Fidelity Australian High Conviction Active ETF

Product Disclosure Statement

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Important information

This Product Disclosure Statement (**PDS**) provides a summary of significant information relating to the Fidelity Australian High Conviction Active ETF (**Quoted Class**), which is a class of units in the registered managed investment scheme, the Fidelity Australian High Conviction Fund (ARSN 159 055 722) (the **Fund**). References in this PDS to 'units' refer to units in the Quoted Class unless the context requires otherwise. All rights and entitlements of a unit relate to the rights, entitlements, liabilities and other amounts referable to the Fund. No other fund, trust or class of units is offered in this PDS.

This PDS is issued by FIL Responsible Entity (Australia) Limited (ABN 33 148 059 009, **AFSL** No. 409340), referred to throughout this PDS as "FREAL, we, us, our" and is the responsible entity (**Responsible Entity**) of the Fund.

The information provided in this PDS is general information only and does not take account of your personal financial situation, objectives or needs. The PDS is not (personal) financial product advice or intended to be a recommendation by FREAL, its associates or related bodies corporate to make any investment decision. Before making an investment decision you should read the information contained in this PDS and obtain financial advice tailored to your personal circumstances. Terms in bold in this PDS are defined in section 11 'Terms used in this PDS'.

A copy of this PDS has been lodged with **ASIC**. The ASX has approved the admission of the Quoted Class to trading status and the units in the Quoted Class are quoted for trading on the ASX pursuant to the AQUA Rules. No representation is made concerning the continued quotation of the Quoted Class on the ASX. Neither ASIC nor ASX takes any responsibility for the contents of this PDS.

Neither we, nor our employees, agents or officers 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 any of the companies within the Fidelity International group.

The offer in this PDS is only available to persons who are, or who have been engaged to act on behalf of persons who have been, authorised as trading participants under the AQUA Rules and have entered into an **Authorised Participant Agreement** with us (**Authorised Participants**).

An investor who is not an Authorised Participant cannot invest in the Fund through this PDS but can buy units on the ASX via a broker or financial adviser. Investors who are not Authorised Participants may use this PDS for information purposes only and should consult their stockbroker or financial adviser.

The information in this PDS is subject to change and any change that is not materially adverse to investors can be updated by us by placing it on our website and on the ASX Market Announcements Platform. A paper copy of this information is also available free of charge on request by calling us. The offer in this PDS is available only to Authorised Participants receiving this PDS (electronically or otherwise) within Australia and distribution of this PDS outside Australia may be prohibited or restricted by the laws of other jurisdictions. All dollar amounts are in Australian dollars unless otherwise indicated. This PDS does not constitute an offer or invitation in any jurisdiction, or to anyone, to whom it would be unlawful to make such an offer or invitation. Fidelity, Fidelity International and the Fidelity International logo and F symbol are trademarks of FIL Limited.

1. About FIL Responsible Entity (Australia) Limited

FIL Responsible Entity (Australia) Limited (ABN 33 148 059 009, **AFSL** No. 409340) is the responsible entity (**Responsible Entity**) for the Fund and is the issuer of this PDS. As the Responsible Entity for the Fund, we are responsible for the day-to-day operation of the Fund and for ensuring it complies with its **Constitution** and relevant laws. This responsibility includes setting, managing, and monitoring the Fund's investment objective and strategy.

FREAL is a member of the group of companies known as Fidelity International (Fidelity). FREAL has appointed FIL Investment Management (Australia) Limited (ABN 34 006 773 575, AFSL 237865) (FIMAL), also a member of Fidelity, as the investment manager of the Fund. FIMAL has the power under the terms of its appointment with us to sub-delegate any of its discretionary management powers in relation to the Fund to other members of the Fidelity group.

About Fidelity

Fidelity is one of the world's leading active asset managers, backed by one of the industry's largest proprietary global research platforms.

With more than 50 years of investment experience, Fidelity combines a long history of investing across global markets with the expertise of more than 400 investment professionals across 30 locations globally. Our investment teams combine local insights with global perspectives to identify opportunities and make informed decisions across markets in the US, Europe, the Middle East, Africa and Asia Pacific. We believe this provides Fidelity with a significant competitive advantage when selecting investments for our funds.

For Australian investors, we offer a broad range of investment solutions across Australian, Asian and global equities, as well as fixed income.

Fidelity has been a signatory to the Principles for Responsible Investment (**PRI**) since 2012.

2. Key features at a glance

For more information on each of the features, please refer to the relevant sections below:

Feature	Summary	Section
Quoted Class	Fidelity Australian High Conviction Active ETF, being a class of units in the Fund that are quoted for trading on the ASX under the AQUA Rules.	
Fund name	Fidelity Australian High Conviction Fund	
ARSN	159 055 722	
ASX code	FHCO	
Responsible Entity	FIL Responsible Entity (Australia) Limited ABN 33 148 059 009 AFSL No. 409340	1
Investment manager	FIL Investment Management (Australia) Limited ABN 34 006 773 575 AFSL No. 237865	1
About the Fund	The Fund provides investors with the potential for long-term capital growth and some income by investing in a concentrated portfolio of Australian securities.	
Investment return objective	To achieve returns in excess of the benchmark over the medium to long term.	
Asset classes and ranges	Australian securities: 90-100% Cash: 0-10%	7
Risks	All investments are subject to risk. The significant risks associated with the Quoted Class are described in this PDS.	6
Unit Price and iNAV	The net asset value (NAV) represents the market value of the assets, less liabilities (including estimated fees), of the Quoted Class. The Unit Price is calculated by dividing the NAV by the number of units on issue in the Quoted Class. An indicative NAV per unit (**iNAV**) will be published throughout the trading day.	
Creations	The offer in this PDS is only available to Authorised Participants. The minimum investment amount is one **Creation Unit**. Units can only be acquired in whole multiples of a Creation Unit unless FREAL agrees otherwise. Only cash applications will be accepted to create units in the Quoted Class. Investors may purchase units in the Quoted Class via the ASX. The purchase of units on the ASX is not governed by the terms of this PDS and therefore the minimum investment does not apply to purchases of units in the Quoted Class on the ASX.	
Redemptions	Units in the Quoted Class can generally only be redeemed directly with us by Authorised Participants. The minimum redemption amount is one **Redemption Unit**. Units can only be redeemed in whole multiples of a Redemption Unit unless FREAL agrees otherwise. Units can only be redeemed for an amount of cash. Investors may sell their units in the Quoted Class via the ASX. The sale of units on the ASX is not governed by the terms of this PDS and therefore the minimum redemption amount does not apply to sales of units on the ASX. An investor who is not an Authorised Participant can only redeem units directly with us in certain circumstances described in section 3.	
Market liquidity	Investors can buy and sell units on the ASX in a similar fashion to securities traded on the ASX, subject to secondary market liquidity. We have appointed one or more **Market Makers** to provide liquidity to investors on the ASX by each acting as a buyer and seller of units in the Quoted Class.	10
Distributions	The Fund may pay distributions quarterly. When distributions are paid, they are usually paid within 14 **Business Days** after quarter end.	3
Fees and other costs	**Management fee:** The management fee is 0.85% p.a. **Buy/sell spread:** 0.20%/0.20% The buy/sell spread is a fee applicable to Authorised Participants who apply to create or redeem units in the Quoted Class. A detailed explanation of fees and other costs are provided in the fees and costs section of this PDS.	8
Annual tax reporting	Annual tax statements will be made available to investors in respect of the Fund.	9

3. How the Fund works

How the Fund operates

The Fund is a registered managed investment scheme. Each investor's investment is pooled and invested in the manner described in section 7. This allows investors to benefit from the expertise and insights of Fidelity's investment team and gain access to investments that otherwise may not be available to them.

Units and Unit Price

The Fund has one or more classes of units. The Quoted Class is a class of units in the Fund that are quoted for trading on the ASX. The NAV of the Quoted Class is divided into units of equal value and a Unit Price is calculated in accordance with the Constitution each Business Day. When you make an investment in the Quoted Class, you will be issued with 'units' in the Quoted Class representing your investment. Each unit carries a beneficial interest in the Fund's assets attributable to the Quoted Class but does not give an investor an interest in any particular asset of the Fund.

The Unit Price of the Quoted Class is calculated as that day's NAV divided by the number of units on issue. The Unit Price is published daily on our website. The Unit Price is commonly also referred to in the PDS as the NAV per unit.

The Constitution governs the calculation of Unit Prices and this is undertaken by the fund administrator on our behalf. We will exercise any discretion we have under the Constitution in relation to unit pricing in accordance with our Unit Pricing Discretions Policy, which is available on request.

Units in the Quoted Class are quoted on the ASX under the AQUA Rules and can be traded in a similar fashion to securities traded on the ASX, subject to liquidity. The price at which units trade on the ASX may not reflect either the Unit Price or the iNAV.

How to transact in the Quoted Class

Only Authorised Participants can apply to create and redeem units in the Quoted Class directly with us. An investor who is not an Authorised Participant can only redeem units directly with us in the circumstances described in this section 3.

