

Fidelity Global Emerging Markets Fund (Managed Fund)

Product Disclosure Statement

ASX code: FEMX

Issued
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Important information

This Product Disclosure Statement (PDS) is a summary of significant information relating to the Fidelity Global Emerging Markets Fund (Managed Fund) (ARSN 627 296 959) (Fund). This is important information you should read together with this document before making a decision to invest in the Fund.

FIL Responsible Entity (Australia) Limited (ABN 33 148 059 009 AFSL No. 409340) (FREAL, we, us, our) is the issuer of this PDS and responsible for its contents.

A copy of this PDS has been lodged with the Australian Securities and Investments Commission (ASIC). Neither ASIC nor ASX Limited takes any responsibility for the contents of this PDS.

At the time of lodgement of this PDS with ASIC (being the date of this PDS), the Units in the Fund are yet to be quoted for trading on the ASX. An application has been made to the ASX for Units in the Fund issued pursuant to this PDS to be quoted for trading on the AQUA market of the ASX under the AQUA Rules.

The information provided in this PDS is general information only and does not take account of your personal financial situation or needs. It is not intended to be a recommendation by us to invest in the Fund. You should obtain financial advice tailored to your personal circumstances.

All references to dollars are in Australian dollars. Capitalised terms in this PDS are defined terms and they are listed in section 9 of this PDS or defined elsewhere in the PDS.

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The information in this PDS is subject to change from time-to-time. Information that is not materially adverse information can be updated by us by placing such information on the ASX Market Announcements Platform or our website at www.fidelity.com.au. Investors may request a paper copy of any updated information at any time, free of charge.

FREAL and its employees, agents or officers do not guarantee the success, repayment of capital or any rate of return on income or capital or the investment performance of the Fund. An investor's investment does not represent deposits or other liabilities of the Fidelity Group companies.

An investment in the Fund is subject to investment risk, which may include possible delays in repayment and loss of income and principal invested. FREAL and its employees, agents, or officers do not guarantee the success, repayment of capital or any rate of return on income or capital or the investment performance of the Fund. For more information on the risks associated with an investment in the Fund, please refer to Section 6 of this PDS.

About the Fund's investments		For more information
Asset classes and allocation ranges	<p>International Securities: 90% to 100%.</p> <p>Generally, a minimum of 70% of the portfolio will be invested in securities which are either incorporated in or listed in an emerging market, or where a company generates at least 50% of revenues, profits or has substantial assets in emerging markets. The remaining maximum limit of 30% will constitute up to 20% in frontier market securities and up to an additional 10% in companies that FREAL deems to have exposure to emerging markets.</p> <p>Cash: 0% to 10%</p> <p>Derivatives: 0% to 10%</p>	Section 3
Management style	<p>The investment approach is driven by bottom-up fundamental research that favours attractively valued companies that the portfolio manager believes are well positioned to generate positive returns across full market cycles. The portfolio manager favours those companies that have a demonstrated track record of robust corporate governance.</p> <p>Fidelity believes that markets are semi-efficient and share prices do not always reflect inherent value. Through in-house, bottom-up company research, Fidelity aims to uncover the opportunities that it believes offer the greatest scope for outperformance.</p>	Section 5
Risks	All investments are subject to risk. The risks associated with the Fund are described in this PDS.	Section 6
Dealing in Fund Units		For more information
Entering and exiting the Fund	Investors can invest and withdraw by trading Units on the ASX in a similar fashion to securities traded on the ASX, subject to market liquidity.	Section 3
Market liquidity	FREAL, on behalf of the Fund, may provide liquidity to investors on the ASX by acting as a buyer and seller of units. At the end of each ASX Trading Day, FREAL will create or cancel Units by applying for or redeeming its net position in Units bought or sold on the ASX. FREAL has appointed a market participant to act as its agent to transact and facilitate settlement on its behalf.	Section 3
Transaction confirmations	Investors buying or selling Units on the ASX will receive transaction confirmations from their stockbroker.	Section 3
Investment returns and costs of investing		For more information
Distributions	The Fund may pay distributions annually but may do so more frequently at the discretion of FREAL, in accordance with the terms of the Constitution.	Section 3
Fees and other costs	<p>The management fee is 0.99% pa and there are indirect costs of 0.00%, but there are more costs that are paid from the Fund. A detailed explanation is contained in this PDS.</p> <p>In addition to the fees in this PDS, you will also have to pay your stockbroker for dealing in the Fund, and you may also need to pay your adviser for advice that they provide.</p>	Section 7
General information and updates	General and updated information about the Fund is available at our website at www.fidelity.com.au .	Section 9
Annual tax reporting	Annual tax statements will be made available to investors in respect of the Fund.	Section 8
What if you are not happy with your investments?		For more information
Cooling off	Cooling off rights do not apply to Units traded on the ASX under the AQUA Rules.	Section 9
Complaints	FREAL has established a complaints handling process.	Section 9

3. How the Fidelity Global Emerging Markets Fund (Managed Fund) works

3.1 How the Fund operates

The Fund operates like most other managed investment schemes. When you invest your money in the Fund, your money is pooled together with other investors' money. We then invest the money in the Fund on your behalf in accordance with the investment return objective. This larger pool of money is used to buy investments on behalf of all Fund investors.

By investing this way, you gain access to investment buying power while giving us day-to-day control over the operation of the Fund. This buying power means you can take advantage of opportunities that may otherwise not be available to you.

3.2 What is a Unit and Net Asset Value (NAV) per Unit?

When you acquire an interest in the Fund, we will issue you 'Units' in the Fund representing your investment. A Unit gives you a beneficial interest in the Fund's assets as a whole but you do not have an interest in, or an entitlement, any particular asset of the Fund. Your return will reflect the performance of the investments made by the Fund, after expenses.

Units will be quoted on the AQUA market of the ASX. Once the Units are quoted on the AQUA market of the ASX (and subject to market conditions), the Units can be traded on the ASX under the AQUA Rules in a similar fashion to securities traded on the ASX, subject to liquidity.

The NAV estimates the value of the Fund at the close of trading on the previous day in each market in which the Fund invests. A NAV per Unit will be published daily on our website at www.fidelity.com.au prior to the commencement of trading on the ASX. The NAV per Unit may fluctuate each day as the market value of the Fund's assets rises or falls. The valuation methods applied by FREAL to value the Fund's assets must be consistent with the range of commercial practice for valuing them and be reasonably current.

FREAL has engaged an agent to calculate and disseminate an indicative NAV per Unit ('iNAV') which will be published by the Fund on our website at www.fidelity.com.au throughout the ASX Trading Day. The iNAV will be updated for price movements of underlying fund investments through live market prices and for foreign exchange movements in respect of the Fund's portfolio of international shares. Where there are no stocks held by the Fund that have live market prices during the ASX Trading Day, movements in the iNAV will only reflect the fair value of such stocks with no live market prices.

