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Betashares Australian Faith-Based Leaders Fund

ARSN: 652 043 171
APIR Code: BSC0951AU

Betashares Global Faith-Based Leaders Fund

ARSN: 652 043 582
APIR Code: BSC5318AU

ADDITIONAL INFORMATION BOOKLET FOR IDPS INVESTORS

Date: 23 June 2023

This Additional Information Booklet (Booklet) dated 23 June 2023 is issued by Betashares Capital Ltd ABN 78 139 566 868, AFSL 341181, the responsible entity of Betashares Australian Faith-Based Leaders Fund and Betashares Global Faith-Based Leaders Fund (each a ‘Fund’ and collectively ‘the Funds’). The information in this document forms part of the Product Disclosure Statement (PDS) for each Fund dated 23 June 2023.

The PDS for each Fund is a summary of significant information about the Fund. Each PDS contains a number of references to additional important information contained in this Booklet. This Booklet forms part of each PDS and you should read it together with the PDS before making a decision to invest in the Fund.

You can access a copy of the latest version of each PDS, this Booklet and any updated information free of charge from the website www.faithfund.com.au or by contacting the Responsible Entity.

The information provided in each PDS and this Booklet is general information only and does not take account of your personal financial situation or needs. You should obtain financial advice from a licensed financial adviser tailored to your personal circumstances.

This offer is only open to persons receiving a PDS and the Booklet within Australia or New Zealand. The PDSs and the Booklet are only available for use by (i) persons applying for units through an investor directed portfolio service, master trust, wrap account or investor directed portfolio-like scheme, including superannuation equivalents (IDPS), and (ii) an IDPS operator. Each IDPS must be approved by the Responsible Entity.

1. ABOUT BETASHARES CAPITAL LTD

No additional information. Please refer to the PDS.

2. HOW THE FUNDS WORK

RESTRICTIONS ON APPLICATIONS & WITHDRAWALS

Each Fund's constitution allows the Responsible Entity to reject any application in whole or in part at any time without giving reasons.

Each Fund's constitution provides that, in some circumstances, the maximum period for satisfaction of redemption requests (21 days) may be extended, or that redemption requests may be rejected, for as long as the relevant circumstances apply. Those circumstances are where:

- the Responsible Entity has taken all reasonable steps to realise sufficient assets to pay amounts due in respect of units to which a redemption request applies and is unable to do so due to circumstances outside its control, such as restricted or suspended trading in the market for an asset;
- the Responsible Entity believes that it is impracticable or not possible to transfer, in the manner acceptable to the Responsible Entity, sufficient assets to satisfy the redemption request (for example, because of disruption to a settlement or clearing system);
- the Responsible Entity believes that it is not practicable to determine amounts of securities to be given to a unitholder in respect of an in kind redemption, or carry out the calculations necessary to satisfy the redemption request (for example, because it is impracticable to calculate the Fund's net asset value because of restricted or suspended trading in the market for an asset or because the value of any asset cannot otherwise promptly or accurately be ascertained);
- a redemption request is received in a financial year and the Responsible Entity determines that the date on which the completion of the redemption of the units would otherwise occur would be in the next financial year;
- a redemption request is received during any period before or after a distribution date which the Responsible Entity determines to be necessary or desirable to facilitate the calculation and distribution of the Fund's distributable income;
- the Fund's investments suspend, delay or restrict the redemption, issue or payment of redemption proceeds (as applicable), or are unable to provide a withdrawal price;
- there have been, or the Responsible Entity anticipates that there will be, withdrawal requests that involve realising a significant amount of the Fund's assets and the Responsible Entity considers that if those withdrawal requests are all met immediately, unitholders who continue to hold units may bear a disproportionate burden of capital gains tax or other expenses, or the meeting of those withdrawal requests would otherwise be to the existing unitholders' disadvantage including by way of a material diminution in the value of the assets or departure from the investment strategy of the Fund;
- the Responsible Entity does not consider that it is in the best interests of unitholders of the Fund taken as a whole to transfer or realise sufficient assets to satisfy the redemption request;
- the Responsible Entity believes that assets cannot be realised at prices that would be obtained if assets were realised in an orderly fashion over a reasonable period in a stable market; or
- it is otherwise legally permitted.

SPREADING REDEMPTION REQUESTS

Each Fund's constitution provides that, if the Responsible Entity receives one or more redemption requests in respect of a particular valuation time that seek the redemption in aggregate of more than 10% of the total number of units on issue, the Responsible Entity may scale down pro rata each redemption request so that no more than 10% of the number of units on issue will be redeemed in respect of that valuation time. If a redemption request is scaled down in this way, the relevant unitholder shall be deemed to have made a redemption request with respect to the unsatisfied balance of the units the subject of the redemption request and that request will be deemed to have been received immediately following the first valuation time. The balance of such unsatisfied redemption request will be satisfied in priority to any subsequently received redemption request and will generally be satisfied in full no later than the 10th valuation time following the first valuation time.

LIQUIDITY

The information relating to redemptions assumes the Funds are liquid within the meaning of section 601KA of the *Corporations Act 2001* (Cth) (Corporations Act).