Prior to transacting, Authorised Participants are required to enter into an Authorised Participant Agreement with us and must comply with all requirements of that agreement. A copy of this agreement can be obtained by contacting Client Services. Authorised Participants can apply to create or redeem units by submitting a request through the nominated Authorised Participant ETF portal or as otherwise agreed with us.

For more information regarding how to transact with us, including creation and redemption sizes, cut-off times for submitting creation/redemption requests, settlement dates and transaction confirmations, Authorised Participants should refer to the "Transaction Procedures", available upon request from Client Services.

Investors who are not Authorised Participants cannot apply to create or redeem units in the Quoted Class through this PDS, but may purchase or sell units on the ASX through their broker or financial adviser.

Creations

Authorised Participants can only apply to create units in the Quoted Class in cash. The minimum application amount is one **Creation Unit**, as determined by FREAL to constitute one Creation Unit and notified to Authorised Participants from time to time via the Transaction Procedures. Unless we agree otherwise, an application to create units must be for whole multiples of Creation Units and a valid application request must be received by us by the **Transaction Cut-off Time** on a Business Day. Authorised Participants must transfer to the Fund the corresponding application money in accordance with the Authorised Participant Agreement and the Transaction Procedures. Units issued pursuant to a valid application request will be quoted under the AQUA Rules on the ASX with effect from the settlement of the issue of the relevant units in the Quoted Class.

A contribution fee of $50 per application for units in the Quoted Class is payable by Authorised Participants when they apply for units.

Redemptions

Authorised Participants can only apply to redeem units in the Quoted Class in cash. The minimum redemption amount is one **Redemption Unit**, as determined by FREAL to constitute one Redemption Unit and notified to Authorised Participants from time to time via the Transaction Procedures. Unless we agree otherwise, units in the Quoted Class can only be redeemed in whole multiples of a Redemption Unit and a valid redemption request must be received by us by the Transaction Cut-off Time on a Business Day. Authorised Participants must transfer the units in the Quoted Class being redeemed to us for cancellation in return for the redemption proceeds to be paid. In the normal course of business, we will pay redemptions in cash within two Business Days after the redemption request is accepted.

In certain circumstances we may be required or permitted by the Constitution or by law to deduct or withhold amounts relating to tax and other amounts from the redemption proceeds that would otherwise be payable to an investor. These amounts (if any) will be deducted from the cash amount that would otherwise be payable to the relevant investor in respect of the redemption.

A withdrawal fee of $50 per redemption for units in the Quoted Class is payable by Authorised Participants when they apply for redemption.

Processing of creations & redemptions

Valid applications to create or redeem units in the Quoted Class that are received by the required **Transaction Cut-off Time** on any **Business Day** will be processed using the application / redemption price calculated for that Business Day. Valid applications to create or redeem units that are received by us after the required Transaction Cut-off Time on any Business Day or on a non-Business Day will generally be processed using the application / redemption price calculated for the next Business Day. We reserve the right to refuse any creation or redemption request to the extent permitted by the Constitution or if the creation or redemption request is not made in accordance with the terms of the Authorised Participant Agreement. If a creation or redemption request is rejected, the Authorised Participant will be notified.

The standard settlement period for creations or redemptions may be adjusted to accommodate applicable overseas public holidays or other days on which an exchange, on which the Fund's portfolio of investments is traded, is closed on the Transaction Date or during the settlement period. Any changes to the standard settlement period for creations or redemptions must first be agreed with us.

By signing an Authorised Participant Agreement, an Authorised Participant agrees to be bound by the Transaction Procedures in relation to the creation and redemption of units, which are set out in the Authorised Participant Agreement. Settlement failure procedures apply if an Authorised Participant does not comply with its obligations under the procedures. The procedures allow us to cancel a creation or redemption request in certain circumstances and to take certain other action. We may also reject any application in whole or in part at any time, without giving reasons.

Under the Constitution, an Authorised Participant will also be required to indemnify the Responsible Entity for any liability arising out of a failure to pay for units which have been applied for, or a failure to deliver units to us for redemption in accordance with a redemption request, by the time stipulated in the Transaction Procedures.

Primary market suspensions

There may be occasions where we may suspend applications to create or redeem units in the Fund as a whole or in the Quoted Class (as applicable). For example, this may occur at the end of the distribution period when we are calculating and paying the distributable income for the relevant period or where there are factors, as determined by us, which prevent the accurate calculation of Unit Prices. We will advise Authorised Participants in the event that creations and redemptions are temporarily suspended.

Investors who are not Authorised Participants

Investors who are not Authorised Participants can buy and sell units in the Quoted Class via their broker or financial adviser on the ASX. The purchase of units will be settled via the CHESS settlement service, generally after two Business Days. The price at which investors buy or sell units on the ASX will be the prevailing market price for the purchase or sale of the units at the time of the transaction. This price may not reflect either the Unit Price or the iNAV. Investors will receive a transaction confirmation from their broker regarding the purchase or sale price.

There is no requirement to purchase a minimum number of units on the ASX. Investors can add to their investment at any time by purchasing additional units on the ASX through their broker or financial adviser and there is no need to complete an application form.

Investors who are not Authorised Participants will not normally have a right to redeem their units directly with us (off-market withdrawals). However, in certain circumstances where trading in units has been suspended for more than five consecutive trading days on the ASX, investors who are not Authorised Participants may be able to make a request to withdraw their units directly with us. Further information is available in the following section.

Off-market withdrawals

If the Fund (as a whole or in relation to the Quoted Class) ceases to comply with the AQUA Rules or if our approval as an AQUA product issuer is suspended or revoked, the ASX may suspend trading of units in the Quoted Class. If units in the Quoted Class are suspended from trading on the AQUA market for more than five consecutive trading days, investors other than Authorised Participants may withdraw off-market (directly with us) unless:

- the Fund is not liquid as defined in subsection 601KA(4) of the Corporations Act;
- the Fund or the Quoted Class is being wound-up; or
- we suspend redemption of units in accordance with the Constitution.

We may suspend issues and redemptions if we determine that circumstances exist (such as that a relevant stock market is closed) that were not, or have not been, reasonably foreseeable, or are wholly or partly outside our reasonable control and it is desirable for the protection of the Fund or in the interests of members of the Fund as a whole. We may also suspend withdrawal requests in respect of units in the Quoted Class for up to 180 days in accordance with the Constitution in circumstances including but not limited to:

- where redemption requests are difficult, not desirable or impossible to facilitate due to market conditions (e.g., restricted liquidity or trading restrictions in the Fund's underlying investments, where quotation of units is suspended or the trading of any units is otherwise restricted etc.); or
- where the redemption of units is not in the interest of members of the Fund as a whole, is materially adverse to members of the Fund as a whole or is unfair to the remaining members.

For off-market withdrawals by investors in the above circumstances, please contact us to obtain a Withdrawal Request form.

Investors who withdraw from us directly may be subject to a sell spread on withdrawal.

Distributions

The Fund may pay distributions quarterly. When distributions are paid, they are usually paid within 14 Business Days after quarter end.

Your distribution is calculated by dividing the distributable income attributable to the Quoted Class by the number of units on issue in the Quoted Class at the end of the distribution period. This gives the distributable income amount per unit. Your distribution entitlement is then determined by multiplying the number of units you hold by the distributable income amount per unit. 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 distribution investors may receive will be based on the number of units they hold in the Quoted Class at the end of the relevant distribution period. It is not pro-rated according to the time that investors have held their units.

The distributions you receive are generally classed as assessable income. If you invest during a distribution period, you may get back some of your capital as income.

The Fund's use of derivatives may affect the realised gains and losses of the Fund and this may affect the Fund's ability to distribute income.

Any distributions will be paid directly into your Australian bank account.

If we offer a Distribution Reinvestment Plan (DRP), investors can choose to have their distributions reinvested as additional units in the Quoted Class in accordance with the relevant rights and obligations under the DRP. Should we offer a DRP in respect of the Quoted Class, information will be made available on our website. Elections to participate in the DRP must be made by the election date announced by us in respect of each relevant distribution.

We reserve the right to amend, suspend or terminate the DRP at any time.

4. About the AQUA Rules and CHESS

AQUA Rules

Units in the Quoted Class are quoted on the ASX under the AQUA Rules, not the **ASX Listing Rules**. 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. 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.	Issuers of products quoted under the AQUA Rules are not subject to the continuous disclosure requirements in ASX Listing Rule 3.1 and section 674 of the Corporations Act. We will comply with the disclosure requirements in section 675 of the Corporations Act. This means that we will disclose to ASIC 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). We will publish such information on the ASX announcements platform and our website at the same time as it is disclosed to ASIC (if required). In addition, under the AQUA Rules, we 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. Under AQUA Rule 10A.4.1, we must disclose: ■ Information about the NAV of the Quoted Class daily ■ Information about the following : A) the total number of units on issue; B) the total number and value of units issued in respect of the Quoted Class; C) the total number and value of units redeemed in respect of the Quoted Class; and D) the difference between the amounts specified in B) and C) above. ■ Information about distributions paid in relation to the Quoted Class ■ Any other information which is required to be disclosed to ASIC under section 675 of the Corporations Act ■ 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 Under AQUA Rule 10A.4.2, we will disclose the NAV to ASX immediately where any management activities cause the last reported NAV to move by more than 10%.
Periodic disclosure	Issuers are required to disclose half-yearly and annual financial information and reports to the ASX announcements platform.	Financial reports relating to Fidelity are not required to be disclosed to the ASX. However, periodic financial reports relating to the products quoted under the AQUA Rules 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.	Although the units will be quoted under the AQUA Rules, neither we nor the Quoted Class are listed under the ASX Listing Rules and are therefore not subject to certain corporate governance requirements. We are required to comply with the Corporations Act and we may be removed by an extraordinary resolution of members on which we 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 (including members who are not present in person or by proxy).