No assurance can be given that the iNAV will be published continuously or that it will be up to date or free from error. To the extent permitted by law, neither FREAL nor its appointed agent shall be liable to any person who relies on the iNAV. The price at which Units trade on the ASX may not reflect the NAV per Unit or the iNAV.

3.3 How do you invest?

Investors can invest in the Fund by purchasing Units via their stockbroker or share trading account. Investors do not need to complete an application form and they will settle the purchase of their Units in the same way they would settle purchases of listed securities via the ASX CHESS settlement service. The price at which an investor buys Units on the ASX will be the prevailing market price for purchase of the Units at the time of the transaction. This price may not reflect either the NAV per Unit or the iNAV.

There is no minimum number of Units investors can buy on the ASX. An investor's entry price into the Fund will be the price at which they have purchased Units on the ASX.

Investors can add to their investment at any time by purchasing additional Units on the ASX through their stockbroker or share trading account operator.

Subject to the AQUA Rules, FREAL has the discretion to refuse any purchase of Units.

3.4 What will we invest your money in?

The Fund may invest in a variety of shares, derivatives and cash. The Fund's investments will comprise between 90% to 100% of internationally listed securities (excluding Australian securities) exposed to emerging markets of which a maximum of up to 20% can be invested into frontier markets, with the remaining amount invested in cash. Decisions to invest in cash will be dependent upon the availability of other favourable investment opportunities and prevailing market conditions.

We may make use of derivatives from time to time for risk management purposes, to gain exposures to underlying investments and to allow the Fund to invest consistent with its benchmark whilst managing fund inflows and outflows while offshore markets are closed.

3.5 How to make withdrawals

Investors can buy Units from and sell Units to other investors in the secondary market in the same way as ASX listed securities. Investors can withdraw from the Fund by selling Units on the ASX via their stockbroker or share trading account. Investors do not need to complete a withdrawal form and they will receive the proceeds from the sale of their Units in the same way they would receive proceeds from the sale of listed securities via the ASX CHESS settlement service.

There is no minimum number of Units investors can sell on the ASX. An investor's exit price will be the price at which they have sold Units on the ASX less any brokerage fee payable to your stockbroker or share trading account operator.

Off market withdrawals

If trading in the Units on the ASX has been suspended for five consecutive ASX Trading Days, you may be able to apply to us directly to make an off-market withdrawal of your investment from the Fund. Investors can request a withdrawal form by contacting FREAL. However, the ability to withdraw from the Fund off-market will not be available in the following situations:

- (a) If the Fund ceases to be liquid as defined in the Corporations Act, in which case investors will only be able to withdraw if FREAL makes a withdrawal offer to investors in accordance with the Corporations Act. FREAL is not obliged to make such offers.

- (b) If FREAL has suspended withdrawals in certain circumstances set out in the Constitution, such as:
- (i) where there are factors which prevent the accurate calculation of Unit price, including because an exchange or market on which investments in the Fund are quoted is closed or suspended, or trading restrictions have been imposed;
 - (ii) the quotation of Units on the ASX is suspended, halted or revoked;
 - (iii) FREAL's approval as an AQUA Product issuer is suspended or revoked; or
 - (iv) FREAL reasonably considers that it is in the best interest of investors.

No Units may be issued or withdrawn during such periods of suspension (which may be up to 28 days).

3.6 Borrowing by the Fund

Although the Constitution allows us to borrow or raise money, it is not our intention for the Fund to enter into any long-term borrowings. Short-term borrowings may occur in the ongoing management of the Fund, including to meet day-to-day liquidity requirements or to manage other short term portfolio obligations.

3.7 Currency management

The Fund's exposure to international securities will not be hedged back to Australian dollars. This means that the value of an investment in the Fund will change not only on the basis of a change in asset values, but also because of movements in exchange rates.

3.8 ASX market liquidity

Market liquidity refers to the availability of sellers or buyers on the ASX if an investor wishes to buy or sell Units.

FREAL, on behalf of the Fund, may provide liquidity to investors on the ASX by acting as a buyer and seller of Units. At the end of each ASX Trading Day, FREAL will create or cancel Units by applying for or redeeming its net position in Units bought or sold on the ASX.

FREAL will execute its market making activities via a trading participant under the ASX Operating Rules. FREAL has appointed Macquarie Securities (Australia) Limited (**Macquarie**) to provide market-making services as an agent for FREAL with respect to the Fund. This includes the provision of an algorithm to assist FREAL in discharging its market making obligations under the AQUA Rules. The algorithm allows FREAL to submit orders to Macquarie, following which Macquarie will provide market making quotes for the Fund on the ASX trading platform for AQUA Products, based on the values and parameters agreed between FREAL and Macquarie.

Macquarie is an established provider of algorithmic execution solutions in Australia with a proven track record of quality products. An experienced desk monitors the orders in real time with further support of technology operations and development teams, who are based locally. Macquarie also has monitoring tools and redundancy solutions in place to carry out its market making activities. Macquarie is licensed with an Australian Financial Services Licence and is part of the Macquarie Group, of which Macquarie Group Limited is a listed entity. Further details of the arrangement with Macquarie are set out in section 9.8.

The price at which FREAL may buy or sell Units will reflect FREAL's view of NAV per Unit (as referenced by the iNAV), market conditions and supply and demand for Units during the ASX Trading Day. The Fund will bear the risk of the market making activities undertaken by FREAL on the Fund's behalf, which may result in either a cost or a benefit to the Fund. The risks of market making are explained in Section 6.

The liquidity provided by Macquarie will ultimately be constrained by day to day events, including but not limited to, the continuing ability of Macquarie to create and redeem Units.

3.9 Distributions

The Fund may pay distributions annually but may do so more frequently at the discretion of FREAL, in accordance with the terms of the Constitution. Distributions are calculated based on the Fund's distributable income at the end of the distribution period as determined by FREAL in accordance with the Fund's Constitution. All taxable income will be attributed to investors each year in accordance with the applicable tax laws. If there is no net income or net capital gains earned in a particular year, the Fund may not pay a distribution in respect of that year.

The amount taxable in the hands of investors each year does not necessarily follow the amount distributed from the Fund, and therefore investors may be subject to tax on an amount different from the amount actually distributed. The distribution investors may receive will be based on the number of Units they hold at the end of the relevant distribution period. It is not pro-rated according to the time that investors have held their Units.

Distributions will be paid directly into investors' Australian bank accounts. Investors should contact their stockbroker or share account operator to ask how they can provide bank account details.

If FREAL offers a distribution re-investment plan, investors can choose to have their distributions reinvested as additional Units in the Fund. Should FREAL offer a distribution reinvestment plan in respect of the Fund, information will be made available at www.fidelity.com.au. Elections to participate in the distribution reinvestment plan must be made by the election date announced by FREAL in respect of each relevant distribution.

4. About the AQUA Rules and CHES

4.1 AQUA Rules framework

Units will be quoted on the AQUA market of the ASX under the AQUA Rules framework. The AQUA Rules are accessible at www.asx.com.au.

