

# Fortis Investments



## Fortis Investments Global Equity Fund

ARSN 087 585 368



Product Disclosure Statement (PDS)  
Dated 26 May 2008

The issuer of this PDS and Responsible  
Entity of the Fund is:

Fortis Investment Management  
Australia Limited  
ABN 78 008 576 449 AFSL 223418

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## Definitions

- **ASIC** means Australian Securities and Investments Commission
- **CGT** means Capital Gains Tax
- **Custodian** means Citibank N.A. Hong Kong Branch
- **DRS** means Derivative Risk Statement
- **FIF** means foreign investment fund
- **FIM** means Fortis Investment Management SA
- **FIMAL, Responsible Entity, we or us** means Fortis Investment Management Australia Limited
- **Fortis** means Fortis N.V. and Fortis SA/NV
- **ICR** means Indirect Cost Ratio which has the meaning given to it on page 9 of this PDS
- **IDPS** means an investor directed portfolio service
- **Investor Number** means your client reference number in our database which is indicated on the confirmation statement sent to you after you invest in the Fund
- **MDMF** means member discretionary master fund
- **NAV** means Net Asset Value
- **Net Asset Value** has the meaning given to it on page 11 of this PDS
- **TOFA** means Taxation of Financial Arrangements

## Product Disclosure Statement for the Fortis Investments Global Equity Fund

ARSN 087 585 368 / APIR ARO0006AU

Dated 26 May 2008 ("PDS")

### Description

The Fortis Investments Global Equity Fund ("Fund") is an unlisted Australian unit trust established pursuant to a deed of trust dated 11 February 1997, as amended ("Constitution"). The Fund is registered with the Australian Securities and Investments Commission ("ASIC") as a managed investment scheme under Chapter 5C of the Corporations Act 2001 (Cth).

### About the Responsible Entity

The Responsible Entity for the Fund is Fortis Investment Management Australia Limited ABN 78 008 576 449 - Australian Financial Services Licence No. 223418 ("we", "us", "FIMAL" or "Responsible Entity"). FIMAL was formerly known as ABN AMRO Asset Management (Australia) Limited.

Currently FIMAL is ultimately a wholly owned subsidiary of Fortis Investment Management SA ("FIM") whose ultimate parent entities Fortis N.V. and Fortis SA/NV (collectively "Fortis") are holding companies headquartered in the Netherlands and Belgium. Fortis has signed an agreement that formalises the establishment of a global asset management partnership with Ping An Insurance (Group) Company of China, Ltd ("Ping An") under which Ping An is to acquire a 50 percent equity interest in FIM. The completion of the transaction remains subject to, among other things, receipt of applicable regulatory approvals and is expected to be completed in the second half of 2008.

### The Role of the Responsible Entity

FIMAL is the Responsible Entity of the Fund and is responsible for the day to day administration of the Fund and its compliance with the Fund's Constitution and legislation.

### Responsible Entity's Interest in the Fund

The Responsible Entity or any of its officers or directors may invest in the Fund or in shares in Fortis. The officers or directors of the Responsible Entity may receive remuneration as employees of FIMAL or associated companies.

FIMAL is entitled under the Constitution to receive fees for acting as Responsible Entity and to pay, or be reimbursed for, certain expenses out of the Fund (see page 9).

### About this Product Disclosure Statement

This PDS is issued by authority of the directors of FIMAL. No member of the Fortis Group (including FIMAL, FIM, Fortis N.V and Fortis SA/NV and their subsidiaries) makes any representation or gives any guarantee as to the performance of the Fund, the maintenance of capital or any particular rate of return. Investments in the Fund do not represent deposits with or other liabilities of Fortis N.V. and Fortis SA/NV or other members of the Fortis Group. Investments in the Fund are subject to investment risk, including possible delays in repayment and loss of income and principal invested (see page 7 "What are the Investment Risks").

The information in this PDS is general information only and does not take into account your individual objectives, financial situation or needs.

Information in this PDS may change from time to time. We may provide updated information on our website: [www.fortisinvestments.com](http://www.fortisinvestments.com). A paper copy of the updated information is also available upon request and free of charge by contacting FIMAL on 1800 026 323 or at the address in the Directory at the end of this PDS.

If you have a complaint regarding the Fund, a dispute resolution process is available to resolve your complaint. (Please see Complaints on page 14).

The offer made in this PDS is available only to persons receiving this PDS electronically or otherwise within Australia. The distribution of this PDS in jurisdictions outside of Australia may be restricted by law and therefore persons into whose possession this document comes should inform themselves about, and observe, any such restriction. Any failure to comply with these restrictions may constitute a violation of those laws. This PDS does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer.

For more information please contact FIMAL at the details set out in the Directory at the end of this PDS. If you receive this PDS electronically, you need to print the entire document. On request, we will provide a paper copy free of charge.