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 products quoted under the AQUA Rules. We will still be required to comply with the related party requirements in Chapter 2E of the Corporations Act, as modified by Part 5C.7.
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. However, as Responsible Entity of the Fund, we will continue to be required to undertake an independent audit of our compliance with the Fund's compliance plan in accordance with section 601HG of the Corporations Act, and the auditor must not be the auditor of the Fund'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 products quoted under the AQUA Rules. Under the AQUA Rules, unless and until a suitable spread of holders is achieved, the issuer must ensure a reasonable bid and volume is maintained for the quoted 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 maker.

About CHESS

Our Unit Registry participates in CHESS which also provides an electronic sub-register service. The Unit Registry has established and will maintain an electronic sub-register with CHESS on our behalf.

We will not issue investors with certificates in respect of their units. Instead, when you purchase units on the ASX, you will receive a holding statement from the Unit Registry which will set out the number of units you hold. The holding statement will specify the Holder Identification Number (HIN) allocated by CHESS.

5. Benefits of investing in the Fund

Significant features

The Fund has features which include:

- An actively managed concentrated portfolio of Australian securities.
- An investment approach driven by fundamental research that seeks companies with sustainable competitive advantage, strong pricing power, supportive industry structure and strong management quality.

Significant benefits

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

- Potential for long-term capital growth and enhanced performance from active management.
- Access to the investment knowledge and expertise of Fidelity's global network of investment professionals who can assess Australian companies in a global context.
- Access to a portfolio of securities that may provide regular income distributions.
- The ability to trade units in the Quoted Class on the ASX during normal ASX trading hours.
- The ability to track the performance of units on the ASX at frequent intervals throughout each trading day.

6. Risks of managed investment schemes

Understanding your investment risk

Fidelity actively manages risk within its investment portfolios and employs 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. We believe Fidelity's intensive research approach which 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 about investment risks and make better investment decisions.

Risk can be managed but cannot be eliminated. It is important to understand that the value of your investment and the returns on your investment will vary. Returns are not guaranteed, and you may lose some or all the money you invest in the Quoted Class. Future returns may also differ from past returns.

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. 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 appropriate level of risk for you will depend on a range of factors, including your age, investment time frame, where other parts of your wealth are invested and your overall risk tolerance. We recommend you obtain appropriate professional advice in relation to your individual circumstances before making any investment decision regarding the Quoted Class.

Risks of the Fund

The significant risks associated with the Fund are listed below but the order in which these risks are listed does not necessarily indicate the likelihood that a specific risk will occur, or the magnitude or significance of that risk were it to occur. Some of the risks listed below are specifically associated with the Quoted Class being admitted for trading on the AQUA market of the ASX.

- **Asset liquidity risk:** In some circumstances, securities may be difficult or impossible to sell, either due to factors specific to that security or to prevailing market conditions. Liquidity risk is the risk that an asset is unable to be sold within a timely period and at a fair price, potentially resulting in delays or the suspension of redemption processing.
- **Class risk:** The Fund has multiple unit classes. There is a risk that investors of different class(es) may be exposed to liabilities of another class, resulting in loss of some or all of their investment in the Fund. There is also a risk that in the event of an insolvency, the assets referrable to a class could be made available to creditors of another class.
- **Concentration risk:** The Fund may be invested in a limited number of assets, issuers, or in assets in a limited number of regions, sectors, industries, market segments or countries and be exposed to an increased risk of loss, including more frequent and wider fluctuations in value and performance due to the extent to which the Fund's investments are concentrated in comparison to the market as a whole including in the securities of a particular issuer, country, region, market, industry, sector, market segment or asset class.
- **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. Counterparty risk may arise in creation and redemption transactions in the primary market involving Authorised Participants. We mitigate this risk by performing credit checks and/or due diligence on all Authorised Participants.
- **Derivative risk:** The value of a derivative is derived from the value of an underlying asset. Derivative risk is the risk that the value of the derivative may fail to move in line with, and may magnify losses, compared to holding the underlying asset. 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.
- **Fund risk:** Refers to the specific risks associated with the Fund or Quoted Class (as applicable), such as changes to the terms of the Constitution, fees and expenses, responsible entity, investment manager or team, and the termination of the Fund / Quoted Class. The Quoted Class is subject to the AQUA Rules and is exposed to risks associated with being admitted to the ASX under the AQUA Rules, including the platform or settlements process being delayed or failing. The ASX may suspend or remove the units from quotation.
- **iNAV risk:** The iNAV published for the Quoted Class 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 accurately reflect the underlying value of the Quoted Class.
- **Legal and regulatory risk:** The Fund may be adversely affected by future changes in applicable laws and regulations (or their interpretation), including tax laws.
- **Market liquidity risk:** The liquidity of trading in the units on the secondary market may be limited. This may affect an investor's ability to buy or sell units. Investors will not be able to buy or sell units during any period that the exchange suspends trading of units in the Quoted Class. In such event, we may also take measures to suspend primary market creations and redemptions involving Authorised Participants. Where trading in the units on exchange has been suspended for more than five consecutive trading days, investors may be able to withdraw directly with us subject to the provisions of the Constitution.
- **Market making risk:** We have appointed one or more Market Makers who operate under AQUA Rules obligations to facilitate an orderly and liquid market, in respect of the Quoted Class. However, there are no assurances that the market will be liquid for the Quoted Class, which may restrict an investor's ability to buy or sell units. We will monitor each Market Maker's ability to maintain continuous liquidity to the market but there is no guarantee these requirements will always be met.
- **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, and environmental impacts.
- **Price of units on the ASX:** The price at which the units may trade on the ASX may differ materially from the Unit Price and the iNAV. There is also a risk that the price at which units trade may spike at certain times during the day. If an investor buys or sells units when there is a spike in the price, the investor will receive the trading price, which may be higher or lower than the Unit Price.
- **Proxy Basket risk:** There is a risk to transacting investors that Unit Prices determined by the Proxy Basket during trading hours on a Business Day will not be referrable to the NAV at that time. This risk could arise due to, for example, market volatility or stale prices in the underlying assets.

- **Removal from quotation by the ASX :** The ASX imposes certain requirements for the continued quotation of securities. There is a risk that the Quoted Class will not be able to continue to meet the requirements in the future or that the ASX may change the quotation requirements. Information about the AQUA Rules applicable to quotation of units in the Quoted Class on the ASX is set out in section 4 of this PDS.
- **Settlement risk:** We are reliant on CHESS to facilitate the creation and redemption of units in the Quoted Class. The operation of CHESS means that the issue of units can proceed independently of the transfer of cash for the units. If the Authorised Participant fails to comply with its settlement obligations to transfer the cash settlement amount, this may adversely impact upon the Quoted Class. Similarly, the Quoted Class may also suffer a loss where the Authorised Participant fails to deliver units in relation to a redemption. This risk is partly mitigated as participants in CHESS are subject to rules of participation, which include sanctions if there is a failure to meet their obligations.
- **Specific security risk:** Investments by the Fund in securities of a company will be subject to many of the risks to which that company is itself exposed. These risks may impact the value of the securities of that company and hence the Fund. These risks include changes in internal operations or management of the company or changes in the business environment in which the company operates.
- **Spread risk:** Trading in the units is subject to variations in the applicable spread charged on the purchase and sale of units. Trading in the units at a time when spreads have been increased can affect the overall return of your investment.

7. How we invest your money

You should consider the Fund's likely investment return, the risks involved and your investment time frame when deciding whether to invest in the Quoted Class.

Fidelity Australian High Conviction Active ETF

Fund description

The Fund provides investors with the potential for long-term capital growth and some income by investing in a concentrated portfolio of Australian securities.

Fidelity believes that markets are semi-efficient and share prices don't 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.

Based on this research approach, Fidelity seeks out companies that it believes are undervalued and likely to generate growth.

The companies selected for the portfolio typically demonstrate sustainable competitive advantage, strong pricing power, supportive industry structure and strong management quality.

Benchmark

S&P/ASX 200 Accumulation Index

Investment return objective

To achieve returns in excess of the benchmark over the medium to long term.

The Fund is suitable for

Investors looking for a concentrated Australian equities investment who have tolerance for a very high amount of risk.