The AQUA Rules provide a tailored framework for the quotation of managed funds, exchange traded funds and structured products on the ASX.

In operational terms, the market for AQUA Products operates in the same way that it does for listed equities, with continuous matching of bids and offers and an opening and closing auction.

4.2 AQUA Rules: fundamental differences

The key distinction between products admitted under the ASX Listing Rules and those quoted under the AQUA Rules is the level of control and influence that the issuer of the relevant product has over the value of the underlying assets of the product.

Under the ASX Listing Rules, listed equity securities typically reflect the value of the business operated by the issuer. By contrast, the value of an AQUA Product typically reflects the performance of the underlying assets.

The following table sets out the key differences between the ASX Listing Rules and the AQUA Rules.

Requirement	ASX Listing Rules	AQUA Rules
Continuous disclosure	Issuers are subject to continuous disclosure requirements under ASX Listing Rule 3.1 and section 674 of the Corporations Act.	<p>Issuers of AQUA Products are not subject to the continuous disclosure requirements in ASX Listing Rule 3.1 and section 674 of the Corporations Act.</p> <p>Under the AQUA Rules 10A.4.2 and 10A.4.3, FREAL must disclose:</p> <ul style="list-style-type: none"> ■ information about the NAV of the Fund's underlying investments daily; ■ information about redemptions from the Fund; ■ information about distributions paid in relation to the Fund; ■ any other information which is required to be disclosed to ASIC under section 675 of the Corporations Act. This means that FREAL will disclose information which is not generally available and that a reasonable person would expect, if the information were generally available, to have a material effect on the price or value of the Units, provided that such information has not already been included in this PDS (as supplemented or amended); and ■ any other information that would be required to be disclosed to the ASX under section 323DA of the Corporations Act if the Units were admitted under the ASX Listing Rules. <p>FREAL will publish such information on the ASX announcements platform and its website at www.fidelity.com.au at the same time as it is disclosed to ASIC (if required).</p> <p>In addition, under the AQUA Rules, FREAL must immediately notify the ASX of any information the non-disclosure of which may lead to the establishment of a false market in the Units or which would be likely to materially affect the price of the Units.</p>
Periodic disclosure	Issuers are required to disclose half-yearly and annual financial information and reports to the ASX announcements platform.	Financial reports relating to the issuer itself are not required to be disclosed to the ASX. However, periodic financial reports relating to the AQUA Product must be disclosed to the ASX at the same time they are lodged with ASIC under Chapter 2M of the Corporations Act.
Corporate governance	Listed companies and listed managed investment schemes are subject to notification requirements under the Corporations Act and the ASX Listing Rules relating to takeover bids, buy-backs, change of capital, new issues, restricted securities, disclosure of directors' interests and substantial shareholdings.	<p>Although the Units will be quoted under the AQUA Rules, neither the Fund nor FREAL itself is listed and they are therefore not subject to certain corporate governance requirements.</p> <p>FREAL will still be required to comply with the related party requirements in Part 5C.7 and Chapter 2E of the Corporations Act and section 601FM of the Corporations Act including that FREAL may be removed by an extraordinary resolution of members on which FREAL would not be entitled to vote. An extraordinary resolution is a resolution passed by a majority of the total votes that may be cast by members entitled to vote on the resolution.</p>

Requirement	ASX Listing Rules	AQUA Rules
Related party transactions	Chapter 10 of the ASX Listing Rules relates to transactions between an entity and a person in a position to influence the entity and sets out controls over related party transactions.	Chapter 10 of the ASX Listing Rules does not apply to AQUA Products. FREAL will still be required to comply with the related party requirements in Part 5C.7 and Chapter 2E of the Corporations Act.
Auditor rotation obligations	Division 5 of Part 2M.4 of the Corporations Act imposes specific rotation obligations on auditors of listed companies and listed managed investment schemes.	Issuers of products quoted under the AQUA Rules are not subject to the auditor rotation requirements in Division 5 of Part 2M.4 of the Corporations Act. A responsible entity of a registered managed investment scheme will continue to be required to undertake an independent audit of its compliance with the scheme's compliance plan in accordance with section 601HG of the Corporations Act and the auditor must not be the auditor of the scheme's financial statements (but may be from the same firm).
Spread requirements	There are requirements under the ASX Listing Rules that issuers satisfy certain minimum spread requirements (i.e. a minimum number of holders each having a minimum parcel size).	These requirements do not apply to issuers of AQUA Products. Under the AQUA Rules, unless and until a suitable spread of holders is achieved, the AQUA Product issuer must ensure a reasonable bid and volume is maintained for the AQUA Product on the ASX except in permitted circumstances, or have in place other arrangements which meet the ASX's requirement for providing liquidity, generally through the appointment of a market making agent.

4.3 About CHES

FREAL through its outsourced Unit Registry services provider participates in the Clearing House Electronic Sub-register System (CHES). CHES is a fast and economical clearing and settlement facility which also provides an electronic sub-register service. The Unit Registry has established and will maintain an electronic sub-register with CHES on behalf of FREAL.

FREAL will not issue investors with certificates in respect of their Units. Instead, when investors purchase Units on the ASX, they will receive a holding statement from the Unit Registry which will set out the number of Units they hold. The holding statement will specify the 'Holder Identification Number' or 'Shareholder Reference Number' allocated by CHES.

5. Benefits of investing in the Fund

5.1 Significant features

The Fund is an actively managed portfolio of international securities. This means that the investment manager of the Fund regularly makes decisions about buying and selling investments of the Fund.

Some of the features of the Fund include:

- (a) access to a portfolio of international securities exposed to emerging markets, whether or not included in the Fund's benchmark; and
- (b) an investment approach driven by fundamental research that favours attractively valued companies that we believe are positioned to generate returns through the market cycle and have demonstrated a track record of strong corporate governance.

5.2 Significant benefits

Some of the benefits that may arise from an investment in the Fund include:

- (a) potential to earn higher returns than the Fund's benchmark, the MSCI Emerging Market Index NR, over the suggested timeframe;
- (b) access to a bottom up, professionally managed core portfolio of international shares;
- (c) access to the investment knowledge and expertise of Fidelity's global network of investment professionals who can assess the foreign operations of the companies they cover;
- (d) the ability to trade the Units on the ASX during normal ASX trading hours; and
- (e) the ability to track the performance of the Units on the ASX at frequent interval throughout the day.

6. Risks of investing in the Fund

6.1 Risks of managed investment schemes

All investments carry risk. Different strategies may carry different levels of risk, depending on the assets that make up the strategy. The likely investment return and the risk of losing money are different for every investment. The nature of investment markets is such that return on investment markets, as well as individual investments, can vary significantly and future returns are unpredictable. Assets with the highest long-term returns may also carry the highest level of short-term risk. When you make an investment, you are accepting the risks of that investment. It is important to understand these risks before deciding to invest.