**Key Features\* of the Fortis Investments Global Equity Fund as at 31 March 2008**

<b>General</b>		<b>Page</b>
Responsible Entity	Fortis Investment Management Australia Limited	3
Commencement date	11 February 1997	
Total Net Assets	\$125,983,459	
Suggested investment period	5-10 years	
APIR code	ARO0006AU	
Financial year-end	30 June	
Investment objective	To provide investors with capital appreciation over the longer term (5 to 10 years) by investing in listed international shares. The Fund seeks to be fully invested.	5
<b>Investing†</b>		
Initial Minimum Investment Amount	\$20,000	11
Minimum withdrawal/additional investment	\$ 1,000	11 & 12
Minimum balance#	\$ 5,000	12
Application/withdrawal	Every business day	
Buy transaction cost (buy spread)	0.30% of the NAV of a unit	10
Sell transaction cost (sell spread)	0.30% of the NAV of a unit	10
Cooling-off	A 14 day cooling off period may apply to your investment	11
Unit pricing	Available from <a href="http://www.fortisinvestments.com">www.fortisinvestments.com</a>	11
<b>Fees^ and Charges</b>		
Entry/exit fees	Nil	
Ongoing management fees	0.90% pa of the NAV of the Fund	8 to 10
Estimated administration costs and expenses	0.09% pa of the NAV of the Fund	
Indirect Cost Ratio (ICR)	As at 31 March 2008 the unaudited annualised ICR was 1.01% of the NAV of the Fund. After 1 July 2008, it is estimated to be 0.99% of the NAV of the Fund.	9
<b>Reporting</b>		
Investment confirmation	Generally within 7 business days of receiving and accepting your application to the Fund.	11
Redemption confirmation	Generally within 7 business days of receiving and accepting your redemption from the Fund.	11
Distributions	Annually as at 30 June. Distributions are reinvested into investor accounts (no cost or spread) or credited to an Australian bank account in the investor's name.	12
Activity statement	Quarterly including transaction activity and market value of your investment.	14
Annual financial report	Financial statement for the Fund sent after each year end (when elected on application form).	14
<b>Contact Details</b>		
Internet:	<a href="http://www.fortisinvestments.com">www.fortisinvestments.com</a>	
Mail:	GPO Box R1853 Royal Exchange, Sydney, NSW 1225	
Phone/Fax:	Phone: 1800 026 323 Fax: 1800 812 222	
* Investors should note that under the Constitution and the Corporations Act 2001 (Cth) we may vary the terms of your investment from time to time, causing a change of the Fund's features and characteristics. We may provide updated information on our website: <a href="http://www.fortisinvestments.com">www.fortisinvestments.com</a> . A paper copy of the updated information is available on request free of charge by contacting FIMAL on 1800 026 323 or by writing to us at GPO Box R1853, Royal Exchange, Sydney, NSW 1225.		
† Investing in the Fund could impact your current or future tax and/or social security position. We recommend you seek expert advice in this regard.		
# If the aggregate net asset value of your units falls below this minimum, your units may be compulsorily redeemed by FIMAL.		
^ The Constitution allows for higher fees to be charged. We will give you at least 30 days notice in writing if fees are increased.		

## About the Fund

### Investment Objective and Style

The objective of the Fund is to provide investors with capital appreciation from investments in listed international shares over the longer term (a five to ten year period). The Fund seeks to be fully invested.

All of the investment functions (including research and portfolio management) for the Fund are undertaken by Fortis investment professionals located in Boston and are supported by the Fortis global network (referred to throughout this PDS as the "Portfolio Manager" or "Fortis Team"). The ultimate parent of these related entities is Fortis Investment Management SA. The Portfolio Manager's active investment style can be characterised as having a growth bias and a focus on company and industry fundamentals.

### Investment Strategy

It is our contention that companies generating superior free-cash-flow growth will outperform their industry peers over the long term, which manifests itself in our distinct growth style bias. Furthermore, we believe that fundamental, bottom-up research is the best approach to identify attractive investment opportunities globally.

We begin with an investable universe of approximately 6,000 global stocks. Performing their own fundamental research and leveraging the research of our regionally-based analysts spanning the globe, the global portfolio managers seek to identify the most attractive investment ideas regardless of country of domicile. The global sector specialists evaluate the relative attractiveness of a potential holding on a global basis, conducting cross-border analysis and evaluating industry comparables.

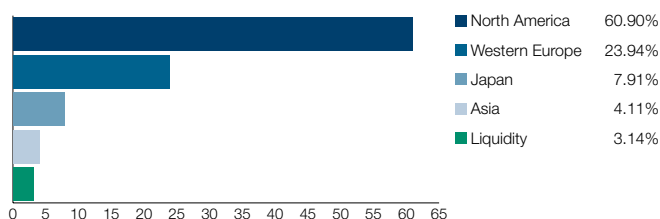
The strategy is managed according to a bottom-up, relatively sector/region neutral approach. We invest in both developed and some emerging market countries defined primarily by the MSCI All Country World Index. The objective of the strategy is to add value against the benchmark by investing in a portfolio that represents the most successful businesses operating across the globe.

The Fund's currency exposure remains unhedged.