A Fund will be "liquid" if at least 80% of its assets are liquid assets, such as money in an account or on deposit with a bank, bank accepted bills, marketable securities and other property which the Responsible Entity reasonably expects can be realised for its market value within the period specified in the constitution for satisfying redemption requests. At the date of the PDS and this Booklet, the Responsible Entity expects that each Fund will be liquid under the Corporations Act.

If a Fund is no longer "liquid" within the meaning of the Corporations Act, a unitholder will not have a right to redeem units and can only redeem where the Responsible Entity makes a withdrawal offer to unitholders in accordance with the Corporations Act. The Responsible Entity is not obliged to make such offers.

3. BENEFITS OF INVESTING IN THE FUNDS

VALUATIONS & UNIT PRICING

The value or price of a unit is normally calculated for each Dealing Day (although the Responsible Entity may calculate a unit price as at any time), and is based on the value of a Fund's assets, less liabilities, divided by the number of units on issue and adjusted for estimated transaction costs (the "buy-spread" in the case of the entry unit price and the "sell-spread" in the case of the exit unit price).

A Fund's assets reflect their market value and are normally valued as at the close of business in each of the relevant markets. The valuation methods applied by the Responsible Entity to value a Fund's assets and liabilities must be consistent with the range of ordinary commercial practice for valuing them.

Under each Fund's constitution, the Responsible Entity has certain discretions in determining unit prices. Such discretions are exercised in accordance with a documented policy, which is available from the Responsible Entity free of charge upon request.

DISTRIBUTION REINVESTMENT PLAN

The Responsible Entity has established a distribution reinvestment plan ("DRP") for each Fund.

Participation in the DRP is subject to the terms and conditions of the DRP policy document, which is available at no charge by contacting Betashares on 1300 487 577 (within Australia) or +61 2 9290 6888.

The DRP is currently available only to unitholders who have a registered address in Australia or New Zealand, unless otherwise determined by the Responsible Entity.

Unitholders can choose to:

- if eligible, participate in the DRP, meaning distributions from the Fund will be reinvested in additional units in the Fund; or
- have the distributions paid directly to a nominated Australian bank, building society or credit union account.

Full or partial reinvestment is available. If no DRP election is made, the distributions will automatically be paid into the nominated Australian bank, building society or credit union account.

Eligible unitholders can elect to participate in the DRP by contacting the Responsible Entity by calling 1300 487 577 or +61 2 9290 6888 or by emailing ops@betashares.com.au.

THE FUND CUSTODIAN & ADMINISTRATOR

The Responsible Entity has appointed Citigroup Pty Limited ("Citigroup") as each Fund's custodian and administrator.

Custodial services include holding the assets of a Fund and collecting related entitlements, such as dividends. The custodian may appoint sub-custodians, for example, to hold a Fund's assets in certain markets.

As administrator, Citigroup is responsible for the day to day administration of each Fund, including fund accounting, maintaining books and records, maintaining the register of unitholders, and calculating unit prices and distribution amounts.

Citigroup has no supervisory role in relation to the operation of each Fund and has no liability or responsibility to unitholders for any act done or omission made in accordance with the custody and administration service agreements.

The Responsible Entity may change a Fund's custodian and/or administrator from time to time without prior notice to unitholders.

Citigroup was not involved in preparing, nor takes any responsibility for each PDS or this Booklet. Citigroup make no guarantee of the success of the Fund nor the repayment of capital or any particular rate of capital or income return.

THE CONSTITUTION

Each Fund is a registered managed investment scheme, governed by a constitution. The constitution sets out rules regarding:

- the Responsible Entity's powers, rights and duties, including the right to fees, recovery of expenses and indemnification;
- unitholders' rights and obligations;
- liability of unitholders and the Responsible Entity;
- issue, redemption and transfer of units;
- how distributions are determined;
- how the Fund's assets and liabilities are valued;
- how unit prices are calculated;
- how the Fund may be terminated;
- how the Responsible Entity may be removed or replaced as responsible entity; and
- the procedures for unitholder meetings.

The constitution of each Fund provides the Responsible Entity with the power to determine that the Fund or a class of units in the Fund may be quoted for trading on an exchange or listed on an exchange. The constitution of each Fund also contemplates the implementation of a multi-access structure in relation to units that are quoted on an exchange, whereby investors can apply for such units either by applying to the Responsible Entity directly or buying them on-market and can redeem such units in the Fund by redeeming them from the Responsible Entity directly or selling them on-market.

As at the date of each Fund's PDS and this Booklet, the Funds are not quoted or listed on an exchange nor do they offer a class of units which is quoted or listed on an exchange, however, the Responsible Entity may determine to do so in the future. The Responsible Entity may also determine to implement a multi-access structure in respect of a Fund or a class of units in a Fund (including an existing class of units in a Fund). Subject to the Responsible Entity's duties under the Corporations Act, the Responsible Entity may also determine to convert, reclassify or redesignate a class of units in a Fund into units of another class (including a quoted class), however the Responsible Entity is under no obligation to do so.

A copy of the constitution may be inspected by unitholders at the Responsible Entity's office, during business hours. The Responsible Entity will provide unitholders with a copy of the constitution upon request.

The Responsible Entity may amend the constitution from time to time, subject to the provisions of the constitution and the Corporations Act. Generally, the Responsible Entity can only amend the constitution where the Responsible Entity reasonably considers that the change will not adversely affect the rights of unitholders. Otherwise, the constitution can only be amended if approved at a meeting of unitholders in accordance with the Corporations Act.