Risk level

Very high. The potential for loss and Unit Price variability over the short term is very high. Refer to section 6 'Risks of managed investment schemes' for more information.

Minimum suggested time frame

7 years

Asset classes and ranges

Australian securities: 90-100%

Cash: 0-10%

Fund performance

For up-to-date information on the performance of the Fund and any relevant classes, visit our website fidelity.com.au.

Past performance is not a reliable indicator of future performance.

Labour standards, environmental, social and ethical considerations

Sustainability analysis

The Fund integrates sustainability analysis into its investment process, but the sustainability factors considered and the extent to which sustainability analysis is integrated into the investment process can vary.

The Fund's investment process considers key environmental, social (including labour standards) and governance issues, in the selection, retention and realisation of investments in the Fund when, in Fidelity's view, these issues have a material impact on either investment risk or return. While sustainability analysis is considered in Fidelity's investment research process, investment decisions ultimately remain at the discretion of the portfolio manager.

The Fund may consider, amongst other factors, environmental, social and governance (**ESG**) ratings provided by Fidelity or external agencies, to form an assessment of a security's ESG characteristics.

Exclusions framework

When investing directly, the Fund also adopts Fidelity's Exclusion Framework which considers the exclusion of issuers from the Fund's investment universe based on specific ESG criteria. Additional information regarding this is included in the 'Exclusions framework' section below.

Exclusion Framework

At Fidelity, we acknowledge certain types of economic activities carried out by issuers in our investment universe give rise to unacceptable or unmanageable environmental or social risks for our clients.

Moreover, these risks may be difficult or impossible for issuers to mitigate. As such, Fidelity considers the exclusion of issuers from a Fund's investment universe based on specific ESG criteria as provided below.

Fidelity's Exclusion Framework groups its funds into categories, based on the level of ESG exclusions applied. It covers three levels as follows:

- ESG Unconstrained includes controversial weapons and tobacco production[1] exclusions;
- ESG Tilt includes ESG Unconstrained exclusions and further exclusions such as thermal coal, norms-based exclusions as well as exclusions relating to sovereign issuers; and
- ESG Target includes ESG Tilt exclusions and further exclusions such as additional controversial weapons, conventional weapons, semi-automatic weapons, tobacco-related business activities (production, licensing, distribution, retailing and supplying), thermal coal, Arctic oil and gas, oil sands and additional exclusions relating to sovereign issuers.

The Fund applies the "ESG Unconstrained" level of exclusions, as summarised in the sections immediately below.

1. This tobacco exclusion is only applicable to Fidelity funds subject to ESG Unconstrained exclusions that are established in Australia

Exclusions criteria

At Fidelity, there are three types of exclusions: activity-based exclusions, norms-based exclusions, and sovereign exclusions. The below table summarises the thresholds and scope of these exclusions applicable to the Fund. Investors should note that the exclusionary screen criteria below are valid as at the date of this PDS and may be subject to change without prior notice. For further details and for the most up-to-date information regarding Fidelity's Exclusion Framework, please refer to the "Exclusion Framework" document at fidelity.com.au/sustainable-investing/our-policies-and-reports/.

Exclusions are based on available data and are subject to Fidelity's monitoring processes. Fidelity applies its exclusions using external and internal research sources, recognising potential data gaps / limitations, and may allow temporary exposures while monitoring progress. The exclusion lists for each of the three levels of exclusions are reviewed and updated on a quarterly basis. Once approved by the relevant internal committees at Fidelity, the exclusion lists are implemented as hard halts in Fidelity's trading system for systematic monitoring.

Exclusion type	Exclusion category	Description	Measure[a]	ESG Unconstrained
Activity-based	**Controversial weapons** *Weapons that are considered to be indiscriminate and can have disproportional impact. Our relevant exclusions reference third-party research on individual issuers or investee companies and international treaties and conventions[b] which have an aim of prohibiting or limiting the use of controversial weapons.*	**General**[c]	Involvement in production of controversial weapons, its intended use components and exclusive delivery platforms as guided by international Treaties. Issuers that have ownership ties[d] to these activities will also be excluded.	Any
		Nuclear weapons	Involvement in production of nuclear weapons, its intended use components and exclusive delivery platforms	Any[e]
			Revenues from nuclear weapons related activities[f]	≥5%[e]
	Tobacco *The term "tobacco" includes tobacco-related products such as cigars, blunts, cigarettes, e-cigarettes, inhalers, beedis, kreteks, smokeless tobacco, snuff, snus, dissolvable and chewing tobacco. This definition also covers issuers that grow or process raw tobacco leaves.*		Involvement in production	Any[g]
Norms-based			Issuers which Fidelity assesses as failing to behave in a way which meets their fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption as aligned with international norms	Nil/ Not applicable
Sovereign	*Sovereign issuers are excluded based on Fidelity's internal sovereign exclusion assessment which concentrates on three principles relating to governance, respect for human rights, and foreign policy. As part of this assessment, Fidelity uses internationally recognised indicators to support this.*		Financial Action Task Force (FATF)	Nil/ Not applicable
			Additional Sovereign indicators and internal analysis	Nil/ Not applicable

a. References to "revenue" in the above table refer to the percentage of an issuer's reported or estimated revenue. The data for the determination of exclusions (including revenue) will be based on information provided by third-party research providers or individual issuers or investee companies. Fidelity retains full discretion over the implementation of exclusion criteria and reserves the right to deviate from third-party information on a case-by-case basis in instances where it is deemed incorrect or incomplete.

b. Examples include the Convention on Cluster Munitions (the "Oslo Convention"), the Biological Weapons Convention, the Chemical Weapons Convention, the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction (the "Ottawa Treaty"), the Treaty on the Non-Proliferation of Nuclear Weapons, guidance from the United Nations, The World Bank and other global authorities which uphold ESG principles.

c. General controversial weapons include cluster munitions, landmines biological weapons chemical weapons, blinding laser weapons, incendiary weapons and non-detectable fragments.

d. Issuers with "ownership ties" to these activities will also be excluded. "Ownership ties" refer to ownership of or by an excluded issuer. "Ownership by" indicates whether the issuer is a direct majority-owned (at least 50%) subsidiary of an excluded issuer. "Ownership of" a significant stake in an issuer involved in the business activities means a stake of ≥50% for financial institutions and fund providers / 20 - 49.99% for non-financial or fund providers.

e. Applies only to issuers in countries which are non-signatories of the Treaty on the Non-Proliferation of Nuclear Weapons.

f. Nuclear weapons related activities include nuclear weapons, intended and dual-use components for such products, delivery platforms capable of deploying nuclear weapons, essential components for such delivery platforms, and support services for such products.

g. This tobacco production exclusion for ESG Unconstrained is only applicable to Fidelity funds that are established in Australia.

If an issuer has confirmed that they are planning to divest a business unit or discontinue any business activities which fall within the exclusion criteria, Fidelity will not include it on the exclusion list, but will continue to monitor the company to ensure that they follow through on the divestment.

Divestments

If an issuer in which the Fund has invested is added to the exclusion lists, Fidelity will review these investments and will generally aim to divest the position in full as soon as practicable and in any event within three months. There may be exceptional circumstances where the Fund may continue to hold the investment, such as when the Fund is unable to dispose of it in accordance with its usual divestment policy or when a longer divestment timetable has been approved for large and/or illiquid positions where this is in the best interests of the Fund's unitholders.

Limitations in data availability

The Exclusion Framework is implemented on a best-effort basis and limitations in data availability may constrain Fidelity's ability to generate insights into an individual issuer. Data gaps may result in an issuer in breach of the framework being included in a Fund. Fidelity will continue to evaluate alternative data providers and aim to introduce additional proprietary analysis to help bridge data gaps and to provide alternative insight into an issuer's exposure to the activities stated.

Changes to the Fund

We may make changes to the Fund. This includes changes to the Fund's investment return objective, and/or strategy, asset classes or investment ranges from time to time. Investors will be informed of any material changes as required by law.

Use of derivatives

We may make use of exchange-traded derivatives, such as index futures contracts. A derivative is a security with a price or value dependent upon, or derived from, an underlying instrument (such as shares, indices, interest rates, fixed income securities, commodities, currencies, etc).

A derivative contract is a contract between two or more parties with a value determined by fluctuations in the underlying asset. Any derivative exposure must be fully covered by cash or assets sufficient to meet any obligation that could arise. If derivatives are used, they will comprise a small portion of the Fund's assets and will not exceed 10% of the net asset value of the Fund.

Eligible investments under the AQUA Rules

The Fund will seek to hold investments which meet the relevant eligibility criteria under the AQUA Rules. If a security held by the Fund ceases to be traded on a recognised market, or ceases to be an eligible investment in accordance with the relevant AQUA Rules, then the Fund will seek to divest the security as soon as practicable.

Borrowing by the Fund

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

8. 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 fees. Ask the Fund or your financial adviser.

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 and Investment Commission (**ASIC**) Moneysmart website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

Fees and other costs

This section shows the fees and other costs you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the Fund as a whole.