The significant risks associated with this Fund include, but are not limited to:

- (a) **ASX Liquidity Risk:** the liquidity of trading in the Units on the ASX may be limited. This may affect an investor's ability to buy or sell Units. Investors will not be able to purchase or sell Units on the ASX during any period that ASX suspends trading of Units in the Fund. Further, where trading in the Units on the ASX has been suspended for five consecutive ASX Trading Days, the availability of the Fund's off-market redemption facility will be subject to the provisions of the Constitution.
- (b) **Specific security risk:** investments in shares in a company can fall in value for many reasons such as changes in internal operations or management of the company or changes in the business environment in which the company operates. These changes may affect the value of the Fund's investment (and thus the value of the Fund). There may also be a risk that if the company becomes insolvent, the Fund's right of recovery against the assets of the company may be lower than the secured creditors of the company. The Fund may also be sensitive to security specific risk for those securities which form a material component of the portfolio.
- (c) **Market risk:** the market price of investments held by the Fund may decline, sometimes quickly or unpredictably, due to factors affecting the market. These factors may include economic, technological, political, legal, regulatory, environmental or other conditions, and even market sentiment. The value of an investment may decline due to general market conditions not specifically related to a particular company or government.
- (d) **Emerging market/Frontier market risk:** investments in emerging markets and frontier markets can be more volatile than investments in developed markets. Emerging markets and frontier markets are classed as riskier due to greater political and economic uncertainties and generally less developed regulatory environments. This means they may be prone to greater reductions in value when investors become risk-averse.
- (e) **Fund risk:** risks particular to the Fund include that it could be wound up, the fees and expenses could change, the responsible entity or FIMAL could be replaced or the investment professionals that provide their expertise could change. There is a risk from investing in the Fund may give different results from investing individually because of income or capital gains accrued in the Fund and due to investments and withdrawals by other investors. The Fund is also governed by the AQUA Rules, and is exposed to risks associated with being admitted to ASX under the AQUA Rules, including such things as the platform or settlements process being delayed or failing. ASX may suspend or remove the Units from quotation.
- (f) **Fund size risk:** As a new fund, there can be no assurance that the Fund will grow to or maintain an economically viable size, in which case it may impact the returns generated by the Fund, as it would have a lower scale than anticipated. If the Fund size falls below an economically viable size, and if it is considered by FREAL to be in the best interests of investors, FREAL has the right to terminate the Fund and distribute the proceeds of winding up the Fund to investors, in proportion with the number of Units held.
- (g) **Currency risk:** changes in exchange rates between the Australian dollar and foreign currencies can have a positive or negative impact on investment value or returns. The Fund's exposure to international securities will not be hedged back to Australian dollars and therefore an investment in the Fund is exposed to currency risk.
- (h) **Derivative risk:** the value of a derivative is derived from the value of an underlying asset, resulting in the risk that the value of the derivative may fail to move in line with the underlying asset class. Other risks associated with using derivatives may include volatility in prices, illiquidity, the Fund failing to meet payment obligations as they arise, or the counterparty to the derivative contract failing to meet its obligations under the contract.
- (i) **Legal and regulatory risk:** the Fund may be adversely affected by future changes in applicable laws (or its interpretation), including tax laws and regulations.
- (j) **Conflicts of Interest risk:** FREAL and related parties may from time to time act as issuer, investment manager, market maker, administrator, distributor or dealer to other parties or funds that have similar objectives to those of the Fund. It is therefore possible that any of FREAL and its related parties may have potential conflicts of interest with the Fund.

FREAL and its related parties may invest in, directly or indirectly, or manage or advise other funds which invest in assets which may also be purchased by the Fund. Neither FREAL nor any of its affiliates nor any person connected with it is under any obligation to offer investment opportunities to the Fund.

FREAL intends to act as market maker to the Fund. A conflict might arise between the Fund and investors buying or selling Units from the Fund on the ASX, due to the Fund's desire to benefit from its market making activities. FREAL maintains a conflicts of interest policy to ensure that it manages its obligations to the Fund and its investors such that any conflicts are managed fairly.
- (k) **Counterparty risk:** There is a risk that the Fund may incur a loss arising from the failure of another party to a contract (the counterparty) to meet its obligations. Counterparty risk arises primarily from investments in cash, derivatives and currency transactions. Substantial losses can be incurred if a counterparty fails to deliver on its contractual obligations.

- (l) **iNAV risk:** The iNAV published by the Fund is indicative only, may incorporate securities for which there are no live prices at the time of calculation and might not be up to date or might not accurately reflect the underlying value of the Fund.
- (m) **Liquidity of investment risk:** this is the risk that an investment security may not be able to be bought or sold quickly enough to prevent or minimise a loss. Whilst the Fund is exposed to listed entities which are generally considered to be liquid investments, under extreme market conditions there is a risk that such investments cannot be readily converted into cash or at an appropriate price. In such circumstances, the Fund may be unable to liquidate sufficient assets to meet its obligations (including payments in respect of net purchases of Units as a result of FREAL's market making activities on behalf of the Fund or off-market withdrawals allowed under limited circumstances as described in Section 3) within required timeframes or it may be required to sell assets at a substantial loss in order to do so.
- (n) **Market making risk:** FREAL has appointed Macquarie to provide market-making services as agent for FREAL with respect to the Fund. There is a risk that the Fund may suffer a loss as a result of these market making activities. This in turn may adversely affect the NAV or the iNAV of the Fund. Such a loss could be a result of an error in execution of market making activities or its settlement processing obligations and in how Units are priced when traded on the ASX. As many overseas stock markets in which the Fund invests are closed during the ASX Trading Day, it is not possible to hedge the Fund's market making activities. In order to mitigate these risks, the AQUA Rules and the ASX Operating Rules permit the cessation of market making subject to certain obligations being met, and also allow the spread charged on the buying or selling of units to be increased within accepted parameters. There is no guarantee of liquidity if there is a failure by either FREAL or Macquarie to make a market.
- (o) **Pooled Investment Scheme risk:** The market prices at which the Fund is able to invest inflows, or sell assets to fulfil outflows, may differ from the prices used to calculate the NAV per Unit. Investors in the Fund may therefore be impacted by the investors entering or exiting the Fund. The impact will depend on the size of inflows or outflows relative to the Fund and on the price volatility of the securities in which the Fund invests. Inflows and outflows may also affect the taxable income distributed to an investor during a financial year.
- (p) **Price of Units on the ASX:** The price at which the Units may trade on the ASX may differ materially from the NAV per Unit and the iNAV. There is also a risk that the price at which Units trade, may spike at certain times during the day. If you buy or sell units when there is a spike in the price, you will receive the trading price, which may be higher or lower than NAV per Unit.
- (q) **Removal from quotation by the ASX or terminated:** ASX imposes certain requirements for the continued quotation of securities, such as the Units, on the ASX under the AQUA Rules. Investors cannot be assured that the Fund will continue to meet the requirements necessary to maintain quotation on the ASX. In addition, ASX may change the quotation requirements. FREAL may elect, in accordance with the Constitution and Corporations Act, to terminate the Fund for any reason including if Units cease to be quoted on the ASX. Information about the AQUA Rules applicable to quotation of Units in the Fund on the ASX is set out in Section 4 of this PDS.
- (r) **Spread risk:** Trading in the Units is subject to variations in the applicable spread charged on the buying and selling of units. FREAL has the discretion to increase the spread at which it makes a market, subject to its obligations under the AQUA Rules and the ASX Operating Rules. Trading in the Units at a time when spreads have been increased can affect the overall return.
- (s) **Risks associated with investments in China-A Shares via Stock Connect:** The Fund may invest directly in China A shares via the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect (collectively referred to as 'Stock Connect'). The relevant rules and regulations on Stock Connect are subject to change which may have potential retrospective effect. The Stock Connect is subject to quota limitations. Where a suspension in the trading through Stock Connect is effected, the Fund's ability to invest in China A-shares or access to the China market through the access channel may be adversely affected. In such event, the Fund's ability to achieve its investment objective could be negatively affected.