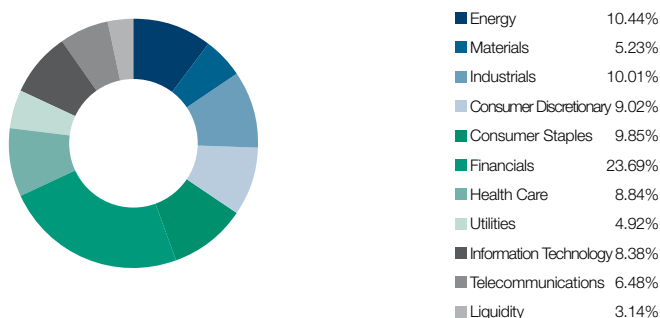
### Benchmark for the Fund

Morgan Stanley Capital International All Country World Index.

### Asset Allocation as at 31 March 2008\* By Region



### Asset Allocation as at 31 March 2008\* By Industry



\*Based on unaudited data

**Fund Performance as at 31 March 2008\***

Period	Fortis Investments Global Equity Fund AUD	MSCI World Index (Net Divs) AUD
1 Year - %pa	-13.42%	-14.38%
3 Years - %pa	1.51%	3.75%
5 Years - %pa	3.33%	6.78%

**Performance of FLF Equity Best Selection World as at 31 March 2008\***

Period	FLF Equity Best Selection World Fund AUD	MSCI All Country World Index AUD
1 Year - %pa	-9.93%	-12.08%
3 Years - %pa	5.77%	5.16%

\*Based on unaudited data

The above performance is quoted net of all fees (excluding buy-sell transaction costs). Reinvestment of income has been assumed and no allowance for any taxation has been made.

The table in the left hand column above sets out the Fund's past performance when it was managed by a team of investment professionals associated with ABN AMRO Asset Management. The table in the right hand column above sets out the past performance of the FLF Equity Best Selection World ("**Fortis Team Fund**"), with the returns of this fund adjusted to reflect the difference in fees payable for the Fortis Team Fund and the Fund.

For the period of the past performance set out above, the Fortis Team Fund had substantively the same investment guidelines and restrictions that applied to the Fund.

The past performance of the Fortis Team is set out above because they are the team of investment professionals who were appointed to manage the assets of the Fund with effect from 21 April 2008.

The Fortis Team's past performance is not the past performance of the Fund. There is no guarantee that the future performance of the Fund, managed by the Fortis Team, will be the same as the past performance of the Fortis Team.

**You should not rely on any past performance, whether of the Fund or the Fortis Team, when deciding whether to invest in the Fund. Past performance is not indicative of future performance.**

The Fund's asset allocation may change and financial markets can experience severe fluctuations.

Details of the monthly Fund performance, as well as the latest and historical unit prices and updated asset allocation, are available on our website: [www.fortisinvestments.com](http://www.fortisinvestments.com).

A paper copy of this updated information is also available upon request and free of charge by contacting FIMAL on 1800 026 323 or by writing to us at GPO Box R1853, Royal Exchange, Sydney, NSW 1225.

## What are the Investment Risks?

All investing involves an element of risk. Risk is the trade off for the return we all seek. Generally, the higher the expected return for an investment, the higher risk or volatility associated with that investment.

In terms of the risk associated with different investments, generally shares are considered the riskiest, then fixed interest, then cash. As with all investing, the performance of any investment cannot be guaranteed. The value of your investment can go up or down with the value of the Fund's investments. The risks may result in loss of income, principal invested and possible delays in repayment.

You can do some things to take into account the impact of risk. Firstly, obtain professional advice - advice suitable to your investment objectives, financial situation and particular needs - this PDS cannot replace that advice. Secondly, diversification across asset classes helps manage overall risk. Finally, take into account the recommended time frame for investment.

The significant risks for the Fund are:

- Individual investment risk: individual investments that we buy, can (and sometimes do) fall in value for many reasons, such as changes in the entity's internal operations, management, or in its business environment.
- Market risk: economic, technological, political or legal conditions, and even market sentiment, can (and sometimes do) change, and this can mean the investments we buy in those markets can change in value. Market risk is not stock specific.
- Interest rate risk: changes in interest rates may have an impact directly or indirectly on investment value or returns - for example the cost of a company's borrowing can increase.
- Currency risk: we invest in overseas markets, and if their currencies change in value relative to the Australian dollar, the value of the investment can change. The Fund is not hedged and we do not undertake currency strategies to counteract currency movements.
- Fund risk: risks particular to the Fund include that the fees and expenses could change, we could be replaced as responsible entity and our service providers may change. There is also the risk that investing in the Fund may give different results from investing individually because of income or capital gains accrued in the Fund and the consequences of investment and withdrawal by other investors.

## Managing Risk

FIMAL and the Portfolio Manager aim to manage the impact of the aforementioned risks by following prudent investment guidelines.

### Derivatives

Derivatives are financial instruments, such as options or futures, whose value is based on the value of another security or an index. We may (but rarely do) use options, futures and other derivatives to reduce risk or gain exposure to physical investments when we think it worthwhile. We do not use derivatives speculatively, or to gear the Fund.