Unless otherwise stated, the fees and costs in this section are shown inclusive of GST and net of reduced input tax credits. Information about how managed investment schemes are taxed is set out in section 9 of this PDS.

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

ASIC provides a calculator, available at www.moneysmart.gov.au, which can be used to calculate the effect of fees and costs on account balances.

Fees and costs summary

Type of fee or cost	Amount	How and when paid
Ongoing annual fees and costs		
Management fees and costs The fees and costs for managing your investment	Estimated to be 0.85% p.a. of the NAV, comprised of: ■ A management fee of 0.85% of the NAV (Management Fee) ■ Estimated indirect costs of 0% of the NAV [a]	The Management Fee: ■ Accrues daily and is reflected in the Unit Price ■ Is paid to us monthly from the assets of the Fund attributable to the Quoted Class The indirect costs are generally deducted from the assets of the Fund attributable to the Quoted Class as and when they are incurred. 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.
Performance fees Amount deducted from your investment in relation to the performance of the Fund	Nil	■ Not applicable
Transaction costs The costs incurred by the Fund when buying or selling assets	0% p.a. of the NAV [b]	These costs are paid from the assets of the Fund and apportioned to the Quoted Class as and when they are incurred. They are reflected in the Unit Price.
Member activity related fees and costs (fees for services or when your money moves in or out of the Fund)		
Establishment fee The fee to open your investment	Nil	Not applicable
Contribution fee The fee on each amount contributed to your investment	**If you are an Authorised Participant**: $50 per application **If you are not an Authorised Participant**: Nil	Payable only by Authorised Participants when they apply for units in the Fund.
Buy-sell spread An amount deducted from your investment representing costs incurred in transactions by the Fund	**If you are an Authorised Participant**[c] ■ Buy spread of 0.20% for creations ■ Sell spread of 0.20% for redemptions[d] **If you are not an Authorised Participant**[e] ■ Nil	The buy/sell spread is a fee paid to cover transaction costs incurred when creations and redemptions are made. These are costs incurred only by Authorised Participants who transact directly with us. Buy/sell spreads do not apply when buying/selling units on the ASX. The buy/sell spread amounts become part of the Fund's assets as apportioned to the Quoted Class and are reflected in the Unit Price.
Withdrawal fee The fee on each amount you take out of your investment	**If you are an Authorised Participant**: $50 per redemption **If you are not an Authorised Participant:** Nil	Payable only by Authorised Participants when they redeem units in the Quoted Class.

Exit fee The fee to close your investment	Nil	Not applicable
Switching Fee The fee for changing investment options	Nil	Not applicable

a. The estimated indirect costs are based on the indirect costs incurred for the financial year ending 30 June 2026 and may include reasonable estimates where we were unable to determine the exact amount.

b. The estimated transaction costs are based on the actual amount incurred for the financial year ending 30 June 2026 and are shown net of any amount recovered by the buy/sell spread and the contribution/withdrawal fee charged to transacting Authorised Participants.

c. The buy/sell spreads are current as at the date of preparation of this document. In estimating the buy/sell spread, we have assumed that creations or redemptions are made during normal market conditions, as in times of stressed or dislocated market conditions (which are not possible for us to predict) the buy/sell spread may increase significantly and it is not possible to reasonably estimate the buy/sell spread that may be applied in such situations. For more details refer to "Buy/sell spread for Authorised Participants" in the section "Additional explanation of fees and costs" below.

d. The sell spread may apply to all investors in the limited circumstances in which investors other than Authorised Participants can withdraw off-market; refer to section 3 'Off-market withdrawals' and 'Sell spread for investors who are not Authorised Participants' in the 'Additional explanation of fees and costs' section later in this section of the PDS for more information.

e. Investors buying units via the ASX may be subject to brokerage fees, commissions and a bid/offer spread; refer to 'Bid and offer spreads' in the 'Additional explanation of fees and costs' section later in this section of the PDS for more information.

Additional fees may apply. The fees and costs of the Fund can change, including those set out in the table on the previous page. For more detailed information on fees and costs refer to 'Additional explanation of fees and costs' later in this document.

Example of annual fees and costs

This table gives an example of how the ongoing annual fees and costs for the Quoted Class can affect your investment over a one-year period. You should use the information in the table to compare this product with other products offered by managed investment schemes.

Example		Balance of $50,000 with a contribution of $5,000 during the year[a]
Contribution fees	$50 (if you are an Authorised Participant) OR $0 (if you are not an Authorised Participant)	For every additional $5,000 you put in you will be charged **$50** per application (of one or whole multiples of a Creation Unit) if you are an Authorised Participant. If you are not an Authorised Participant, you will be charged **$0.**
Plus Management fees and costs	0.85% p.a.	**And**, for every $50,000 you have in the Quoted Class, you will be charged or have deducted from your investment **$425** each year.
Plus Performance fees	Nil	**And**, you will be charged or have deducted from your investment **$0** in performance fees each year.
Plus Transaction costs	0% p.a.	**And**, you will be charged or have deducted from your investment **$0** in transaction costs.
Equals cost of the Quoted Class	If you had an investment of $50,000 at the beginning of the year and you put in an additional $5,000 during that year, you would be charged fees and costs of **$475** (if you are an Authorised Participant) or **$425** (if you are not an Authorised Participant). **What it costs you will depend on the fees you negotiate.**	

a. The example above assumes one $5,000 contribution was made on the last day of the year and the value of the investment is otherwise constant. This calculation is therefore calculated using the $50,000 balance only.

Fees and other cost increases

We have the right to increase the fees without your consent (up to the maximum allowed under the Constitution). Any increase in fees will be announced to the ASX via the Market Announcements Platform at least 30 days before it occurs, or any longer notice period specified in the Constitution.

Additional explanation of fees and costs

Management Fee

A Management Fee is a fee charged directly by us for acting as Responsible Entity and manager of the operations and assets of the Fund. It includes the fee payable to FIL Investment Management (Australia) Limited (FIMAL) for managing and investing the assets of the Fund.

We pay most of the costs of running and administering the Fund (such as unit registry, fund accounting, audit costs etc.) out of the Management Fee; however, we reserve the right to be reimbursed for any expenses and liabilities (such as the application/withdrawal fees for Authorised Participants) we incur in the proper performance of our duties in relation to the Fund.

Differential fees

Investors who are "wholesale clients" as defined in the Corporations Act may be able to negotiate different management fee arrangements to those described above, having regard to factors such as the amount of their investment. Any 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. Further information can be obtained by contacting us on 1800 044 922.

Maximum fees

The Constitution provides the maximum Management Fee that can be charged by us is equivalent to 3% p.a. (ex GST) of the NAV of the Fund. It also provides for the following maximum fees that apply to off market transactions: An Entry Fee of up to 5% (ex GST) of the application price and an Exit Fee of up to 5% of the redemption price; A Quoted Application Fee of an amount not exceeding $10,000 deducted from application moneys

and payable for the benefit of the Fund and a Quoted Redemption Fee of an amount not exceeding $10,000 deducted from redemption proceeds and payable for the benefit of the Fund.

Indirect costs

The estimated indirect costs of the Fund are costs (excluding the Management Fee, transaction and buy/sell costs) incurred in managing the Fund's assets which we know, or reasonably estimate, have reduced or will reduce the return on the Fund. Indirect costs include embedded costs within derivatives that we may use to gain exposure to the Fund's assets. These costs are generally deducted from the Fund's assets when incurred and are reflected in the Unit Price. For Funds with more than one class of units on issue, we will apportion such costs between each class where permitted, in accordance with the Constitution of the relevant Fund. They are an additional cost to you and are not directly charged or retained by us for acting as the Responsible Entity of the Fund. The indirect costs may vary from year to year, reflecting the actual costs incurred.

Transaction costs

Transaction costs are incurred when assets are bought and sold by the Fund, and include brokerage, clearing and settlement costs incurred by the Fund. These costs are generally deducted from the Fund's assets when incurred and are reflected in the Unit Price. For funds with more than one class of units on issue, we will apportion such costs between each class where permitted, in accordance with the Constitution of the relevant fund. Transaction costs are an additional cost to you and are not directly charged or retained by us for acting as the Responsible Entity of the Fund.

Our estimate, as at the date of the preparation of this PDS, of the net transaction costs is 0% of the NAV. This is calculated as the estimated transaction costs of 0.04% p.a. minus the estimated buy/sell spread recovery of 0.15%.

Please note, the estimated transaction costs are based on the actual amount incurred for the financial year ending 30 June 2026 and are shown net of any amount recovered by the buy/sell spread and the contribution/withdrawal fee charged to transacting Authorised Participants.

Buy/sell spread for Authorised Participants

Authorised Participants will be charged a buy or sell spread when creating or redeeming units in the Quoted Class. The buy/sell spread is not a fee paid to us but rather it is paid to the Fund to cover the transaction costs incurred when creations or redemptions are made. The purpose of the buy/sell spread is to ensure that only those investors transacting in units at a particular time bear the Fund's cost of buying and selling the assets as a consequence of their transaction.