BORROWING

Each Fund's constitution places no formal limits on borrowing. However, the Responsible Entity's policy is that it may only borrow for the purpose of managing cash flows on a temporary basis, such as funding redemption payments or settlement of investment transactions. The Responsible Entity does not otherwise intend to borrow in connection with a Fund's operations.

If borrowing is employed by a Fund in these circumstances, funding will be accessed from financial institutions on commercial terms. The assets of a Fund may be used as security for any borrowing where the Responsible Entity believes this will benefit investors in terms of reduced cost of borrowing or better access to funding. A lender may exercise its security in the event of any default. However, the terms of any borrowing will not allow a lender to have recourse to investors over and above the assets of a Fund. All borrowing costs will be borne by the Fund.

THE COMPLIANCE PLAN

The Responsible Entity has prepared and lodged a compliance plan for each Fund with ASIC. The compliance plan sets out the key criteria that the Responsible Entity will follow to ensure that it is complying with the Corporations Act and each Fund's constitution. Each year the compliance plan, and the Responsible Entity's compliance with the compliance plan, will be audited, as required by the Corporations Act*,* and the auditor's report will be lodged with ASIC.

THE COMPLIANCE COMMITTEE

The Responsible Entity has established a compliance committee with a majority of members that are external to the Responsible Entity. The compliance committee's functions include:

- monitoring the Responsible Entity's compliance with the compliance plans and reporting its findings to the Responsible Entity;
- reporting breaches of the Corporations Act or the constitution to the Responsible Entity;
- reporting to ASIC if the committee is of the view that the Responsible Entity has not taken or does not propose to take appropriate actions to deal with breaches reported to it by the committee; and
- assessing the adequacy of the compliance plan, recommending any changes and reporting these to the Responsible Entity.

AUDITOR

The Responsible Entity has engaged KPMG as the auditor of each Fund's financial statements and compliance plan.

PRIVACY POLICY

As you will be investing indirectly in a Fund via your IDPS, we do not collect or hold your personal information in connection with your investment in the Fund. Please contact your IDPS operator for more information about their privacy policy.

ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING

The Responsible Entity is bound by laws regarding the prevention of money laundering and the financing of terrorism, including the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (AML/CTF Laws). Even though you will be investing indirectly in a Fund via your IDPS, the IDPS acknowledges on your behalf that:

- it does not subscribe to the Fund under an assumed name;
- any money used to invest in the units is not derived from or related to any criminal activities;
- any proceeds of the investment will not be used in relation to any criminal activities;
- if the Responsible Entity requests, the IDPS operator will provide to it any additional information that is reasonably required for the purposes of AML/CTF Laws (including information about the investor, any beneficial interest in the units, or the source of funds used to invest);
- the Responsible Entity may obtain information about the IDPS operator or any beneficial owner of a unit from third parties if it is believed this is necessary to comply with AML/CTF Laws; and
- in order to comply with AML/CTF Laws, the Responsible Entity may be required to take action, including:
    - delaying or refusing the processing of any application or redemption; or
    - disclosing information that the Responsible Entity holds about the IDPS operator or any beneficial owner of the units to the Responsible Entity's related bodies corporate or service providers, or relevant regulators of AML/CTF Laws (whether in or outside of Australia).

WARNING STATEMENT FOR NEW ZEALAND INVESTORS

The following disclosure is made to enable a Fund's units to be offered by the Responsible Entity in New Zealand under the mutual recognition scheme between Australia and New Zealand:

1. This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.
2. This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Aust) and the regulations made under that Act set out how the offer must be made.
3. There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.
4. The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.
5. Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, New Zealand (http://www.fma.govt.nz). The Australian and New Zealand regulators will work together to settle your complaint.
6. The taxation treatment of Australian financial products is not the same as for New Zealand financial products.
7. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of a financial advice provider.

Currency exchange risk

1. The offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.
2. If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

Dispute resolution process

The dispute resolution process described in this offer document is available only in Australia and is not available in New Zealand.

4. RISKS OF MANAGED INVESTMENT SCHEMES

ADDITIONAL RISKS

You should consider the following additional significant risks of managed investment schemes before deciding to invest in a Fund.

Fund risk
A Fund could terminate, convert into an exchange traded fund, fees or other features of a Fund could change or the Responsible Entity could resign or be replaced as responsible entity of a Fund. There is also a risk that investing in a Fund may give different results than investing directly in the underlying securities because of the income or capital gains accrued in the Fund and the consequences of investment and withdrawal by other investors in the Fund.

Tax risk
A Fund or an investment in a Fund can also be subject to tax risk on the basis that tax laws and relevant administrative practices are subject to change, possibly with retrospective effect.

Regulatory risk
A change in government or regulator policies, laws or regulations may affect the value of an investment in a Fund or its underlying assets.

Operational risk
A Fund's day to day operations may be adversely affected by circumstances beyond the reasonable control of the Responsible Entity, such as failure of technology or infrastructure, or natural disasters. The failure of a service provider to properly deliver services to a Fund may also adversely affect the operation and performance of the Fund.

Counterparty risk
Counterparties used in connection with a Fund's investment activities may default on their obligations, for instance by failing to make a payment when due. This may be due to insolvency or other events of default. Such counterparties may include service providers and trading and derivatives counterparties, as well as a Fund's custodian. Default on the part of a counterparty could result in financial loss to a Fund.