FIMAL has a Part B Derivative Risk Statement ("DRS") which is reviewed regularly. The DRS summarises the policies we have in place covering the use of derivatives, the controls on their use and the processes for assessing compliance with those controls.

## Environmental, Social and Ethical Considerations

Decisions about the selection or realisation of investments in the Fund are primarily based on economic factors. Environmental, social or ethical standards are not taken into account when selecting or realising investments.

## 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 fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

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

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

### 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 Investments Commission (ASIC) website ([www.fido.asic.gov.au](http://www.fido.asic.gov.au)) has a management investment fee calculator to help you check out different fee options.

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

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

Type of fee or cost	Amount <sup>1</sup>	How and when paid
<b>Fees when your money moves in or out of the Fund</b>		
<i>Establishment fee:</i> the fee to open your investment	Nil	Not applicable
<i>Contribution fee</i> the fee on each amount contributed to your investment	Nil <sup>2</sup>	Not applicable
<i>Withdrawal fee</i> the fee on each amount you take out of your investment	Nil	Not applicable
<i>Termination fee</i> the fee to close your account	Nil	Not applicable
<b>Management costs</b>		
These are the fees and costs for managing your investment		
<i>Administration Costs and Expenses</i>		
	Estimated at 0.09% pa of the NAV of the Fund (For example, if you invest \$20,000 in the Fund, then the administration costs deducted from the Fund for this \$20,000 would be \$18 <sup>3</sup> pa).	Recovered as and when incurred and reflected in the unit price of your investment.
<i>Ongoing Management Costs</i>	0.90% <sup>2</sup> pa of the NAV of the Fund until further notice. (For example, if you invest \$20,000 in the Fund, then the Responsible Entity's fee deducted from the Fund for this \$20,000 will be \$180 <sup>3</sup> pa).	This fee is paid from the Fund assets. It accrues daily and is payable within 14 days of the end of each calendar month. This fee is negotiable with wholesale clients. Please see "Additional Explanation of Fees and Costs" on the next page.
<b>Service fees</b>		
<i>Investment switching fee</i>	Nil	There is no fee for switching your investment from the Fund to another fund, although a buy-sell spread may apply when you redeem your existing units and apply for new units in another fund.

1. Unless indicated otherwise, fees and costs disclosed in the table are inclusive of the net effect of GST, if applicable (ie inclusive of 10% GST, less any reduced input tax credits available to the Fund). For further information, refer to the explanation of GST on page 13 of this PDS.

2. The Responsible Entity is entitled under the Constitution to charge higher fees. Please see "Additional Explanation of Fees and Costs" on the next page.

3. Assumes the value of your investment in the Fund remains constant at \$20,000 for the entire year.

## Example of Annual Fees and Costs

This table gives an example of how the fees and costs in an investment in the Fund can affect your investment over a 1 year period. You should use this table to compare this product with your other managed investment products.

Example		Balance of \$50,000 with a Contribution of \$5,000 During Year
Contribution Fees <sup>^</sup>	Nil	Not applicable to this Fund.
PLUS Management Costs	0.99%	And, for every \$50,000 you have in the Fund, \$495 will be deducted from the Fund assets each year.
EQUALS Cost of investing in the Fund	0.99%	If you put in \$5,000* during a year and your balance was \$50,000, then for that year you will be charged fees of \$495. This example assumes you had an average account balance of \$50,000 during that year.

<sup>^</sup> Please note transaction costs (buy-sell spread) apply to investments and withdrawals from the Fund.

\* This amount is prescribed by legislation. Please note the minimum additional investment is \$1,000.

### Additional Explanation of Fees and Costs

#### Contribution Fee

The Responsible Entity is entitled under the Constitution to an application fee of 6% of the application money however, no application fee will apply to applications made under this PDS.

#### Management Fee

Under the Constitution, the Responsible Entity is entitled to be paid (a) a management fee of up to 2% per annum of the value of the assets of the Fund; and (b) a maximum annual fee of up to 0.08% per annum of the value of the assets of the Fund, calculated daily, from the date of the Constitution of the Fund until the date of final distribution following the winding up of the Fund. However, the Responsible Entity has determined that, until further notice, its total management fee will only be 0.90% per annum of the NAV of the Fund, inclusive of GST and any reduced input tax credits. The fees are calculated and accrued each day in the NAV of the Fund and are paid to us at least monthly.

#### Administration Costs and Expenses

In addition to the management fee above under the Constitution the Responsible Entity is entitled to be paid and reimbursed out of the assets of the Fund for expenses properly incurred in connection with it acting as Responsible Entity. These expenses include but are not limited to those incurred in connection with engaging auditors, tax and legal advisors and maintaining the unit register. These expenses are estimated at 0.09% per annum of the NAV of the Fund based on unaudited figures as at 31 March 2008 (refer fee table on page 8).

We may also use the services of related bodies corporate and pay their fees, based on arms length commercial terms, from the Fund.