The buy/sell spreads disclosed are based on our estimates of the average transaction costs incurred by the Fund and apportioned to the Quoted Class as at the date of preparation of this PDS. These spreads however may change from time to time without notice, depending on the nature of the costs, and the volume and types of assets being purchased or sold. In certain circumstances, such as volatile markets, the buy/sell spreads may increase significantly. Notice will not usually be provided for variations to the buy/sell spread.

Sell spread for investors who are not Authorised Participants

In the limited circumstances in which it is possible for investors (who are not Authorised Participants) to withdraw off-market, (see section 3 'Off-market withdrawals' for more information), investors may be subject to a sell spread on withdrawal which will be deducted from the withdrawal amount paid to you. Any sell spread will not be greater than the sell spread that would be payable by an Authorised Participant for redeeming the minimum parcel of units. The sell spread is an additional cost to these investors when they sell their units off-market and is not a fee charged by us, it is retained in the assets of the Fund.

Bid and offer spreads

Investors buying and selling units on the ASX may incur a bid/offer spread, (being the difference between the price at which participants are willing to buy and sell units on the ASX) which may result in the price at which they transact being different from the Unit Price or the prevailing iNAV. The prices on the ASX are determined in the secondary market by market participants who set their own prices at which they wish to buy or sell units in the Quoted Class.

Market maker cost

The Responsible Entity will appoint one or more market participants to execute its market making activities in order to provide liquidity in the units. The Market Maker will earn revenue as a result of this activity which includes the bid/offer spread available on the secondary market. The bid/offer spread is the difference between the price at which the Market Maker will offer to acquire units, and the price at which the Market Maker will offer to sell units, in the market making process.

Broker fees

Investors who are not Authorised Participants may incur customary brokerage fees, and commissions when buying and selling units on the ASX. These investors should consult their broker for more information in relation to their fees and charges.

Financial advisers

If an investor who is not an Authorised Participant has consulted a financial adviser then additional fees may be payable by such investor to the financial adviser. Refer to the statement of advice provided by your financial adviser in which details of the fees are set out.

Goods and Services Tax (GST)

Unless otherwise noted, all fees and management costs specified in this PDS are inclusive of GST, net of any available input tax credits. However, if expenses are recovered from the Fund and we are required to pay irrecoverable GST in respect of the expense, we may recover an amount equal to the GST from the assets of the Fund. Refer to section 9 'How managed investment schemes are taxed' for more information.

9. How managed investment schemes are taxed

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. It is intended primarily for Australian resident investors holding their units on capital account and who will acquire and dispose of units by buying and selling units on the ASX.

The tax position of Authorised Participants (APs), to the extent they differ from non-AP unitholders, are also noted below.

Discussion of Australian tax law is current as at the date of this document. As Australian tax law is complex and may change and as the tax treatment applicable to particular investors may differ, investors should satisfy themselves of possible consequences by consulting their own tax advisers.

Tax position of the Fund

The Australian income tax position of the Fund and investors will depend on whether the Fund qualifies as an Attribution Managed Investment Trust (**AMIT**) for the income year, as described below.

Income tax

The Fund may qualify as a managed investment trust (MIT) for a given year of income. In turn, a MIT may further qualify and elect to be treated as an AMIT. Regardless of the classification, it is intended that the Fund be treated as 'flow through' for income tax purposes, where for each year of income, the investors of the Fund are taxed on the taxable income of the Fund and not FREAL.

If the Fund incurs a tax loss for an income year, the Fund cannot pass that loss to investors. Instead, the Fund may carry the loss forward to offset taxable income of subsequent income years, subject to the Fund meeting certain conditions.

Capital gains

In the first year that the Fund qualifies as a MIT, an irrevocable election may be made to treat eligible assets (such as company shares and units in unit trusts) on capital account. We advise investors on our website whether the Fund has made the capital account election. If the Fund ceases to qualify as a MIT for a given income year, the characterisation of realised gains and losses of the Fund will be determined based on the application of "ordinary principles" relevant to this outcome. Capital gains realised on certain assets may be eligible for the capital gains discount concession. From 1 July 2027, the capital gains tax (**CGT**) discount is being replaced by a new discount for inflation. Refer to 'Tax position of Australian investors' below for more information.

AMIT status of the Fund

We have elected into the AMIT regime for the Fund.

If the Fund does not qualify or ceases to qualify as a MIT, and thereby as an AMIT, for a given income year, the tax position of the Fund and its investors may change for that year. Investors should check the latest changes to the Fund's AMIT status at www.fidelity.com.au/funds/amit. If the Fund meets the eligibility requirements in a subsequent year, it may revert to being treated as a MIT or an AMIT as the case may be.

If the Fund does not qualify as an AMIT, flow through tax treatment is intended to remain available however certain features pertaining to MITs and AMITs will not apply.

Important Website information: Tax Elections and Tax Status

There are various elections which the Fund may make under the tax law including :

- The MIT capital account election
- The AMIT election
- Various elections under the Taxation of Financial Arrangements (**TOFA**) regime which may affect the tax character and timing of the Fund's gains and losses

The Responsible Entity may make some of these tax elections and it will do so where it believes it is in the best interests of the Fund's investors. The tax elections may affect the tax character and timing of the amounts distributed or attributed to investors. If these tax characteristics are important to you, please check our website which will set out the latest tax election and tax status of the Fund before you decide to invest, or make further investments, in the Fund.

The website will also provide relevant tax information for investors in relation to their distributions, if required.

Tax position of Australian investors

Distributions

Where the Fund is an AMIT

Australian investors should not be taxed on the cash distributions they receive from the Fund but on the amount of income and capital gains of the Fund which has been attributed to them on a fair and reasonable basis. The tax character of income (e.g., as dividends, capital gains - discounted or otherwise) will flow through the Fund to the investor. The impact of any tax elections made by the Fund will also flow through to investors. For example, if the Fund does not make the capital account election and the consequence is that assets are held on revenue account, then any gains on disposals of those assets will not be eligible for the capital gain discount concession.

Investors may also be attributed franking credits attached to dividend income and foreign income tax offsets (**FITO**s) for tax paid on foreign income. Investors should seek their own tax advice on the additional criteria which have to be met in order to claim these credits and offsets.

If investors receive or reinvest distributions of cash in excess of taxable components attributed to them, they may be required to reduce the cost base of their units. Should the cost base of an investor's units be reduced below zero, for investors holding their units on capital account, any amounts in excess of the investor's cost base is a capital gain that should be included in the investor's calculation of their net capital gain or loss for the income year. For investors holding their units on revenue account, any amounts in excess of the investor's cost base should be included in the investor's assessable income for the income year.

Conversely, if investors are attributed taxable amounts from a distribution which they have not received in cash, (and have not reinvested), investors may be able to increase the cost base of their units in the Fund.

The Fund may attribute capital gains or income, arising on the sale of securities to meet a significant redemption, on a fair and reasonable basis to the redeeming investor, as permitted by the AMIT regime. This will usually be the case when an AP redeems, but may also occur if a non-AP withdraws their units directly from the Fund.

Investors will be provided with an Attribution Managed Investment Trust Member Annual (**AMMA**) statement each year setting out the amounts to which they have been attributed and any adjustments to be made to the cost base of their units.

Where the Fund is not an AMIT

For each income year, Australian investors will be taxed on their share of the taxable net income (including realised capital gains) of the Fund in proportion to the share of the distributable income of the Fund to which they are 'presently entitled' to.

The share of taxable net income can be made up of various components, including dividends, capital gains, tax credits and offsets, such as franking credits attached to dividend income and offsets for tax paid on foreign income (both of which are subject to the investor meeting certain eligibility criteria). Cash distributions in excess of taxable components will reduce the investors' cost base of their units and reductions in excess of the cost base may result in an immediate capital gain for investors holding their units on capital account or assessable income for investors holding their units on revenue account.

If the Fund does not qualify as a MIT (and thereby as an AMIT) a number of consequences arise including:

- Investors may not receive the benefit of the capital gains discount concession on distributions of realised gains for that year
- The Fund may not be able to claim certain losses carried forward from prior years.
- If an investor is allocated a share of assessable amounts which they have not received in cash or reinvested, they are not entitled to increase the cost base of their units and as a consequence, could be taxed twice on the same amount of income.

Investors will be provided with an Annual Tax Statement each year setting out the amounts to include in their own tax return and any adjustments to be made to the cost base of their units.

Disposal of units - investors who are not Authorised Participants

Investors may realise a taxable capital gain or capital loss if they dispose of their units on the ASX or if they are able to redeem their units. Resident individuals, trusts or complying superannuation entities that have held units for at least 12 months prior to the disposal or redemption of those units (excluding the date of acquisition and date of disposal), may be entitled to discounted capital gains treatment. The capital gains discount is 50% for a resident individual or trust, and $33^{1/3}$% for an investor that is a complying superannuation entity. From 1 July 2027, the current 50% capital gains tax discount available on assets held for more than 12 months will be replaced by a cost base indexation regime, under which the acquisition cost of an asset will be adjusted for inflation and only the real gain will be subject to tax. These changes are intended to apply to individuals, trusts and partnerships, while complying superannuation funds will continue to operate under the existing CGT framework. The new CGT rules do not start until 1 July 2027 and are entirely prospective.