6.2 Risk management

Fidelity actively manages risk within its investment portfolios. We believe Fidelity's intensive research approach that focuses on regular company contact and internal and external research of companies and the industries in which they operate helps Fidelity to be better informed of investment risks and make better investment decisions for the medium to long term.

We also employ a range of monitoring procedures with the aim of reducing overall portfolio risk and ensuring we always act in the best interests of our investors.

Risk can be managed, but cannot be entirely eliminated. It is important to understand the following:

- (a) the value of your investment will vary;
- (b) past performance is not an indicator of future performance;
- (c) the level of returns on your investment will vary and future returns may differ from past returns;
- (d) returns are not guaranteed and you may lose some or all of your money on any investment you make; and
- (e) laws affecting your investment in a registered managed investment scheme may change in the future.

The level of risk for each person will vary depending on a range of factors, including your age, investment timeframe and goals, where other parts of your wealth are invested, and your overall risk tolerance. We recommend that investors obtain appropriate professional advice with regard to their individual circumstances prior to investing in the Fund.

7. Fees and other costs

Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the Fund or your financial adviser.

i To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities & Investments Commission (ASIC)** website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

This table shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investments or from the assets of the managed investment scheme as a whole.

Taxes are set out in section 8 of this PDS.

You should read all the information about fees and costs, because it is important to understand their impact on your investment.

Table 1
Fidelity Global Emerging Markets Fund (Managed Fund)

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the managed investment product		
Establishment fee	[Nil]	[Not applicable]
Contribution fee	[Nil]	[Not applicable]
Withdrawal fee	[Nil]	[Not applicable]
Exit fee	[Nil]	[Not applicable]
Management Costs* – The fees and costs for managing your investments. As the date of this PDS, the management costs is the total of the management fee and indirect costs (as set out below).		
Management fee**	0.99% pa of the Fund's NAV per annum.	The management fee is accrued daily and is generally paid in arrears. The management fee is deducted from the NAV of the Fund as a whole before Unit prices are determined. The management fee may be negotiated. Please see 'Differential Fees' in the 'Additional explanation of fees and costs' section of this PDS for further details.
Indirect costs***	Estimated indirect costs of 0.00% pa of the NAV of the Fund	Indirect costs are accrued daily. The amount is deducted from the NAV of the Fund as a whole before Unit prices are determined. See 'Indirect costs' in the 'Additional explanation of fees and costs' section of this PDS for further details.

*Management costs reduce the NAV of the Fund and are reflected in the Unit price.

**As the Fund is newly established, this figure reflects FREAL's reasonable estimate at the date of this PDS of those costs that will apply for the current financial year (adjusted to reflect a 12 month period).

***As the Fund is newly established, this figure reflects FREAL's reasonable estimate at the date of this PDS of those costs that will apply for the current financial year (adjusted to reflect a 12 month period).

All fees and costs in the table above include Goods and Services Tax (GST) net of any input tax credits. Certain additional costs apply, such as transactional and operational costs. See 'Additional Explanation of Fees and Costs' section below for more information.

Example of annual fees and costs for the Fund

This table gives an example of how the fees and costs for the Fund can affect your investment over a one year period. You can use this table to compare this product with other managed investment products.

Example – Fidelity Global Emerging Markets Fund (Managed Fund)		Balance of \$50,000 with a contribution of \$5,000 during the year
	Amount	
Contribution fee	Nil	For every additional \$5,000 you invest, you will not be charged a fee
Plus Management costs, comprising:	0.99% pa of the Fund's NAV	For every \$50,000, you have in the Fund, you will be charged \$495 each year comprising:
■ Management fee	0.99% pa of the Fund's NAV	\$495
■ Indirect costs	0.00% pa of the Fund's NAV	\$0
Equals cost of Fund	If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during the year, you would be charged fees of \$495*.	
What it costs you will depend on the investment option you choose and the fees you negotiate.		

*This is an example only. It assumes that the \$5,000 contribution occurs at the end of the year. Additional fees may apply.

As the Fund is newly established, the figure used for the management costs in the example above is FREAL's reasonable estimate (inclusive of GST costs less reduced input tax credits) of the typical ongoing amounts at the date of this PDS. Certain additional costs may apply, such as transactional and operational costs. For more information, refer to 'Management costs' in the 'Additional Explanation of Fees and Costs' section below.

The management fee included in the management costs in the table above may in some cases be negotiated with wholesale clients. For more information, refer to the explanation of 'Differential fees' in the 'Additional Explanation of fees and costs' section below.

7.1 Additional explanation of fees and costs

(a) Management costs

The management costs incorporate all relevant ongoing fees and other costs involved in managing the Fund and deriving investment returns. It includes, but are not limited to, costs associated with investment management, custody and investment administration, fees for legal and tax services and the embedded costs within derivatives we may use to gain exposure to Fund investments.

Management costs also comprise:

- (i) FREAL's management fee; and
- (ii) an indirect cost component, which are the additional fees or costs you incur by investing in the Fund. Indirect costs are generally payable from the Fund's assets, rather than directly by you.

However, management costs do not include transactional and operational costs which are explained below. Any recoverable goods and services tax (GST) borne by the Fund will be part of the management costs.

(b) Management fee

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

(c) Indirect costs

Indirect costs include any amount, not already disclosed as a fee or cost, we know or where required, reasonably estimate, will reduce (directly or indirectly) the performance return of the Fund (other than management fee and transactional and operational costs). These indirect costs are reflected in the Unit price of your investment in the Fund and include any underlying (indirect) management costs, underlying (indirect) performance-related fees and other indirect costs. The indirect costs may vary from year to year, including to the extent that they rely on estimates.

(d) Transactional and operational costs

Transactional and operational costs are a broad category of costs incurred by the Fund that relate to managing the assets of the Fund including buying and selling Fund investments. Some of these costs are explicit amounts charged by third parties such as brokerage, settlement costs, custody settlement charges, clearing costs and market making agent costs. Others are implicit costs, for instance buy-sell spreads incurred by the Fund to convert one currency to another.