### Transaction Costs

Certain expenses are incurred in managing the Fund's investments, such as brokerage, bank charges, settlement costs (including custody costs), clearing costs and government duties ("transaction costs"). These transaction costs are paid directly from the Fund and are reflected in the unit price. However, some of the transaction costs are recovered by charging a buy-sell spread to investors when they invest in, or redeem units in, the Fund. The buy-sell spread is explained on the next page. Costs captured in the buy-sell spread are not included in the management costs and therefore are not reflected in the ICR.

### Indirect Cost Ratio

The Indirect Cost Ratio ("ICR") for a fund is the ratio of the fund's management costs that are not deducted directly from a unitholder's investment in the fund, to the fund's total average net assets.

As at 31 March 2008 the unaudited annualised ICR was 1.01% of the NAV of the Fund. After 1 July 2008, it is estimated to be 0.99% of the NAV of the Fund.

## Buy-Sell Spread

The difference between the Application Price and Redemption Price of a unit, often called the “buy-sell spread”, is 0.60% of the unit value (0.30% buy / 0.30% sell). This buy-sell spread is our estimate of the per unit transaction costs associated with buying / selling assets of the Fund in connection with giving effect to applications and redemptions. The buy spread does not apply to reinvestments of income in the Fund.

Under ASIC class order 05/26 the Responsible Entity is required to prepare certain documents, including documents describing how the Responsible Entity will exercise discretions when calculating unit prices. These documents are available from the Responsible Entity free of charge upon request by contacting FIMAL at the address set out in the Directory at the end of this PDS.

## Adviser Remuneration

The Responsible Entity does not pay fees or commissions directly to licensed investment professionals, however, your adviser may charge you a fee for their service. Please consult your financial adviser for more details.

## GST

The Fund will be entitled to claim reduced input tax credits of 75% of the GST paid in respect of the management fee. Unless indicated otherwise, fees and costs disclosed in this PDS are inclusive of the net effect of GST, if applicable (ie inclusive of 10% GST, less any reduced input tax credits available to the Fund). Please see page 13 for further information about tax.

## Differential Fees

FIMAL may offer rebates in management fees based on investment volume to sophisticated, professional and wholesale clients, including operators of IDPS's, MDMF's, master trusts and wrap accounts and other investors who do not require disclosure under Part 7.9 of the Corporations Act 2001 (Cth). Any such rebates are not an additional cost to you.

## Our Ability to Change Fees

Under the Constitution, we have the right to increase our fees, introduce a contribution fee or change the buy/sell spread. We will give you at least 30 days prior notice in writing before increasing our fees.

## Borrowings

Under the Constitution the Responsible Entity has the power to borrow and give security over the assets of the Fund. There are no limitations on the extent of such borrowings. Apart from short term arrangements to fund securities settlements, it is not the current intention to borrow on behalf of the Fund.

## Making an Initial Investment

To apply for an initial investment in the Fund, simply fill in the application form accompanying this PDS. The current minimum initial investment in the Fund is \$20,000. The minimum initial investment amount may be waived at our discretion.

Send your application and payment to us at GPO Box R1853, Royal Exchange, Sydney, NSW, 1225. The number of units you receive is calculated by dividing the amount of application money by the relevant application price.

The Responsible Entity may reject any application, and incomplete applications will not be accepted until we have received all necessary information and the required payment.

## Additional Investment

If you would like to add to your investment in the Fund during the currency of this PDS, then either:

- complete the application form; or
- write a letter.

The letter or application form should nominate the Fund and include your Investor Number.

Additional investments in the Fund must be for at least \$1,000.

You should keep a copy of this PDS and any information that updates this PDS for your future reference when making investment decisions.

## Method of Payment

When you send us your application for a new or additional investment you can pay for your Units by making a cheque payable to:

FIMAL - Application Trust Account <your name> and crossed "not negotiable".

Notes and coins will not be accepted. The Responsible Entity may accept or reject applications in its absolute discretion.

## Confirmation of Transactions

As soon as reasonably practicable and generally within 7 business days after the Responsible Entity has accepted your application or redemption, you or your appointed representative will receive written confirmation of the details of your investment/redemption transaction, including the number of units, the effective date and price and the resulting unit balance (if applicable).

## Net Asset Value

The Net Asset Value ("NAV") of the Fund is the sum of the value of all investments and cash held by the Fund less any amounts owing or payable in respect of the Fund including any provisions that the Responsible Entity decides to take into account. For the currency of this PDS the NAV will generally be determined at least once each business day.

## Daily Unit Prices

Details of the most recent application price and redemption price may be obtained by telephoning the 24 hour unit price line on 1800 026 323 or by accessing our internet site at: [www.fortisinvestments.com](http://www.fortisinvestments.com)

## Application Price

The application or issue price of units is based on the last valuation of the Fund's assets before the issue takes place. It is calculated by dividing the NAV of the Fund (plus the buy spread being an amount representing the Responsibility Entity's estimate of the transaction costs of acquiring the Fund's investments, such as stamp duty and brokerage) by the total number of units on issue in the Fund.

Applications received before 3.00pm (Sydney time) on a business day will generally be processed at the application price quoted for that business day. Applications received after 3.00pm (Sydney time) will generally be processed at the application price quoted for the following business day.