Capital losses may only be offset against capital gains that the investor makes in the same income year and any excess capital losses may be offset against capital gains derived in subsequent income years, subject to certain loss integrity rules. Capital losses must be offset against the nominal capital gain before applying the discount concession. In calculating the capital gain or loss on the disposal of units, cost base adjustments may be required.

In some limited situations, such as where trading in units has been suspended, where investors may redeem their units directly from the Fund rather than disposing of them on the ASX, the Responsible Entity may determine that a part of the redemption price is income distributed to the redeeming member. The balance of the redemption price would be capital proceeds on which the capital gain or capital loss would be computed. Investors will be notified of the amount of the redemption price which comprises of income and which part comprises of the capital proceeds from the redemption.

Disposal of units - investors who are Authorised Participants (APs)

APs may acquire and dispose of units by creating and redeeming units directly with the Fund or by buying and selling units on the ASX and are assumed to hold their units in the Fund as revenue assets. We recommend that APs obtain independent professional tax advice regarding the tax consequences of applying for and redeeming units, particularly if they may be assessed on the disposal of units under the capital gains provisions.

For an AP that disposes of their units on the ASX, any profit or gains derived on the sale or transfer of the units should be assessable as ordinary income. Those investors may be able to deduct any losses on the sale or transfer of units against current or future assessable income amounts, subject to certain integrity requirements. If the units are held as trading stock, APs should also consider the impact of the trading stock provisions and consult their own tax advisers.

If an AP redeems their units, the Responsible Entity may determine that a part of the redemption price is income distributed to the redeeming member. The balance of the redemption price would be disposal consideration on which any assessable gain or loss would be computed. APs will be notified of the amount of the redemption price which comprises of income and which part comprises of the disposal consideration from the redemption.

Tax position of non-resident investors

For non-resident investors (including non-resident APs), deductions of Australian tax will be made from distributions (or attributions) from certain Australian-sourced income and capital gains. The amounts withheld will depend on the type of income and the country of residence of the investor.

We recommend that non-resident and temporary resident investors consult their tax adviser before investing so that they can take into account their particular circumstances, the provisions of any relevant Double Taxation Agreement and /or Exchange of Information Agreement between Australia and their country of residence. Non-resident investors should also note that the tax reporting for the Fund is directed to Australian tax residents and therefore may not have all the information required for tax reporting in their local jurisdictions.

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

The law strictly regulates how we may use TFNs and ABNs. Investors may choose to quote their TFN or ABN (if applicable) or claim an exemption in relation to their investment in the Fund. If the investor chooses not to quote a TFN or ABN or claim an exemption, we 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.

Goods and Services Tax (GST)

The Fund is registered for GST. The majority of goods and services that the Fund will acquire for its operations will be subject to GST including our fees. In certain circumstances, the Fund may be entitled to input tax credits and/or reduced inputs tax credits, which effectively reduce the GST cost to the Fund. No GST will apply on amounts received by the Fund for the issue of units, sale proceeds of the securities, or investment income and gains or buy/sell spreads applied.

Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard

Australian legislation relating to the automatic exchange of financial information between jurisdictions 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 participating tax authorities. Accordingly, we may request that you provide certain information in order for the Fund to comply with the CRS and FATCA obligations. FREAL and the Fund are foreign Financial Institutions for these purposes.

10. Other information

ASIC relief

ASIC instrument relief – unequal treatment in withdrawal from fund

Pursuant to ASIC Corporations (Relief to Facilitate Admission of Exchange Traded Funds) Instrument 2024/147, ASIC has granted relief under section 601QA of the Corporations Act from the requirement to treat investors in the Fund equally in section 601FC(1)(d), to the extent that it would prevent us from permitting only Authorised Participants to withdraw from the Fund. For the purposes of this relief, except in exceptional circumstances, only Authorised Participants may withdraw from the Fund, but other investors may sell their units on the ASX. However, if the units are suspended from trading on the ASX for more than five consecutive trading days, investors will have the right to withdraw from the Fund and receive payment for their interests in money within a reasonable time of request unless any of the following apply:

- the Fund is being wound up;
- the Fund is not liquid; or
- we suspend redemptions in accordance with the Fund's Constitution.

In the event that such a redemption occurs, any withdrawal fee per unit payable by investors who are not Authorised Participants will not be greater than the withdrawal fee per unit that would generally be payable by an Authorised Participant receiving redemption proceeds in cash when withdrawing the minimum parcel of units.

ASIC instrument relief – ongoing disclosure

ASIC Corporations (Relief to Facilitate Admission of Exchange Traded Funds) Instrument 2024/147 exempts us from the ongoing disclosure requirements in section 1017B of the Corporations Act on the condition that we comply with section 675 of the Corporations Act as if the Fund were an unlisted disclosing entity.

We will comply with the continuous disclosure requirements of the Corporations Act as if the Fund were an unlisted disclosing entity.

ASIC instrument relief – periodic statements

ASIC Corporations (Periodic Statement Relief for Quoted Securities) Instrument 2024/14 exempts us from certain periodic statement requirements. In particular, we are not required (and do 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 for units bought on the ASX (for the year in which the units are acquired), if we are not able to calculate this and the periodic statement explains why the information was not included and how it can be obtained.

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 aim to acknowledge the complaint within one Business Day of receiving it, or as soon as practicable. We will endeavour to respond and resolve the complaint within 30 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.

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 us. A compliance committee, with a majority of external members, has been established for the purpose of monitoring our adherence to the Fund's compliance plan.

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 the PDS.

- MUFG Corporate Markets (AU) Limited
- JPMorgan Chase Bank, N.A. Sydney Branch

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

- has not been involved in the preparation of the PDS or caused or otherwise authorised the issue of the PDS;
- has not independently verified the information contained in the PDS;
- takes no responsibility for the accuracy or completeness of the information contained in the 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.

Constitution

The operation of the Fund is governed under the law and the Constitution of the Fund which sets out the investors' and our rights and obligations regarding matters such as the Unit Price, withdrawals, the issue and transfer of units, investor meetings, investors' rights, our powers to invest, borrow and generally manage the Fund, our fee entitlement, and our right to be indemnified from the Fund's assets.

We may alter the Constitution if we reasonably consider the amendments will not adversely affect investors' rights. Otherwise, we must obtain the approval of the required number of investors at a meeting of investors. We may retire or be required to retire as Responsible Entity (if investors vote for our removal). No units may be issued or redeemed after the 80th anniversary of the establishment of the Fund.

We may exercise our right to terminate the Fund or the Quoted Class earlier in accordance with the Corporations Act and the Constitution. Investors' rights to requisition, to attend and vote at meetings are mainly contained in the Corporations Act. Investors can inspect a copy of the Constitution at our head office or we can provide a copy free of charge to an investor upon request.

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, in accordance with the requirements of the law. Copies of the documents lodged with ASIC in relation to the Fund may be obtained from, or inspected at, an ASIC office. The following information can be obtained by visiting fidelity.com.au or by contacting us on 1800 044 922:

- The latest annual and any half-yearly financial report for the Fund lodged with ASIC.
- Any continuous disclosure notices issued in relation to the Fund prior to the date of this PDS.

Cooling-off period

Cooling off rights do not apply to units in the Quoted Class as units are traded on the ASX under the AQUA Rules.

Cross trades

Fidelity may enter into trades for the Fund with the accounts of other clients managed by us or accounts owned by us or any of our related parties over which we can exercise control and influence (Cross trades). Such Cross trades will only be undertaken in accordance with requirements of the relevant authorities and the law.

Fund Administrator and Custodian

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

The role of a custodian is limited to holding the assets of the Fund on behalf of us and acting in accordance with the express instructions from us (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 our behalf with the Market Maker.

We have also appointed JPMorgan Chase Bank, N.A. Sydney Branch, as a fund administrator, under an investment administration agreement, to provide fund administration services for the Fund. These services include (in relation to the Fund), 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.

Keeping investors informed

In keeping you up to date regarding your investment, you will receive the following information:

- A periodic statement detailing the transactions (including distributions) during the period and the balance of your investment
- A distribution statement (if and when distributions are paid)
- An annual tax statement or an Attribution Managed Investment Trust (AMIT) Member Annual (AMMA) statement containing a summary of your tax components for the financial year to assist you in completing your tax return.

Market Maker

We have appointed one or more Market Makers in respect of the Quoted Class, to provide liquidity in the market by acting as a buyer and seller of units on the AQUA market of the ASX in order to satisfy supply and demand for units.

- We seek to appoint market makers that:
- have the necessary skill and expertise to perform a market making function;
- have experience in making markets in exchange traded products and other types of listed securities in both Australia and overseas; and
- have arrangements with the ASX to act as a market maker. We may appoint additional market makers and, subject to the AQUA Rules, replace a market maker appointed in respect of the Quoted Class.

