Australian Ethical High Conviction Fund – Active ETF (AEAE)

Notice of proposed change to market making arrangement

1 September 2026

Dear Investor

Australian Ethical Investment Ltd as responsible entity (the **RE)** of the Australian Ethical High Conviction Fund – Active ETF (the **Fund**), with its units quoted on TMX Australia Exchange Pty Limited (the **Exchange**), formerly Cboe Australia Pty Ltd, is proposing to change the Fund's market making arrangement from an internal market making model to an external market making model (the **Change**).

Under the proposed external market making model, an external market maker (or liquidity provider) will be appointed to act as a buyer and seller of units on the Exchange. The market maker will maintain bid and offer prices aligned with the net asset value of the Fund throughout the trading day, ensuring continuous liquidity.

The Fund currently utilises an internal market making model, where the RE acts as the market maker and liquidity provider on behalf of the Fund. This involves buying and selling units on the Exchange to provide liquidity to investors. By adopting an external market making model for the Fund, the RE will engage a third-party market maker and liquidity provider. The Change will result in the Fund no longer bearing the risk associated with market making activities, with these functions being performed by the external market maker.

The Fund will disclose a Material Portfolio Information file daily and release full portfolio holdings to the market at least quarterly with a delay of no more than two months.

The RE anticipates that the Change will have minimal impact on the investment experience of the Fund's investors. The Fund's units will still be quoted on the Exchange, allowing investors to continue to buy and sell units throughout the trading day through their broker or brokerage account. There is no change to the Fund's investment objective, strategy, management fee and other key features.

The proposed external market making model will continue to deliver outcomes whereby buyers and sellers of units in the Fund will have the opportunity to transact at prices that closely align with the net asset value of the Fund.

The RE continues to work with the Exchange on this proposed Change and subject to the Exchange's approval, the Change is expected to be implemented on or around 1 October 2026. An updated Product Disclosure Statement for the Fund will also be issued upon implementation of the Change.

If you have questions about the proposed Change, please email us at investors@australianethical.com.au or call us on 1800 021 227, Monday to Friday 8:30am to 5:30pm AEST.