Application prices quoted for a business day will generally be based on the NAV of the Fund determined as at close of trading on that day in the markets in which underlying assets are held. Due to time differences and valuation processes, this means that the application price quoted for any particular business day will generally be available at 3.00pm on the next business day. Applications will be processed and units will be issued after this price is available.

## Cooling-off

Members that qualify as "retail clients" for the purposes of the Corporations Act 2001 (Cth) have a 14 day cooling-off period during which they may have their investment money returned to them. This 14 day cooling-off period starts on the earlier of the date you receive the transaction confirmation or 5 days from the date on which you became an investor. Within this period you may withdraw your investment by sending the Responsible Entity a letter. The letter must include the following details: full name, address, date of birth, name of Fund and amounts invested, and, if known, the Investor Number and date of application.

Generally, the amount repaid to retail investors will be their investment amount, adjusted to take into account market movements (either up or down) and expenses incurred to the date of receipt of the cooling-off notice.

This right does not apply to switches, distribution re-investments, where the Fund is illiquid or where you have exercised a right in respect of the investment, e.g. made a partial switch or partial redemption.

## Client Acceptance and Anti Money Laundering

FIMAL has instigated extensive global policies and processes designed to minimise the likelihood and effects of money laundering and to generally protect against terrorism and to ensure it remains compliant with Australian legislation in this regard.

Whilst we have included comprehensive instructions for investors in the Fund application form attached to this PDS, FIMAL may in certain circumstances, not limited solely to the size of an investor's investment or investment holding, be required under its governing policies to make a request of applicants for additional information and identification in support of their application to invest in the Fund. Where FIMAL makes such a request it will be necessary for investors to provide the required additional information in order for their application to be processed. Should information not be provided to FIMAL within a reasonable time, FIMAL may, in its absolute discretion, choose to reject the application.

We strongly urge investors to carefully follow the instructions in the attached application form, specifically with regard to the provision of applicant information, identification and supporting verification material to ensure there are no unnecessary delays in processing your investment application. Should you have any queries in relation to completing your application form or providing the appropriate supporting information requested you may contact our client services staff on 1800 026 323.

## Redemptions

If you wish to redeem or withdraw some or all of your investment in the Fund, you may complete the redemption form available on our website [www.fortisinvestments.com](http://www.fortisinvestments.com). Alternatively, you should write to the Responsible Entity setting out your name and Investor Number together with the name of the Fund and the number of Units to be redeemed (or, with the Responsible Entity's approval, you may specify the approximate amount of the proceeds that you wish to receive from the redemption). Requests from joint holders must be signed by all members. Where the member is a company both Secretary and Director are required to sign, unless a Sole Director. Your request should be mailed or delivered to us at the address set out in the Directory at the end of this PDS.

We generally process redemption requests each business day using the unit price next calculated after 3.00pm Sydney time. If we receive a redemption request after this time, or on a non-business day for us, we treat it as having been received the next business day.

While the Fund is liquid, as defined in the Corporations Act 2001 (Cth), you can make a redemption from the Fund at any time in accordance with the procedures described above. We aim to process your request to redeem from the Fund and to make payment within 7 business days of receiving it, however under the Constitution we are permitted up to 30 days to process and pay all redemption requests. Units will be redeemed at the redemption price (determined as described below).

Payments will be made by direct credit into your nominated bank, building society or credit union account, or by cheque made payable to the investor.

The redemption transaction will be confirmed in writing detailing the unit value and the balance of your account.

The minimum redemption is \$1,000 or the value of the balance of your units in the Fund, whichever is less. If your balance in the Fund falls below \$5,000, the Responsible Entity may require you to redeem all of that remaining balance.

## Redemption Price

The redemption or withdrawal price of units is generally based on the last NAV of the Fund before the redemption or withdrawal request is processed.

The redemption price is calculated by dividing the NAV of the Fund (less the sell spread being an amount representing the Responsible Entity's estimate of the transaction costs of disposing of the Fund's underlying investments, such as stamp duty and brokerage), by the total number of units on issue in the Fund.

## Switching

FIMAL is also the Responsible Entity of other registered managed investment schemes. Investors may switch their investment from the Fund to another FIMAL fund by:

- completing a written redemption request for the Fund;
- requesting a copy of the PDS and application form which contains the offer for the new fund into which you wish to switch; and
- completing the application form that will be in or will accompany the PDS for the new fund.

There is no limit to the number of times you may switch between funds. However, a switch is a redemption from the Fund and an application into another fund at the relevant redemption and application price of the day and a buy-sell spread may be charged. Your minimum investment in the Fund must not fall below \$5,000.

## Income Distribution and Reinvestment Facility

The Responsible Entity is to make annual distributions of income (if any) and realised capital gains from the Fund shortly after June 30. Distributions are based on the number of units you hold in proportion to the total number of issued units on June 30.

By nominating in your application form to have your annual income distributions automatically reinvested, additional units in the Fund will be issued at the first price quoted (no cost or spread) after 30 June (see page 11). You will receive details of the number and issue price of additional units for the Fund arising from reinvested distributions. If you do not nominate on your application form how you wish to receive your distributions from the Fund (if any), then they will be reinvested into the Fund.