Transactional and operational costs are paid out of the assets of the Fund and are not paid to FREAL.

Transactional and operational costs also include costs arising from trading activity in certain types of derivative financial products that are listed on a recognised exchange that are used for hedging purposes, to gain or reduce market exposure (e.g. derivatives such as futures) or to allow the Fund to invest consistent with its benchmark whilst managing Fund inflows and outflows when offshore markets are closed.

As a percentage of average Fund's NAV, total transactional and operational costs of the Fund that will apply for the current financial year are estimated as follows:

Total transactional and operational costs (% pa):	0.57%
Minus: Buy/sell spread recovery: (% pa):	0.26%
Equals: Net transactional and operational costs: (% pa)*:	0.31%
For every \$50,000 you have in the Fund, you will likely incur approximately	\$155

*The amount of such costs will vary from year to year depending on the volume and value of trading activity in the Fund.

FREAL reasonably expects that the transactional and operational costs that will apply for the current financial year will be 0.57% pa of the Fund's NAV (adjusted to reflect a 12 month period).

As the Fund is new and has not been in existence for a full 12 months there is no historic data available to guide any estimate of future transactional and operational costs. Therefore, this may not be a good indicator of the typical ongoing transactional and operation costs of the Fund in the future.

The dollar value of these costs over a year period based on an average account balance of \$50,000 is \$155. The estimate of these costs for the Fund has based on the current buy-sell spread charged by the Fund and is based on information available and (if applicable) estimates as at the date of issue of the PDS. Investors should refer to www.fidelity.com.au for any updates which are not materially adverse from time to time.

(e) Sell spread

In the limited circumstances in which off-market withdrawals are available to investors, the price at which an investor can withdraw their investment includes an allowance for these transactional and operational costs. The current withdrawal spread is 0.40% of the NAV per Unit. For example, if an investor withdrew \$50,000 from their investment in the Fund the cost of the withdrawal spread would be \$200. FREAL may vary the withdrawal spreads from time to time and prior notice will not ordinarily be provided.

We may vary the sell spread from time to time including increasing these costs without notice when it is necessary to protect the interests of existing investors and if permitted by law. The updated information will be made available on www.fidelity.com.au.

7.2 Stockbroker fees for investors

Investors will incur customary brokerage fees and commissions when buying and selling the Units on the ASX, as for any quoted security. Investors should consult their stockbroker or share trading account operator for more information in relation to their fees and charges.

7.3 Market making agent cost

FREAL has appointed a market participant as its agent to execute its market making activities in order to provide liquidity in the Units on the ASX and also to facilitate settlement. The agent will earn a fee as a result of these activities. This fee is applicable to the value of the net Units purchased and sold by the agent on behalf of the Fund. The fixed market making fee for the Fund will be paid to the market participant by FREAL and will not be recovered from the Fund. As at the date of issue of the PDS, FREAL cannot estimate the market making agent fee that may be payable from the Fund in the future.

7.4 Changing the fees

As at the date of this PDS, FREAL does not have any intention to change the fees and costs described in this PDS, although it has the right to do so at any time, subject to a maximum management fee of 3% payable to FREAL as set out in the Constitution. Any increase in the fees and costs for the Fund will be announced to the ASX via the Market Announcements Platform at least 30 days before it occurs (except that estimated fees and costs may be updated as described below).

As the Fund is newly established, any estimates of fees and costs in this PDS are based on information available as at the date of this PDS. 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 FREAL by publishing such information on our website at www.fidelity.com.au. A paper copy of any updated information will be provided free of charge on request.

7.5 Differential fees

FREAL 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 FREAL's discretion. FREAL will achieve these reductions and meet any rebates in relation to management fees by payments from its own resources. For more information, please contact FREAL.

8. Taxation

Investing in a managed investment scheme is likely to have tax consequences. You are strongly advised to seek professional tax advice.

This tax information is intended to be a brief guide only and should not be relied upon as a complete statement of the Australian income tax laws.

Discussion of Australian tax law is current as at the date of preparation of this PDS. As Australian tax law is complex and may change and, as the tax treatment applicable to particular investors may differ, all potential investors should satisfy themselves of possible consequences by consulting their own tax advisers. This tax information does not cover tax laws in other countries.

8.1 Australian investors

(a) Distributions

The Fund's assessable income may include distributions from securities, capital gains and interest income. This assessable income will be reduced by any available deductions.

Under existing tax law, provided FREAL distributes all net taxable income of the Fund to investors, FREAL should generally not be liable to pay tax in respect of the Fund. Each Australian resident investor will be required to include in their assessable income the proportionate share of the distribution income which can be made up of:

- (i) assessable income, such as dividends, foreign income and interest;
- (ii) net capital gains, including discount and concessional components;
- (iii) tax credits, such as franking credits attached to dividend income (subject to certain eligibility criteria) and credits for tax paid on foreign income; and
- (iv) non-assessable distributions, which may not need to be included in your tax return but will generally reduce the cost base of your investments for capital gains tax (**CGT**) purposes.

FREAL has made the managed investment trust (**MIT**) CGT election, and subject to continuing to satisfy the eligibility requirements to be a MIT for an income year, the Fund will hold its eligible assets (excluding bonds and similar instruments) on capital account. Whilst the Fund continues to satisfy the MIT eligibility requirements, certain investors may obtain the benefit of the CGT discount and other tax concessions (where applicable) on distributions of capital gains they may receive.

(b) Attribution Managed Investment Trust (**AMIT**) Regime

FREAL has elected the Fund into the AMIT regime subject to the Fund satisfying the relevant eligibility requirements. Under AMIT, investors will be attributed amounts of income on a fair and reasonable basis for each financial year. Where AMIT applies to the Fund, the Fund should not be liable for Australian income tax under the current tax legislation.

The AMIT regime includes the following measures:

- (i) an attribution method for allocating taxable and non-taxable income to investors, which is independent of the amount of income distributed to them;
- (ii) clarification that income distributed to investors retains the tax character it had in the hands of the Fund;
- (iii) an ability for under-estimations and over-estimations of amounts at the trust level to be carried forward and dealt with in the year in which they are discovered;
- (iv) if the Fund attributes taxable non cash amounts to investors, the investor may increase the cost base of their investment in the Fund to reflect this attribution. Alternatively, if the Fund makes a non-taxable cash distribution, the investor may reduce their cost base;
- (v) clarification of the treatment of tax deferred distributions; and
- (vi) deemed fixed trust treatment.

While investors will be attributed income under the AMIT regime, this should not fundamentally change the way investors are taxed. As with the prior tax regime:

- (vii) Australian resident investors must include their share of the Fund's income in their return, and
- (viii) Non-resident investors might be subject to withholding tax on certain components of the Fund's income.

Under the AMIT regime, capital gains or income arising from the securities sold to meet a significant redemption will be distributed to the redeeming investor on a fair and reasonable basis.