Other investor communications

The following information can also be obtained either by visiting our website, the ASX Market Announcement Platform on the ASX website or by contacting us on 1800 044 922:

- Information about distributions as soon as possible after they are declared
- The total number of units on issue at the end of each month
- The total number and value of units issued each month
- The total number and value of units redeemed each month
- The difference between the number and value of units issued and redeemed each month
- The Quoted Class's daily NAV per unit
- The iNAV for the Quoted Class throughout the trading day
- The daily Proxy Basket
- Monthly full portfolio holdings information on a one-month lag basis
- The quarterly Correlation report
- The latest PDS for the Quoted Class
- Continuous disclosure notices relating to the Quoted Class
- Annual and half-yearly financial reports for the Fund

You may also visit our website (fidelity.com.au), for up-to-date information on the Quoted Class such as performance, monthly updates (detailing Fund top holdings and exposures) and distribution history. Investors are encouraged to check the website regularly for such information.

Portfolio Holdings Disclosure

Whilst the ASX generally requires full disclosure of an exchange traded fund's (ETF) portfolio holdings on a daily basis, in limited circumstances the ASX may permit the full disclosure of ETF portfolio holdings on a delayed basis where daily disclosure would place the intellectual property of the AQUA product issuer, and ongoing investment strategy of the AQUA product, at risk. We adopt an active strategy, based on fundamental research, in the selection of the Fund's portfolio securities. We consider that, in the absence of delayed disclosure, there is a risk to our intellectual

property being replicated which may result in investors in the Fund being disadvantaged. On this basis, the Quoted Class discloses its full portfolio holdings information on a delayed basis.

Privacy and collection and disclosure of personal information

The Privacy Act 1988 (Cth) regulates, among other things, the collection, disclosure and access to personal information.

We collect, hold, use, disclose and protect personal information for the primary purpose of providing products and services to you in relation to your investment in accordance with our Privacy Policy. A copy of our Privacy Policy is available on request or can be accessed on our website. You should contact us if you have any questions about our practices relating to the handling of personal information.

If you do not provide information that we request, we may not be able to provide a product or service to you.

We may disclose your information to related or third parties to provide services in relation to your investment, including parties that are located offshore where this is permitted by law or where we have your consent to do so.

We also use and collect your personal information to comply with applicable laws such as Anti-Money Laundering/Counter Terrorism Financing laws, Australian taxation laws and FATCA, and may be required to disclose your personal information to various Australian government regulators and agencies, including the Australian Taxation Office and the Australian Transaction Reports and Analysis Centre, and foreign government agencies and regulators.

Under FATCA and the Common Reporting Standard rules, we are required to collect information about your tax residency status and may have reporting obligations in relation to taxation information-sharing agreements between Australia and other countries.

Proxy Basket

We will publish a Proxy Basket each Business Day when the ASX is open for trading. The Proxy Basket is intended to be representative of the Quoted Class's portfolio and enables the Market Maker to determine the value of units in the Quoted Class throughout the trading day and the price at which to buy and sell units on the ASX. The Proxy Basket is therefore intended to assist with intra-day pricing of the Quoted Class.

A Market Maker creates and redeems units in the Quoted Class based on the published Unit Price as at the end of the day. This means the Market Maker has an incentive to ensure there is limited difference between the price at which it buys and sells units on the ASX (based on the Proxy Basket) and the price at which units are created or redeemed (based on the application price and redemption price of the Quoted Class).

Related parties and service providers

We may from time to time use the services of related parties and pay commercial rates for these services. We may also enter into financial or other transactions with related parties in relation to the assets of a Fund (including, but not limited to, broking, investment management and administration). Such arrangements will be based on arm's length commercial terms.

In the course of managing the Fund, we may come across conflicts in relation to our duties to the Fund, related funds and our own interests. We have internal policies and procedures in place to manage all conflicts of interest appropriately. In addition to complying with these policies and procedures, all conflicts will be resolved in a fair and reasonable manner in accordance with the relevant law and ASIC requirements.

Responsible Entity indemnity

We are entitled under the Constitution to be indemnified out of the assets of the Fund for any liability incurred by us in the proper performance of our duties in relation to the Fund. This indemnity is in addition to the Management Fee paid to us and may include amounts payable to the investment manager for the management of the Fund, the cost of holding a unitholder meeting, costs associated with legal proceedings, and borrowing costs.

Retirement and removal of us as the Responsible Entity

We may be removed as Responsible Entity of the Fund in the circumstances set out in the Constitution and the Corporations Act, including where investors call a meeting and pass an extraordinary resolution to remove us as the responsible entity and select a new responsible entity. We may also seek to retire in accordance with the procedures set out in the Corporations Act which includes calling a meeting of investors and explaining the reasons for wanting to retire.

Target market determination

A target market determination (**TMD**) has been prepared for the Quoted Class and is available on our website, www.fidelity.com.au/funds/target-market-determination/. A TMD is a document which describes the class of investors for which the Quoted Class is likely to be appropriate based on their needs, objectives and financial situation (target market), when and how the target market may be reviewed, and any conditions around how the Quoted Class can be distributed to investors.

Termination of the Fund

We may terminate the Fund or the Quoted Class by giving notice to investors in accordance with the terms of the Constitution. We may also terminate the Fund in the circumstances provided in the Corporations Act, including pursuant to an extraordinary resolution passed by investors directing us to wind up the Fund.

Where the Fund or the Quoted Class is terminated, it must be wound up in accordance with the procedure set out in the Constitution. Generally for a Fund termination, we will distribute the net proceeds of assets sold during the winding up process to investors in the Fund in proportion to the number of units held in the Fund.

Unit pricing discretions

Our Unit Pricing Discretions Policy provides further information about how we exercise discretions in the calculation of the Unit Price for the Fund and is available upon request.

Unit Registry

MUFG Corporate Markets (AU) 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.

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 DRP participation.

11. Terms used in this PDS

Active ETF means an actively managed exchange traded fund.

AFSL means Australian financial services licence.

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.

ASX means ASX Limited or the Australian Securities Exchange, 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.

Authorised Participant means an entity which is (or has been engaged to act on behalf of) a trading participant under the ASX Operating Rules (or who otherwise satisfies any other criteria as may be determined by the Responsible Entity from time to time) and has entered into an Authorised Participant Agreement with the Responsible Entity. Only Authorised Participants can apply to create and redeem units in the Quoted Class, subject to certain circumstances.

Authorised Participant Agreement means an agreement entered into between the Responsible Entity and an Authorised Participant in relation to the creation and redemption of units in the Quoted Class.

Business Day(s) has the meaning given to it under the ASX Operating Rules, unless determined otherwise by FREAL.

CHESS means the Clearing House Electronic Sub-Register System operated by the ASX or any system that wholly or partly replaces it.

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

Corporations Act means the Corporations Act 2001 (Cth).

Correlation report means a report which tracks the performance between the Proxy Basket and the full portfolio holdings of the Quoted Class.

Creation Unit means the minimum number of units (or whole multiples of) that Authorised Participants can request to create, as determined by FREAL from time to time.

FIMAL means FIL Investment Management (Australia) Limited (ABN 34 006 773 575, AFSL 237865), the investment manager of the Fund.

Fund means the Fidelity Australian High Conviction Fund, which is a registered managed investment scheme (ARSN 159 055 722).

iNAV (Indicative Net Asset Value) means the indicative NAV per unit of the Quoted Class, which will be published throughout the trading day.

Market liquidity refers to the availability of sellers or buyers on the secondary market if an investor wishes to buy or sell units.

Market Maker means a market participant of the ASX appointed by us to provide market liquidity on the ASX by acting as a buyer and seller of units in the Quoted Class.

NAV means the net asset value attributable to the Quoted Class and represents the net market value of its attributable assets. It is calculated by deducting the liabilities (including estimated fees) attributable to the Quoted Class from the gross value of the assets attributable to the Quoted Class.

Principles for Responsible Investment (PRI) means the United Nations' Principles for Responsible Investment which is an international UN supported organisation that advocates for sustainable investment and the inclusion of ESG factors in investment and ownership decisions.

Proxy Basket means a basket of securities and/or other information relevant to securities and assets held in the Fund, which is intended to be representative of the Quoted Class's portfolio. It is produced to track the price movements of the Quoted Class and assist with intra-day pricing. It is not used for creation/redemption purposes.

Quoted Class refers to Fidelity Australian High Conviction Active ETF being a class of units in the Fund.

Redemption Unit means the minimum number of units (or whole multiples of) that Authorised Participants can request to redeem, as determined by FREAL from time to time.

Responsible Entity means FREAL, the responsible entity of the Fund.

Transaction Cut-off Time means the transaction cut off time as specified in the Transaction Procedures.

Transaction Date means a Business Day when a valid application to create or redeem units is processed.

Transaction Procedures means the primary market creation and redemption procedures as agreed between the Responsible Entity and the Authorised Participant from time to time.

Unit Price means the NAV divided by the number of units on issue for the Quoted Class.

Unit Registry means MUFG Corporate Markets (AU) Limited or any other unit registry appointed for the Fund from time to time.

We/Us means FREAL, the Responsible Entity of the Fund.