Distributions risk
Investors should be aware that a Fund may from time to time realise large capital gains (for example, if the Fund were required to sell down assets to fund large redemptions), which would be required to be distributed to unitholders by the end of the financial year. In such circumstances, investors who hold units as at the date of distribution (including those investors who enter a Fund after the realisation of such capital gains) may receive a large taxable income distribution.

Manager risk
This is the risk that the Responsible Entity's investment strategy is not successful, or not successfully implemented, resulting in the Fund failing to meet its objectives. No assurance can be given that the trading systems and strategies utilised by the Responsible Entity will prove successful under all or any market conditions.

Cyber-security risk
With the increased use of technology to conduct business, the Responsible Entity, a Fund and their service providers can be susceptible to information security and related risks including cyber-security attacks or incidents. Cyber incidents can result from deliberate attacks or unintentional events, and include gaining unauthorised access to digital systems, networks or devices for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorised access, such as causing denial-of-service attacks on websites (i.e. efforts to make network services unavailable to intended users).

Cyber-security breaches may cause disruptions to a Fund's operations, potentially resulting in financial loss.

5. HOW WE INVEST YOUR MONEY

FAITH-BASED AND RESPONSIBLE INVESTMENT SCREENS

The business activities screened out from the Betashares Australian Faith-Based Leaders Fund, together with the applicable materiality thresholds, are set out below.

Industry / Activity	Exposure Limit Guidelines (% of total revenue)
Abortion Companies whose activities include direct participation in the supply of abortive drugs or services. **Note:** drugs that have abortifacient properties but were not designed for abortion are not excluded.	0% for any direct involvement
Contraception Exclude companies that manufacture contraceptives or derive a significant portion of its revenues from the sale of contraceptives, even if they do not manufacture them.	0% for production of contraceptives 5% for sale and distribution of contraceptives
Embryonic Stem Cell Research and Human Cloning Scientific research on human foetuses or embryos that results in the end of pre-natal human life, makes use of tissue derived from abortions or other life-ending activities, or violates the dignity of a developing person. Specific activities covered by the screen include embryonic stem cell research (ESCR), fetal tissue research or stem cell research derived from	0% for any direct involvement

embryos, and human cloning. **Note:** Companies that conduct research using umbilical, adult, induced pluripotent or in vitro stem cells are not excluded.	
Fossil Fuels - direct Companies which have fossil fuel reserves, fossil fuel infrastructure, or mining, extraction, or burning of fossil fuels	0%
Fossil Fuels – service providers Companies which provide products or services which are specific to and significant for the fossil fuel industry	5% for products and services
Fossil Fuel – finance and underwriting Companies which provide lending to fossil fuel companies or otherwise provide significant financing to fossil fuel project or infrastructure Companies that provide significant insurance or re-insurance of fossil fuel companies or projects	The largest global financiers of fossil fuel companies, projects and infrastructure are excluded The largest global insurers of fossil fuel companies, projects and infrastructure are excluded
Fossil Fuels – high dependency Industry sectors with very high use of fossil fuels, however mining companies engaged in the extraction of critical minerals, as defined by Geoscience Australia, and companies with demonstrated use of sustainable business practices are exempt from this exclusion	Materiality threshold not applicable
Gambling Casinos, manufacture or distribution of gaming products	0% for casinos, manufacture of gaming products, and poker machine operations 5% for distribution of gambling products
Tobacco Production of tobacco or sale of tobacco products (including e-cigarettes, vapes and other tobacco-based products)	0% for production or manufacture 5% for sale of tobacco products
Armaments and Militarism Manufacture of armaments and weapons, or specific	0% for manufacture of armaments and weapons

and significant services to military and armaments manufacture (including nuclear weapons and other controversial weapons)	5% for specific and significant services to military and armaments manufacture
Uranium and Nuclear Energy Uranium mining, nuclear energy and products and services to nuclear energy	0% for uranium mining and nuclear energy 5% for products and services related to nuclear energy
Destruction of Valuable Environments Companies which have direct negative impact on recognised World Heritage and High Conservation areas	0%
Animal Cruelty Companies involved in live animal export, animal testing for cosmetic purposes, factory farming, or controversial animal products such as ivory, foie gras etc.	0%
Chemicals of Concern Companies which produce or use chemicals of concern recognised by UN Environmental Programs, or controversial agricultural chemicals	0%
Mandatory Detention of Asylum Seekers and for-profit prisons Companies which operate detention centres or for-profit prisons	0%
Alcohol Production or sale of alcohol	5% for production of alcohol 20% for sale of alcohol
Junk Foods Companies which produce or sell junk foods	33% for production or sale of junk foods
Pornography Companies which produce or sell pornography	0% for production of pornography 5% for distribution of pornography
Predatory lending Lending practices that impose unfair or abusive terms on a borrower	0%
Human and labour rights Evidence of human rights violations including child labour, forced labour,	Materiality threshold not applicable

sweatshops, bribery and corruption	
Board diversity No women on board of directors	Materiality threshold not applicable

The business activities screened out from the Betashares Global Faith-Based Leaders Fund, together with the applicable materiality thresholds, are set out below:

