund. Any net taxable amounts attributed to investors should be reflected in their annual tax statements.

The special distribution made in connection with the Strategy Change may comprise income and capital gains and may have tax consequences for investors. The applicable tax components will be set out in investors' annual tax statements, which is expected to be available by the end of July 2027.

The Unit Consolidation is not expected to give rise to an immediate capital gain or loss. For investors holding whole units, the cost base and acquisition date of existing units will generally carry over to the consolidated units. Where an investor's entitlement gives rise to a fractional unit that is rounded up to the nearest whole unit, the portion that is rounded up should be taken to have been acquired on the acquisition date of their corresponding original units, and affected investors should consider their individual circumstances.

The ETF Conversion is not expected to give rise to an immediate capital gain or loss for investors, as beneficial ownership of units is not affected by the conversion.

The above summary is based on applicable tax laws and Australian Taxation Office's published guidance and rulings as at the date of this announcement. This summary does not address the consequences that arise for investors who hold their units on revenue account or as trading stock or who are non-residents of Australia for income tax purposes. Investors should seek and rely only on their own professional advice regarding the tax consequences for them arising from the consolidation of units.

BEST INTERESTS CONSIDERATIONS

The RE considers the proposed changes to be in the best interests of unitholders of the Fund, noting in particular that the Strategy Change is expected to reduce tracking error to the broad market, improve transparency through a published benchmark, and comes with a substantial management fee reduction (from 0.85% to 0.35% p.a.). The changes to the exclusionary screens are considered to be more closely aligned with Catholic values, and the ETF Conversion is expected to improve accessibility and liquidity.

FURTHER INFORMATION

An updated PDS and TMD in respect of the Strategy Change will be issued on 21 September 2026 and will be made available at www.faithfund.com.au. The ETF PDS in respect of the ETF Conversion will be issued on or around 1 October 2026 (subject to regulatory approval).

Betashares will separately update investors regarding the ETF quotation following the Strategy Change and prior to the ETF Conversion to confirm the admission date and ASX ticker.

For further information, please contact Betashares Client Services:

- Phone: 1300 487 577 (8:30am – 5:30pm Sydney time, Monday to Friday)
- Email: support@betashares.com.au
- Website: www.betashares.com.au

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Annexure A

The following tables summarise the screens being added, removed, and changed for the Fund from 21 September 2026.

Screens being added (new Catholic values screens)

Screen	Proposed exposure limit (% of revenue)
IVF and Assisted Reproductive Technologies	Excluded on the basis of any identified involvement or tie.
Cannabis (recreational use only)	0% for production or cultivation. 5% for sale or distribution. Note: medical cannabis is not excluded.
Child Labour and Modern Slavery	Verified severe to very severe involvement (as defined by data provider).
E-Cigarettes	**Thresholds:** 0% production; 5% distribution; 5% services. **Scope:** covers e-cigarettes and related vaping products.
Civilian Firearms	**Thresholds:** 0% production; 5% distribution. **Scope:** Companies involved in the manufacture or production of civilian firearms of all types.

Screens being removed

Screen (current exposure limit % of revenue)	Current scope
Fossil Fuels - direct (0%)	Direct fossil fuel reserves, infrastructure, mining, extraction or burning.
Fossil Fuels - service providers (5%)	Products and services specific to the fossil fuel industry.
Fossil Fuels - finance and underwriting	Largest global financiers and insurers of fossil fuel companies and projects.
Fossil Fuels - high dependency	Industry sectors with very high fossil fuel use (with exemptions for critical minerals and sustainable businesses).
Uranium and Nuclear Energy (0% mining/energy; 5% products/services)	Uranium mining, nuclear energy, and related products and services.
Destruction of Valuable Environments (0%)	Companies with direct negative impact on World Heritage or High Conservation areas.
Animal Cruelty (0%)	Live animal export, cosmetic animal testing, factory farming, ivory, foie gras, and similar activities.
Chemicals of Concern (0%)	Chemicals recognised by UN Environmental Programs and controversial agricultural chemicals.
Mandatory Detention / For-Profit Prisons (0%)	Operators of detention centres or for-profit prisons.
Alcohol (5% production; 20% sale)	Production or sale of alcohol.
Junk Foods (33%)	Production or sale of junk foods.
Predatory / Payday Lending (0%)	Lending practices that impose unfair or abusive terms on borrowers.
Human and Labour Rights	Qualitative screen for human rights violations including child labour, forced labour, bribery and corruption.
Board Diversity	Qualitative screen excluding companies with no women on the board of directors.