## Taxation

Investments, withdrawals and switches in relation to the Fund and income paid to an investor from the Fund may have tax implications. The application of taxation laws depends upon an investor's individual circumstances. Investors should seek their own independent tax advice before investing.

We intend to distribute the net taxable income of the Fund to investors annually, in which case the Fund should not be liable to income tax (except in relation to the share of net taxable income from Australian sources to which a non-resident investor is entitled) and investors will be subject to tax on their share of the net income of the Fund (regardless of whether the distribution is received or is reinvested in additional units).

To assist in the preparation of their tax return, we will provide investors with annual tax statements which will detail, where applicable, the following items:

- Australian sourced interest, dividends (franked and unfranked) and imputation credits
- other Australian sourced income and capital gains (discounted and non-discounted)
- non-Australian sourced interest and dividends
- other non-Australian sourced income and capital gains (discounted and non-discounted)
- foreign tax credits on taxed capital gains, dividends and interest.

It is anticipated that a large portion of income will be non-Australian sourced, given the investment mandate of the Responsible Entity.

Under the foreign investment fund ("FIF") tax rules, the net taxable income of the Fund could include unrealised gains attributable to investments held by it at year end in certain foreign companies and trusts, unless the investments fall within certain exemptions. Where practicable, we intend to minimise the impact of the FIF tax rules. This may involve realising taxable gains by disposing of interests before year end and acquiring new interests the following year.

## Non-Australian residents

If you are not an Australian resident, tax may be deducted from distributions (to the extent, if any, that they are attributable to sources in Australia) before they are paid to you. The amount of tax will depend on the nature of the distribution and the country in which you reside.

In the recent Federal Budget the Government announced that a new withholding tax regime on distributions of Australian sourced net income (other than interest, dividends or royalties) from Australian managed investment trusts to foreign resident investors will be introduced. The nature of the new withholding arrangements will vary depending upon where the foreign investor is resident.

Residents of jurisdictions with which Australia has effective exchange of information (EOI) arrangements on tax matters will be subject to:

- a 22.5% non-final withholding tax for distributions in the first income year after the enabling legislation receives Royal Assent (with ability to claim deductions for expenses);
- a 15% final withholding tax for distributions in the second year;

- a 7.5% final withholding tax for distributions in the third and later years.

Residents of non-EOI jurisdictions will be subject to a final withholding tax of 30%.

Under the capital gains tax ("CGT") rules for non-residents, distributions of capital gains and losses may potentially be disregarded, provided the following two conditions are met. First, those gains and losses must be realised in relation to:

- an asset of the Fund; or
- an asset of another fixed trust that the Fund has an interest in.

Second, the asset itself must not be:

- "Taxable Australian property" (defined very broadly as Australian real property, certain interests in entities with Australian real property assets, or certain assets used in an Australian branch); or
- an interest in another fixed trust, provided that at least 90% of the fixed trust's CGT assets are not "taxable Australian property".

You should seek further advice on how these rules will apply in your circumstances.

## Proposed tax timing rules

On 20 September 2007 the previous Federal Government introduced into the House of Representatives Tax Laws Amendment (Taxation of Financial Arrangements) Bill 2007 ("TOFA Bill") which proposed to enact "tax timing" rules, as a part of its reform of the Taxation of Financial Arrangements. Very broadly, these rules may require you to recognise estimated gains and losses derived from the Fund, at the end of each tax year. This contrasts with the current treatment of such gains and losses, which are required to be assessed or deducted only when they are realised or incurred.

However, if you are an individual, or if you have a turnover of less than AUD 20 million and you satisfy certain other conditions, you may be excluded from the tax timing rules.

The Bill formally lapsed on the announcement of the election which was held on 24 November 2007. As part of the recent Federal Budget the Government announced that the Bill will be reintroduced into Parliament in an amended form. The new rules are intended to apply from 1 July 2009 with no retrospective effect.

You should seek further advice on how the proposed rules, once enacted, will apply in your circumstances.

## GST

The issue or withdrawal of units in the Fund and receipt of distributions will not be subject to GST. Management fees and some other costs paid by the Fund will be subject to GST, but the Fund will generally be able to claim input tax credits (effectively a refund) of at least 75% of the GST paid. The Responsible Entity is also able to recover from the Fund any GST payable on expenses or costs payable by the Fund or otherwise recoverable by the Responsible Entity. We recommend that investors seek their own professional advice on how GST and other taxes will impact their particular investment in the Fund.

## Investor Reporting and Other Information

At least quarterly, you will receive statements which include information detailing your unit balance, transaction summary, closing unit price and market valuation.

If you request a similar statement about your additional investments or a transaction statement during the quarter, this will be provided as soon as possible, free of charge, for the period between your last statement and the request.

You will also receive a detailed taxation statement each year as a result of the Fund's annual distribution, referred to above. We aim to send this statement to investors in July.