Industry / Activity	Exposure Limit Guidelines (% of total revenue)
Abortion Companies whose activities include direct participation in the supply of abortive drugs or services. **Note:** drugs that have abortifacient properties but were not designed for abortion are not excluded.	0% for any direct involvement
Contraception Exclude companies that manufacture contraceptives or derive a significant portion of its revenues from the sale of contraceptives, even if they do not manufacture them.	0% for production of contraceptives 5% for sale and distribution of contraceptives
Embryonic Stem Cell Research and Human Cloning Scientific research on human foetuses or embryos that results in the end of pre-natal human life, makes use of tissue derived from abortions or other life-ending activities, or violates the dignity of a developing person. Specific activities covered by the screen include embryonic stem cell research (ESCR), fetal tissue research or stem cell research derived from embryos, and human cloning. **Note:** Companies that conduct research using umbilical, adult, induced pluripotent or in vitro stem cells are not excluded.	0% for any direct involvement
Fossil Fuels - direct Companies which have fossil fuel reserves, fossil fuel infrastructure, or are involved in the mining, extraction, or burning of fossil fuels	0%
Fossil Fuels - indirect Companies which provide products, services or finance specific to and significant for the fossil fuel industry. Companies with very high usage of fossil fuels are also excluded except where more than 50% of company revenue is derived from renewable energy, resource efficiency, environmental solutions or energy efficiency products and services	5% for products and services The largest global financiers of fossil fuels, and financiers of significant fossil fuel infrastructure, are excluded
Gambling Casinos, manufacture or distribution of gaming products	0% for casinos, manufacture of gaming products, and poker machine operations 5% for distribution of gambling products
Tobacco Production of tobacco or sale of tobacco products (including e-cigarettes, vapes and other tobacco-based products)	0% for production or manufacture 5% for sale of tobacco products
Armaments and Militarism Manufacture of armaments and weapons, or specific and significant services to military and armaments manufacture (including nuclear weapons and other controversial weapons)	0% for manufacture of armaments and weapons 5% for specific and significant services to military and armaments manufacture
Uranium and Nuclear Energy Uranium mining, nuclear energy and products and services related to nuclear energy	0% for uranium mining and nuclear energy 5% for products and services to nuclear energy
Destruction of Valuable Environments Companies which have direct negative impact on recognised World Heritage and High Conservation areas	0%
Animal Cruelty Companies involved in live animal export, animal testing for cosmetic purposes, factory farming, or controversial animal products such as ivory, foie gras etc.	0%
Chemicals of Concern Companies which produce or use chemicals of concern	0%

recognised by UN Environmental Programs, or controversial agricultural chemicals	
Mandatory Detention of Asylum Seekers and for-profit prisons Companies which operate detention centres or for-profit prisons	0%
Alcohol Production or sale of alcohol	5% for production of alcohol 20% for sale of alcohol
Junk Foods Companies which produce or sell junk foods	33% for production or sale of junk foods
Pornography Companies which produce or sell pornography	0% for production of pornography 5% for distribution of pornography
Payday lending	0%
Human and labour rights Evidence of human rights violations including child labour, forced labour, sweatshops, bribery and corruption	Materiality threshold not applicable
Board diversity No women on board of directors	Materiality threshold not applicable

For both the Betashares Australian Faith-Based Leaders Fund and the Betashares Global Faith-Based Leaders Fund, the materiality thresholds set out in the tables above are based on the percentage of a company's gross revenue derived from the specified activity or industry. A company's gross revenue is generally as reported in its audited financial statements.

In addition to the screens above, a company exposed to significant environmental, social or governance ("ESG") related reputational risk or controversy may also be excluded where the Responsible Entity considers that its inclusion would be inconsistent with the values of the funds. In making such a recommendation, the Responsible Entity will reference international norms and standards. These may include the United Nations Guiding Principles on Business and Human Rights (UNGPs), the Ten Principles of the United Nations Global Compact (UNGC) and the standards for responsible business conduct set out in the OECD Guidelines for Multinational Enterprises. Specific factors include:

- failure to respect human rights;
- failure to respect the right to freedom of association and/or collective bargaining;
- evidence of discrimination on grounds such as race, gender, religion, sexual orientation, or social origin;
- failure to protect sites of significant cultural or environmental value;
- failure to protect the right to privacy;
- contributing (by action or inaction) to the spread of disinformation, incitement to violence, and/or the undermining of democratic institutions and the rule of law.

LABOUR STANDARDS OR ENVIRONMENTAL, SOCIAL OR ETHICAL CONSIDERATIONS

The Funds use a rules-based methodology for portfolio construction. This methodology takes into account environmental, social and ethical considerations (which may include labour standards) in the security selection process and eligibility criteria, as set out in section 5 of each Fund's PDS.

The Responsible Entity therefore takes into account environmental, social and ethical considerations (which may include labour standards) when selecting, retaining or realising investments in the Fund.

A description of the types of labour standards and environmental, social and ethical considerations and the extent to which the Responsible Entity takes these standards and considerations in account when selecting, retaining or realising investments in the Fund is set out in section 5 of each Fund's PDS.

6. FEES AND COSTS

ADDITIONAL EXPLANATION OF FEES AND COSTS

Management fees and costs

The management fees and costs for a Fund incorporate all relevant ongoing fees and other costs involved in managing the Fund and deriving investment returns. The management fees and costs comprise:

- Responsible Entity's management fee;
- recoverable expenses; and
- indirect costs.