The tax position of the Fund and investors will change if the AMIT regime ceases to apply to the Fund and investors should seek their own tax advice on the potential taxation impacts.

(c) Disposal of units

A taxable capital gain or loss may be realised in the event that Units in the Fund are withdrawn or otherwise disposed of. Resident individuals, trusts or complying superannuation entities, who have held Units for at least 12 months prior to disposal or redemption, may be entitled to discount capital gains treatment. The CGT discount is 50% for an investor that is a resident individual or trust, and 33⅓% for an investor that is a complying superannuation fund.

Capital losses may only be offset against capital gains that the investor makes in the same income year the loss is made or subsequent income years, subject to certain loss integrity rules.

(d) Foreign income

The Fund may derive income from sources in foreign countries. An investor's share of the gross foreign income (including foreign income taxes) will be treated as foreign income in the investor's hands. The investor may be entitled to a foreign income tax offset for foreign tax paid by the Fund in respect of the foreign income received by the Fund.

(e) Taxation of Financial Arrangements (**TOFA**) regime

The TOFA rules may apply to certain 'financial arrangements' held by the Fund. In broad terms, in calculating the net (taxable) income of the Fund, returns on certain financial arrangements may be recognised on an accruals basis rather than a realisation basis, and on revenue account.

As part of the 2016-17 Budget, the Australian Government announced that it will reform the TOFA rules to reduce their scope, decrease compliance costs and increase certainty, including by introducing new simplified accruals and realisation rules. The new simplified rules are proposed to apply to income years on or after 1 January 2018.

Investors should seek their own advice on the potential impact of the above announcement and should monitor the progress of all relevant legislation introduced as a result of the announcement.

(f) Foreign Account Tax Compliance Act (**FATCA**)

FREAL may be required under Australian tax legislation to request investors to provide additional information in order to comply with US FATCA compliance obligations.

FATCA is a US tax law that requires Foreign Financial Institutions (**FFIs**) to comply with a number of additional compliance obligations in order to ensure that 30% FATCA withholding tax is not deducted from certain US sourced income, gross proceeds from the sale of securities giving rise to such income and 'pass thru' payments.

FREAL and the Fund are FFIs for FATCA purposes.

(g) Common Reporting Standard

Australian legislation relating to the automatic exchange of financial information between jurisdictions applies from 1 July 2017. This legislation gives effect to the OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (**CRS**) and FATCA. These regimes cover the collection and reporting of tax residency information and other data to tax authorities. Accordingly, we may request that you provide certain information in order for the Fund to comply with the CRS and FATCA obligations.

(h) Providing a Tax File Number (**TFN**) or Australian Business Number (**ABN**)

Investors may choose to quote their TFN or ABN (if applicable) or claim an exemption in relation to their investment in the Fund. The law strictly regulates how FREAL may use TFNs and ABNs.

If the investor chooses not to quote a TFN or ABN or claim an exemption, FREAL must deduct tax at the highest personal tax rate (plus Medicare Levy) before passing on each distribution to the investor. The investor may be able to claim a credit in the investor's tax return for any TFN/ABN tax withheld.

8.2 Non-resident investors

In the event that a non-resident investor becomes entitled to a share of the net income of the Fund, tax will be withheld from certain Australian sourced income or capital gains. The amounts withheld will depend on the type of income and the country of residence of the particular investor.

We recommend that non-resident and temporary resident investors consult their tax adviser.

9. Additional information

9.1 Continuous disclosure

As a disclosing entity, the Fund is subject to certain reporting and disclosure obligations under the Corporations Act.

We will meet our continuous disclosure obligations by publishing material information on our website at www.fidelity.com.au in accordance with the requirements of ASIC policy.

The following information can be obtained by visiting our website at www.fidelity.com.au or by contacting FREAL on 1800 044 922 or auclientservices@fil.com, at no charge to you:

- (a) the latest annual and any half-yearly financial report for the Fund lodged with ASIC;
- (b) copies of announcements made to ASX via the ASX Market Announcements Platform;
- (c) information about distributions as soon as possible after they are declared;
- (d) information about redemptions from the Fund;
- (e) the daily Net Asset Value for the Fund;
- (f) the iNAV for the Fund throughout the ASX trading day;
- (g) quarterly portfolio information for the Fund within two months of the end of each quarter in a calendar year; and
- (h) the latest PDS for the Fund.

Other general information about the Fund is available on our website at www.fidelity.com.au. This includes Fund performance, monthly updates (detailing Fund top holdings and exposures) and distribution history. Investors are encouraged to check the website regularly for such information.

9.2 Changes to Fund details

We may change or update the Fund's investment return objective, asset classes and ranges or strategy at any time.

We will inform investors of any material changes to the Fund's details in the next regular communication or as required by law either through a supplementary or new PDS accessible through the ASX Market Announcements Platform.

9.3 Fund's Constitution

The operation of the Fund is governed under the law and the Constitution of the Fund which addresses matters such as NAV per Unit, withdrawals, the issue and transfer of Units, investor meetings, investors' rights, the FREAL's powers to invest, borrow and generally manage the Fund and FREAL's fee entitlement and right to be indemnified from the Fund's assets.

FREAL may alter the Constitution if it reasonably considers the amendments will not adversely affect investors' rights. Otherwise, FREAL must obtain investors' approval at a meeting of investors. FREAL may retire or be required to retire as responsible entity (if investors vote for its removal). No Units may be issued after the 80th anniversary of the date of the Constitution.

FREAL may exercise its right to terminate the Fund earlier. Investors' rights to requisition, attend and vote at meetings are mainly contained in the Corporations Act. Investors can inspect a copy of the Constitution at FREAL's head office or FREAL will provide a copy free of charge.

9.4 Compliance plan

In accordance with the Corporations Act, a compliance plan has been prepared for the Fund and lodged with ASIC. The compliance plan, among other things, sets out the measures that FREAL will apply to ensure that the Fund is operated in accordance with the Constitution and the Corporations Act. The compliance plan will be audited at least once a year by an external auditor who will report on their findings to FREAL. A compliance committee, with a majority of external members, has been established for the purpose of monitoring FREAL's adherence to the Fund's compliance plan.

9.5 Indemnities and limitation of liability of FREAL

FREAL is indemnified out of the assets of the Fund for any liability incurred by it in properly performing or exercising any of its powers or duties in relation to the Fund. To the extent permitted by the Corporations Act, the indemnity includes any liability incurred by FREAL as a result of any act or omission of a delegate or agent appointed by FREAL. FREAL is not liable in contract, tort or otherwise to investors for any loss suffered in any way relating to the Fund except to the extent that the Corporations Act imposes such liability.

9.6 ASX conditions of admission

Application has been made for Units in the Fund to be admitted to trading status on the ASX under the AQUA Rules. ASX may impose certain conditions on FREAL and FREAL will agree to those conditions as part of the Fund's conditions of admission to the ASX under the AQUA Rules.