Under the Corporations Act 2001 (Cth), where a registered scheme is a "disclosing entity", it is subject to certain regular reporting and disclosure obligations. Generally, the Fund will be a disclosing entity when it has 100 members or more. When the Fund is a disclosing entity, you have a right to obtain a copy of the following documents:

- the annual financial report most recently lodged with ASIC by the Fund;
- any half-year financial report lodged with ASIC by the Fund after the lodgment of that annual financial report and before the date of this PDS; and
- continuous disclosure notices given by the Fund after the lodgment of that annual report and before the date of the PDS.

Copies of documents lodged with ASIC in relation to the Fund may be obtained from, or inspected at, an ASIC office.

## Complaints

We have an internal complaints resolution procedure. We will acknowledge any complaint in writing and will respond within 45 days. In the event that we cannot resolve the complaint satisfactorily, the complainant may contact the Financial Industry Complaints Service Limited (tel. 1800 335 405) who are independent from us and whose service is available to investors free of charge.

## Investing through a MasterTrust / Wrap Account (Indirect investors)

FIMAL authorises the use of this PDS for investors or prospective investors who wish to access the Fund through a member discretionary master fund ("MDMF") or an investor directed portfolio service ("IDPS") or IDPS like scheme (commonly referred to as a master trust or wrap account) or a nominee or custody service. Investors ("indirect investors") gaining exposure to this Fund through a master trust or wrap account do not themselves become investors in the Fund.

Instead, it is generally the operator of the master trust or wrap account which invests for you and so has the rights of an investor. They may exercise them in accordance with their arrangements with you. Indirect investors complete the application forms for the master trust or wrap account and receive reports from their operator, not FIMAL. Inquiries should be directed to the operator of the master trust or wrap account.

## Custodian

An independent professional custodian, Citibank N.A. Hong Kong Branch ("Custodian") has been nominated to hold the assets of the Fund although the Custodian may appoint sub custodians from time to time.

## Compliance Plan and Compliance Committee

FIMAL has lodged a Compliance Plan for the Fund with ASIC. The Compliance Plan sets out arrangements we have in place to ensure compliance with the Constitution and the Corporations Act 2001 (Cth).

FIMAL has established a Compliance Committee that monitors the extent to which we comply with the Fund's Compliance Plan and the adequacy of the Plan. The Committee must report certain matters to us and, in some cases, ASIC. The majority of the Committee members are "external members", as defined in the Corporations Act 2001 (Cth).

Our compliance with the Compliance Plan is subject to an annual external audit.

## Your Privacy

In order to process your application, we must collect personal information from you. If you choose not to provide us with the information required, we may not be able to supply our investments or services to you. In most cases, if you request, we will give you access to the personal information collected about you. We must give access to your information entered on the Fund register to others as required by the Corporations Act 2001 (Cth).

We may also use personal information collected about you to notify you of our other products, or may give the information to other companies in the Fortis Group of companies to allow them to notify you of their products. If you do not want your personal information to be used in this way, please contact us. Please refer to our brochure titled "Disclosure by FIMAL under the Privacy Act 1988 (Cth)" for further information. Copies are available from FIMAL free of charge on request.

## Our Legal Relationship with You

The Fund was established by a Constitution dated 11 February 1997 as amended from time to time. The operation of the Fund, the duties and obligations of FIMAL and the rights of investors are governed by the Constitution, together with the Corporations Act 2001 (Cth) and the general law.

You should consult a copy of the Constitution if you require a more detailed understanding of the document. A copy of the Constitution is available free of charge by contacting us on 1800 026 323.

A brief list of the provisions of the Constitution for the Fund follows:

- powers, rights and duties of the Responsible Entity
- remuneration of the Responsible Entity
- unitholder rights and obligations
- liability of unitholders and the Responsible Entity
- issue and redemption of units
- distributions
- authorised investments of the Fund
- Fund valuation
- Fund termination
- removal or replacement of the Responsible Entity

Your rights as an investor in the Fund are also contained within the Constitution and legislation. They include the right to:

- receive distributions (where available)
- receive copies of accounts and other information of the Fund
- attend and vote at unitholder meetings
- redeem units or transfer them to another person
- receive your share of distributions if the Fund is terminated

You do not have the right to participate in the management or operation of the Fund.

The Constitution of the Fund is binding on you. Unless specifically stated otherwise in this PDS, the provisions of the Constitution will prevail over statements in this PDS, to the extent of any inconsistency.

We may vary the investment approach, objectives and policies set out in this PDS. Written notice of any significant variation which you would not reasonably expect will be given.

# Fortis Investments



## Directory

### Responsible Entity

Fortis Investment Management Australia Limited  
ABN 78 008 576 449

### Registered Office and Principal Place of Business

Level 13  
Royal Exchange Building  
56 Pitt Street  
Sydney  
NSW 2000  
Tel: 1800 026 323  
Fax: 1800 812 222

### Postal Address

GPO Box R1853  
Royal Exchange  
Sydney  
NSW 1225

### Auditor

KPMG  
10 Shelley Street  
Sydney NSW 2000

### Custodian

Citibank N.A. Hong Kong Branch

### Web Address

[www.fortisinvestments.com](http://www.fortisinvestments.com)