Management fees and costs do not include:

- transaction costs, such as brokerage, transactional custodian fees, and other transaction fees associated with buying and selling a Fund's assets; and
- other costs that an investor would ordinarily incur when investing directly in a Fund's underlying assets.

(These costs are therefore not included in the management fees and costs set out in the fees and costs summary in each PDS, but they are paid out of a Fund's assets).

Management fee

The management fee is charged by the Responsible Entity for managing a Fund and making it available to investors. It is calculated and accrued daily as a percentage of a Fund's net asset value and reflected in the daily net asset value per unit. The amount is deducted from a Fund's assets monthly on or after the first day of the following month.

Recoverable expenses

The recoverable expenses represent the operating expenses incurred in the operation of a Fund. Each Fund's constitution allows all properly incurred expenses to be recovered directly from the Fund and does not place any limit on the amount or types of expenses that can be recovered.

The expenses normally incurred in the day to day operation of each Fund include custodian, fund administration, unit registry and audit costs (other than transaction costs described above). These expenses normally incurred and charged to each Fund will be paid by the Responsible Entity out of its own resources while each Fund's PDS is current. The Responsible Entity may withdraw or replace each Fund's PDS at any time.

The recoverable expenses normally incurred by each Fund that will apply for the current financial year will be 0.00%p.a. of the Fund's net asset value, as these expenses will be paid out of the Responsible Entity's own resources as and when they arise.

Extraordinary expenses are expenses that are not normally incurred in the day to day operation of a Fund and are not necessarily incurred in any given year. They may include costs associated with unitholder meetings, changing a Fund's constitution, or defending or pursuing legal proceedings. Extraordinary expenses will not be paid out of the Responsible Entity's own resources. Any such expenses will be recovered from the relevant Fund and reflected in the Fund's unit prices. The Responsible Entity, as at the date of this Booklet, reasonably estimates that the extraordinary expenses of each Fund that will apply for the current financial year (adjusted to reflect a 12 month period) will be nil.

Indirect costs

Indirect costs are any amounts that the Responsible Entity knows or where required, reasonably estimates, will reduce a Fund's returns that are paid from the Fund's assets (other than the management fee, recoverable expenses and transaction costs described elsewhere in this section) or that are paid from the assets of any interposed vehicle (such as an underlying fund) in which the Fund may invest.

The Responsible Entity, as at the date of this Booklet, reasonably estimates that the indirect costs of a Fund that will apply for the current financial year will be 0.00% p.a. of a Fund's net asset value.

Transaction costs

Transaction costs incurred in buying and selling a Fund's assets, such as brokerage, stamp duty, taxes, settlement costs, custodian transaction costs, and other transaction fees will be paid by the Fund. Transaction costs also include costs incurred by an interposed vehicle that would be transaction costs if they had been incurred by the Fund. Transaction costs are an additional cost to investors (to the extent they are not offset by the buy-sell spread charged by the Responsible Entity) and are not included in the management fees and costs shown in the fees and costs summary in each PDS.

Transaction costs reduce a Fund's net asset value. How and when they are paid varies depending on the type of transaction cost. Certain costs, e.g. brokerage, are added to or deducted from the amounts payable from a Fund's assets or receivable by a Fund at the time of settlement in respect of investments purchased or sold for the Fund. Other costs, e.g. transactional custodian fees, are invoiced and paid from a Fund's assets according to a regular monthly or quarterly cycle.

The following table sets out our reasonable estimate of each Fund's total transaction costs as a percentage of the Fund's net asset value for the current financial year. However, each Fund recovers an estimate of these costs from investors when applying for, or redeeming, units via the buy-sell spread (see "Buy-sell spread" below). The net transaction costs of each Fund (representing the total gross transaction costs minus the transaction costs reimbursed to each Fund out of the buy-sell spread) are also set out in the following table as a percentage of each Fund's net asset value for the current financial year. The net transaction costs (if any) are borne by the relevant Fund.

	Estimated total gross transaction costs - % p.a. of the Fund's net asset value for the current financial year	Estimated net transaction costs - % p.a. of the Fund's net asset value for the current financial year
Betashares Australian Faith-Based Leaders Fund	0.06%	0.02% (or $10 for every $50,000 you have in the Fund)
Betashares Global Faith-Based Leaders Fund	0.03%	0.00% (or $0 for every $50,000 you have in the Fund)

The transaction costs estimate shown in the fees and costs summary in each PDS is shown net of any amount recovered from transacting investors via the buy-sell spread (see "Buy-sell spread" below).

The amount of these costs can be expected to vary from year to year depending on the volume and value of transactions undertaken.

Buy-sell spread

When units are acquired, the entry unit price is increased by a buy-spread. The buy-spread reflects the estimated transaction costs of acquiring investments with the inflow of funds. When units are redeemed, the exit unit price is decreased by a sell-spread. The sell-spread reflects the estimated transaction costs of disposing of investments to satisfy the redemption. The buy-sell spreads are an additional charge to you and are paid to a Fund (not to the Responsible Entity) to seek to ensure that the estimated transaction costs associated with applications and redemptions are borne by the transacting investors so that other investors are not disadvantaged by this activity.