9.7 Cooling off rights

Cooling off rights do not apply when investors transact in Units on the ASX.

9.8 Market maker

Macquarie has been appointed as a market making agent under a services agreement entered into between FREAL and Macquarie, to provide market making services as agent for FREAL with respect to the Fund. The role of a market maker is to facilitate an orderly and liquid market in the Fund and to satisfy supply and demand for Units on the ASX.

To qualify for admission as a market maker, a firm must meet admission requirements set out in the ASX Operating Rules, which require the firm to hold an Australian financial services licence that authorises it to carry on its business as a market maker or authorised participant to satisfy ASX of various matters, including organisational competence and business integrity.

The agreement with Macquarie specifies certain permitted circumstances in which the market making obligations may be suspended (which includes events such as market disruptions, unusual conditions, other events set out in the ASX Operating Rules, or failure to obtain the necessary government approvals).

Subject to the AQUA Rules and the agreement with Macquarie, FREAL may replace or terminate Macquarie as the market maker. FREAL may determine to no longer appoint a market maker in respect of the Fund in circumstances where it is no longer required to do so under the AQUA Rules.

9.9 The administrator and custodian

JPMorgan Chase Bank, N.A. Sydney Branch has been appointed to provide custodial and administration services to the Fund.

The role of a custodian is limited to holding the assets of the Fund on behalf of FREAL and acting in accordance with the express instructions from FREAL (except in circumstances where the custodian is obliged to act without express instructions per the terms of the agreement). This will include facilitating the settlement of transactions on FREAL's behalf with the market making agent.

FREAL has also appointed JPMorgan Chase Bank, N.A. Sydney Branch under an investment administration agreement to provide fund administration services for the Fund, including fund accounting, maintenance of books and records, calculating distribution amounts, valuing the Fund's assets and liabilities, calculating the Fund's NAV, taxation and other services.

9.10 Unit Registry

Link Market Services Limited has been appointed as the Unit Registry of the Fund under a Registry Services Agreement. The Registry Services Agreement sets out the services provided by the Unit Registry on an ongoing basis together with the service standards.

As for any quoted security, the role of the Unit Registry is to keep a record of investors in the Fund. This includes information such as the quantity of Units held, TFNs (if provided), bank account details and details of distribution reinvestment plan participation to the extent FREAL offers such a plan.

9.11 Dealing with complaints

We have established procedures for dealing with complaints. If you have any concerns or complaints, please contact our Client Services team on 1800 044 922. We will endeavour to respond and resolve the complaint within 45 days. If you are not satisfied with the outcome, you can contact the Australian Financial Complaints Authority (AFCA) by calling 1800 931 678, by emailing info@afca.org.au or by writing to AFCA at GPO Box 3, Melbourne VIC 3001.

9.12 Retirement and removal of FREAL as the responsible entity

FREAL may be removed from the Fund in the circumstances set out in the Constitution and the Corporations Act, including where investors pass an extraordinary resolution to remove FREAL as the responsible entity. FREAL may also retire voluntarily and must call a meeting of investors who may choose a replacement by extraordinary resolution.

9.13 Termination of the Fund

FREAL may terminate the Fund at any time by giving notice to investors or in the circumstances provided in the Corporations Act, including pursuant to an extraordinary resolution passed by investors.

Where the Fund is terminated, FREAL must sell all the assets of the Fund and distribute the net proceeds to investors in proportion to the number of Units held.

9.14 ASIC Relief

- (a) **Ongoing disclosure relief:** ASIC has granted relief under section 1020F of the Corporations Act from the ongoing disclosure requirements in section 1017B of the Corporations Act on the condition that FREAL complies with section 675 of the Act as if the Fund were an unlisted disclosing entity and includes statements in any PDS for interests in the Fund to the effect that FREAL will comply with the continuous disclosure requirements of the Act as if the Fund were an unlisted disclosing entity.
- (b) **Periodic statement relief:** ASIC Class Order 13/1200 exempts FREAL from certain periodic statement requirements. In particular, FREAL is not required (and does not propose) to include in periodic statements details of the price at which an investor transacts in Units on the ASX, or information on the return on an investment in Units acquired on the ASX (for the year in which the Units are acquired), if FREAL is not able to calculate this and the periodic statement explains why the information was not included and how it can be obtained.

9.15 Unit Pricing Discretions

Under:

- (a) ASIC Corporations (Managed investment product consideration) Instrument 2015/847; and
- (b) ASIC Class Order [CO 13/655] and associated ASIC Class Order [CO 13/657],

we are required to prepare certain documents, including those that describe how any discretions are exercised when calculating Units prices. FREAL's Unit Pricing Discretions Policy provides further information about how it calculates the NAV per Unit for the Fund. FREAL will observe this policy in relation to the calculation of the NAV per Unit for the Fund and will record any exercise of discretion outside the scope of the policy. These documents and the Unit Pricing Discretions Policy are available on request free of charge by contacting our Client Services team (see Contact Details).

9.16 Labour standards, environmental, social and ethical considerations

Our investment process takes into account environmental and social considerations, but not labour standards or ethical considerations, in the selection, retention and realisation of investments when, in Fidelity's view, these issues have a material impact on either investment risk or return.

9.17 Consents

The following parties have given written consent (which has not been withdrawn at the date of this PDS) to be named in the form and context in which they are named, in this PDS.

- Link Market Services Limited
- JPMorgan Chase Bank, N.A. Sydney Branch
- Macquarie Securities (Australia) Limited

Each party named above who has consented to be named in the PDS:

- has not been involved in the preparation of this PDS or caused or otherwise authorised the issue of this PDS;
- has not independently verified the information contained in this PDS;
- takes no responsibility for the accuracy or completeness of the information contained in this PDS; and
- does not guarantee the success or the performance of the Fund nor the repayment of capital or any particular rate of capital or income return.

9.18 Terms used in this PDS

AFSL means Australian financial services licence.

AQUA Product means a product quoted on the ASX under the AQUA Rules.

AQUA Rules means Schedule 10A of the ASX Operating Rules and related rules and procedures, as amended, varied or waived from time to time.

ASIC means the Australian Securities and Investments Commission.

ASIC Relief means any declaration made or exemption granted by ASIC that is applicable to the Fund and that is in force.

ASX means ASX Limited or the Australian Securities Exchanges, as the case requires.

ASX Listing Rules means the listing rules of the ASX as amended, varied or waived from time to time.

ASX Operating Rules means the operating rules of the ASX as amended, varied or waived from time to time.

ASX Trading Day means any day on which the ASX is open for trading.

Constitution means the constitution governing the Fund, as amended or replaced from time to time.

Corporations Act means Corporations Act 2001 (Cth).

NAV means the net asset value of the Fund and indicates the value of the Fund as at the close of business on the prior business day. The NAV is calculated by deducting the liabilities from the aggregate value of the assets. The NAV per Unit is derived by dividing the NAV by the number of Units on issue.

Unit means an interest in the Fund on offer under this PDS.