

At Betashares, we see both individual and institutional clients who are motivated to invest in accordance with their personal and faith-based mission and values.

The investment options available within Australia that explicitly cater to these needs are limited. As a result, Morgan Stanley has partnered with Betashares, one of Australia's leading providers of ethical investment options, to create two funds that deliver access to Australian and international shares while adhering to important faith-based criteria based on Catholic values.

## Faith-based exclusionary criteria

The faith-based overlay we have implemented specifically excludes any company that generates revenue from the following business activities (subject to certain materiality thresholds):

- pornographic materials
- abortion services or products
- contraception services or products
- embryonic stem cell / human cloning research or services
- military weapons
- gambling businesses

For more information on the scope of the faith-based screens, including the applicable materiality threshold for each activity, please see the relevant PDS and Additional Information Booklet available at [www.faithfund.com.au](http://www.faithfund.com.au).

## Investing for positive impact

In recent years, we have seen faith-conscious investors wanting to move beyond purely negative screening and seek out investments that have a positive impact. This approach was validated by His Holiness Pope Francis in his 2020 call to action on climate change. In line with this guidance, we will also seek out companies that endeavour to reduce their carbon footprint with the aim of minimising reliance on fossil fuels.

Betashares Australian Faith-Based Leaders Fund	Betashares Global Faith-Based Leaders Fund
<ul style="list-style-type: none"> <li>• ~75-100 Australian stocks.</li> <li>• Alignment with faith-based criteria, in particular Catholic values, as well as an emphasis on "Sustainability Leaders" (e.g. companies involved in renewable energy, climate adaptation technologies, pollution reduction).</li> <li>• No direct or material indirect fossil fuel exposure.</li> </ul>	<ul style="list-style-type: none"> <li>• ~150-200 large global stocks.</li> <li>• Excludes Australian shares.</li> <li>• Alignment with faith-based criteria, in particular Catholic values, as well as an emphasis on "Climate Leaders" (companies with higher carbon efficiency or that otherwise generate net positive climate benefits).</li> <li>• No direct or material indirect fossil fuel exposure.</li> </ul>

## Highlights

- Beyond faith-based criteria based on Catholic values, the funds incorporate rigorous additional values-based screening to mitigate exposure to business activities that carry significant negative ESG risks, including, but not limited to, tobacco, animal cruelty, mandatory detention of asylum seekers, and human rights and supply chain concerns (see relevant PDS and Additional Information Booklet for full list of positive and exclusionary screening).
- Expertise and experience with managing the selection process and bringing rigour to value judgements.
- Strong historical performance track record for the underlying investment strategies.
- Stewardship reporting detailing proxy voting records and engagement with companies on ESG related issues.

We believe it is important for clients of faith to partner with a firm that understands the importance of their religious values and commitment to living up to these ideals in all aspects of their lives such as Morgan Stanley, who welcome an opportunity to discuss how to align your investment portfolio to the values you hold most strongly.

There are risks associated with an investment in each of the Funds, including market risk, non-traditional portfolio construction risk, sector concentration risk, and international investment risk (for the Betashares Global Faith-Based Leaders Fund). For more information on the risks and other features of the Funds, please see the relevant Product Disclosure Statement and Target Market Determination available at [www.faithfund.com.au](http://www.faithfund.com.au).

## Contact us today

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