As at the date of this PDS, the buy-spread and sell spread for each Fund are set out in the following table:

	Buy-Spread	Sell-Spread
Betashares Australian Faith-Based Leaders Fund	+0.13% of the entry unit price for applications (equivalent to $65 for an application of $50,000)	-0.13% of the exit unit price for redemptions (equivalent to $65 for a redemption of $50,000)
Betashares Global	+0.18% of the entry unit price for	-0.17% of the exit unit price for

Faith-Based Leaders Fund	applications (equivalent to $90 for an application of $50,000)	redemptions (equivalent to $85 for a redemption of $50,000)

The Responsible Entity may vary the buy-sell spread from time to time and prior notice of variation will not normally be given.

Indirect (IDPS) investors

You should note that the fees and costs outlined in the PDS and this Booklet are in addition to any other fees and costs imposed by your IDPS operator.

Adviser service fee

You may agree to pay your adviser a fee for any financial advice they provide to you. These are separate to any fees charged by the Responsible Entity in respect of an investment in a Fund, as described in the PDS and this Booklet.

Payments to IDPS operators

Subject to applicable law, IDPS operators may charge fees (flat dollar amounts) for offering a Fund on their investment menus. If these product access fees are paid, they may be paid as an expense of a Fund with prior notice to unitholders. No such fees are payable as at the date of each PDS and this Booklet.

Differential fees, rebates and related payments

The Responsible Entity may, from time to time, agree with wholesale clients to rebate or reduce some of the management or other fees on a case by case basis. The amount of fee reduction is at the Responsible Entity's discretion. The Responsible Entity will achieve these reductions and meet any rebates in relation to management fees by payments from its own resources. For more information, please contact the Responsible Entity using the contact details specified on the front cover of each PDS and this Booklet.

Maximum fees

Each Fund's constitution limits the types of fees and the fee maximums as follows:

- Management fee – 3% of a Fund's net asset value (plus GST);
- Application fee – 5% of the aggregate issue price of the units applied for (plus GST); and
- Redemption fee – 5% of the aggregate withdrawal amount of the relevant units (plus GST).

Until further notice, the Responsible Entity has determined to limit the management fee as set out in the fees and costs summary in each PDS and to waive the application fee and redemption fee described in the constitution.

Changes in fees

The fees can be changed without your consent, for example, having regard to economic or regulatory factors. The Responsible Entity will provide at least 30 days prior notice to your IDPS operator of any proposed increase in fees (except any changes to the buy-sell spread) or introduction of new fees up to the maximums allowed under a Fund's constitution (except that estimated fees and costs may be updated as described below).

As the Funds are newly established, any estimates of fees and costs in this Booklet are based on information available as at the date of this Booklet. As such, the actual fees and costs may differ and are subject to change from time to time. Information in this PDS that is not materially adverse to investors is subject to change from time to time and may be updated by the Responsible Entity by publishing such information on the Funds' website at www.faithfund.com.au. A paper copy of any updated information will be provided free of charge on request.

Taxation

Information in relation to taxation is set out in section 7 of each PDS and this Booklet.

7. HOW MANAGED INVESTMENT SCHEMES ARE TAXED

This section provides further information about taxation matters relating to a Fund.

This taxation information is a general summary and does not take into account specific circumstances. It addresses tax consequences for Australian resident investors only and is based on Australian income tax, stamp duty and GST laws which have been enacted as at the date of this Booklet. This taxation summary assumes that the investor will hold the units in a Fund directly or will be taken to hold those units directly for tax purposes. It is not exhaustive and, in particular, does not deal with the position of certain classes of investors (including non-residents). Importantly, changes to taxation rules could impact on the return realised by investors in a Fund. The Responsible Entity recommends that you seek independent professional taxation advice that is specific to your circumstances.

Taxation of a Fund

Each Fund is resident in Australia for taxation purposes.

The Responsible Entity intends to manage each Fund such that the Fund is not subject to Australian tax.

The Responsible Entity has made an irrevocable election for the Funds to enter the Attribution Managed Investment Trusts (AMIT) tax regime.

The Responsible Entity does not generally expect a Fund to be subject to tax on the income of the Fund, as it is intended that:

- as long as the Fund is eligible to be an AMIT, all taxable income and other relevant amounts will be "attributed'' to the unitholders in each financial year; and
- if the Fund ceases to be eligible to be an AMIT, unitholders will be presently entitled to all the income of a fund in each financial year, with the existing non-AMIT tax rules for managed funds continuing to apply.

Instead, unitholders pay tax on their share of a Fund's income. Under the AMIT regime, a Fund may make cash distributions that differ from taxable income attributed by the Fund to unitholders.

Disposal of investments by a Fund

The disposal of investments by a Fund may result in taxable income for the Fund. Generally, a gain arising on the disposal of investments will be included in a Fund's distribution amount.

Taxation of the investor's income entitlement from a Fund

Distributions of distributable income will be made at least on an annual basis.

The taxable income of a Fund which is attributed to unitholders, or to which a unitholder becomes entitled, during a financial year forms part of the unitholder's assessable income for that year, even if payment of the entitlement does not occur until after the end of the financial year.

A unitholder may receive an entitlement to the assessable income of a Fund for a financial year if the unitholder holds units at the end of a distribution period.