Screens being changed (scope, threshold or structure changes)

Screen	Current	Nature of change
Abortion	Screens manufacturers of abortifacient products. 0% exposure limit.	Exposure limit unchanged (0%). Scope expanded to explicitly cover companies that own/operate acute hospitals or surgical centres capable of performing abortion procedures.
Stem Cells and Human Cloning	Screens companies engaged in embryonic research resulting in end of pre-natal human life. 0% exposure limit.	Exposure limit unchanged (0%). Scope expanded and threshold tightened. The screen now also captures companies that develop therapies, conduct research and development, or produce specialised technologies and products using human embryonic stem cells or fetal cell lines. Applied on the basis of any identified involvement or tie rather than a revenue threshold.
Controversial Weapons	Previously within broader Armaments and Militarism screen. 0% for manufacture of	Separated into a standalone screen. Excludes companies with verified ongoing involvement in the manufacture of chemical, biological or nuclear weapons, nuclear weapons outside the Non-

	armaments/weapons; 5% for specific services.	Proliferation Treaty, depleted uranium weapons, cluster munitions, anti-personnel mines or incendiary weapons, including essential components. Applied on the basis of verified ongoing involvement rather than a revenue threshold.
Military Equipment	Previously within Armaments and Militarism screen. 0% production; 5% distribution.	Scope narrowed. Controversial and nuclear weapons move to the separate screen above. This screen now covers conventional combat military equipment only, at 0% of revenue for production and 5% of revenue for distribution. Companies that supply non-weapon products or services to defence organisations are no longer excluded on that basis alone.
Tobacco	Screens production/distribution of tobacco and e-cigarettes. 0% production; 5% sale; 5% services.	Scope narrowed to tobacco products only, at 0% of revenue for production, 5% for distribution and 5% for related services. E-cigarettes and vaping products are now screened separately under the new e-cigarettes screen at the same thresholds, so the overall coverage of these activities is unchanged.

Full list of screens applicable from 21 September 2026

Industry / Activity	**Exposure Limit Guidelines** **(% of total revenue)**
Abortion Operations: This screen applies to companies that own and/or operate acute hospitals or surgical centres with the capability to perform abortion procedures. Production: This screen applies to companies involved in the manufacturing or production of abortifacient products. **Note:** drugs that have abortifacient properties but were not designed for abortion are not excluded.	Operations: Any identified involvement or tie, as assessed by the data provider. Production of abortifacients: 0% of revenue.
IVF and Assisted Reproductive Technologies This screen applies to companies involved in operating hospitals or clinics engaged in the provision of in vitro fertilization (IVF) services. It will also seek to identify companies utilising in vitro fertilisation for research and development activities which includes companies using embryos sourced from IVF clinics for biopharmaceutical research and development.	Any identified involvement or tie, as assessed by the data provider.
Contraceptives This screen applies to companies that manufacture contraceptives or derive a significant portion of its revenues from the sale or distribution of contraceptives, even if they do not manufacture them.	0% for production of contraceptives. 5% for sale and distribution of contraceptives.
Stem Cell Research and Human Cloning This screen applies to companies that engage in scientific research on human fetuses or embryos that result in the end of pre-natal human life or makes use of tissue derived from abortions or other life-ending activities and/or develops products and services from such research. Specific activities include embryonic stem cell research (ESCR), fetal tissue research, stem cell research derived from embryos, human cloning, and the development of therapies, research and development, or specialised technologies and products that utilise human embryonic stem cells or fetal cell lines.	Any identified involvement or tie, as assessed by the data provider.
Controversial Weapons This screen applies to companies involved in the manufacture of controversial weapons, including components specifically designed for and essential to their production or functioning. This includes nuclear weapons and other controversial weapons such as anti-personnel mines, biological and chemical weapons, cluster munitions, depleted uranium weapons and incendiary weapons.	Verified ongoing involvement as assessed by the data provider.

Military equipment (combat equipment) This screen applies to companies involved in the manufacturing, assembly, sale or transportation of combat military weapons, as well as those involved in the manufacturing and sale of weapon-related products. Note: companies that manufacture or distribute non-weapon products and services to defence organisations are not excluded.	0% of revenue from production. 5% of revenue from distribution.
Civilian Firearms Companies involved in the manufacture or production of civilian firearms of all types.	0% of revenue from production. 5% of revenue from distribution.
Pornography / Adult Entertainment This screen applies to companies involved in the production or distribution of adult entertainment products.	0% of revenue from production. 5% of revenue from distribution.
E-cigarettes This screen applies to companies involved in the production or distribution of e-cigarettes and related vaping products.	0% of revenue from production. 5% of revenue from distribution. 5% of revenue from services.
Tobacco This screen applies to companies involved in the production or distribution of tobacco and other tobacco related products.	0% for production. 5% of revenue from distribution. 5% for services.
Gambling This screen applies to companies that own or operate a gambling establishment or manufacture equipment used exclusively for gambling operations or provide products and services that support gambling operations.	0% of revenue from production, including owners and operators of casinos and gambling establishments and manufacturers of gaming products and poker machines. 5% of revenue from distribution. 5% of revenue from services.
Cannabis (recreational) This screen applies to companies involved in the production, cultivation, or distribution of cannabis for the recreational use. Note: companies involved in the production, cultivation or distribution of cannabis for medical use are not excluded.	0% of revenue from production or cultivation. 5% of revenue from distribution.
Child Labour and Modern Slavery Companies involved in child labour and modern slavery controversies, including forced labour, the worst forms of child labour, forced sexual exploitation, human trafficking, debt bondage and similar exploitative practices.	Verified severe to very severe involvement, as defined by the data provider.

Companies for which an assessment against the Index's exclusion criteria cannot be made due to insufficient or missing information will be excluded from the Index, and therefore from the Fund.