Investors may be entitled to claim a foreign income tax offset (foreign tax credit) for foreign tax paid or deemed to have been paid by the investor in relation to assessable income or capital gains received from a Fund in relation to foreign investments.

Taxation treatment of the investor's unitholding in a Fund

Investors will generally realise a capital gain or loss on disposal, transfer or redemption of units in a Fund (this assumes that investors hold their units in a Fund on capital account. If not, other tax consequences will apply).

It is also possible that a Fund may distribute "tax deferred amounts" for non-AMITs, or other non-assessable amounts (other non-attributable amounts) for AMITs, relating to distributions of capital by the Fund, which are generally non-assessable for tax purposes.

Streaming of gains-significant redemptions

If the Responsible Entity determines that the size of a particular redemption is significant, and where practicable, any capital gains arising from investments sold to meet the redemption may be distributed/attributed or "streamed" to the redeeming unitholder, with the aim that remaining unitholders will not be adversely affected by such capital gains.

The redeeming unitholder's withdrawal amount may therefore comprise a share of the income of a Fund as well as the payment of the redemption price for the units which are to be redeemed.

It is possible that certain other income or gains (other than capital gains) may be streamed to redeeming unitholders under a significant redemption.

Foreign accruals regimes

A Fund may invest in foreign entities which could mean the Fund becomes subject to Australia's current or any future foreign accruals tax regimes.

If relevant foreign accruals rules apply and if required under the taxation laws, a Fund will determine the income to be recognised under the applicable foreign accruals tax regimes and may undertake investment actions necessary to comply with the requirements. Generally, all attributable income will be included within the taxable income of a Fund (even if unrealised) and will be taxed in the hands of the investor.

Foreign Account Tax Compliance Act (FATCA) & OECD Common Reporting Standard (CRS)

FATCA was enacted by the U.S. Congress to target non-compliance by US taxpayers using foreign accounts. In order to prevent FATCA withholding tax being applied to any US connected payments made to a Fund in Australia, the Fund is required to collect and report information to the Australian Taxation Office relating to certain U.S. accounts, which may be exchanged with the U.S. Internal Revenue Service.

Similar to FATCA, the CRS is the single global standard for the collection, reporting and exchange of financial account information on foreign tax residents. Australian financial institutions need to collect and report financial account information regarding non-residents to the Australian Taxation Office.

Accordingly, a Fund may request that unitholders provide certain information about themselves in order for the Fund to comply with its FATCA or CRS compliance obligations.

Tax reform

Taxation laws and administrative practices change from time to time. These reforms may impact the taxation of a Fund and you as an investor. It is an investor's responsibility to consider and monitor the impact of any taxation reforms impacting their investment, both now and into the future.

Goods and Services Tax (GST)

The issue and redemption of units should not be subject to GST. However, fees and expenses, such as the Responsible Entity's fees, incurred by a Fund would likely attract GST.

For eligible expenses, a Reduced Input-Tax Credit (RITC) may be able to be claimed.

Stamp duty

The issue or redemption of units should not attract any stamp duty. Stamp duty may be payable on the transfer of units.

Tax File Number ("TFN") or Australian Business Number ("ABN")

Unitholders will be requested by the Funds to provide their TFN or ABN (if applicable) or claim an exemption in relation to their investment in the Fund. It should be noted that there is no obligation to provide a TFN, however, unitholders who do not provide their TFN or ABN or claim an exemption may have tax deducted from distributions at the highest marginal rate plus applicable levies.

Non-resident investors

Distributions to non-resident unitholders may have tax withheld by the Responsible Entity.

8. HOW TO APPLY

COMPLAINTS

If a unitholder has a complaint regarding a Fund or services provided by the Responsible Entity, please contact Client Services on 1300 487 577 (within Australia) or +61 2 9290 6888 (outside Australia) from 9:00 am to 5:00 pm Sydney time, Monday to Friday, or refer the matter in writing to:

complaints@betashares.com.au; or

Manager Client Services
Betashares Capital Ltd
Level 11, 50 Margaret Street
Sydney NSW 2000

A copy of the complaints handling policy can be obtained at no charge by contacting the Responsible Entity.

To expedite a resolution of the matter, copies of all relevant documentation and other information supporting the complaint should be provided when making the complaint.

The Responsible Entity will try to resolve complaints as soon as possible, but in any event, will inform the unitholder in writing of its determination regarding the complaint within 30 days of receiving the initial complaint.

In the event that a unitholder is not satisfied with the outcome of a complaint, the unitholder has the right to request the Responsible Entity to review their decision or to refer the matter to an external complaints resolution scheme. The Responsible Entity is a member of the Australian Financial Complaints Authority (AFCA). AFCA provides independent financial services complaint resolution that is free to consumers. Unitholders can contact AFCA as follows:

Website:	www.afca.org.au
Email:	info@afca.org.au
Phone:	1800 931 678 (free call)
In writing to:	Australian Financial Complaints Authority GPO Box 3, Melbourne VIC 3001

Certain eligibility requirements apply for AFCA to hear a complaint, as set out in AFCA's complaint resolution scheme rules. AFCA is only available to retail clients.

All investors (regardless of whether you hold units in a Fund indirectly via an IDPS) are able to access the complaints procedures outlined above. If your complaint concerns the operation of the IDPS then you should contact the IDPS operator directly.