

Conversion of 10 Fidelity ETFs into international ETF structure

Fidelity Fund Management (Ireland) intends to convert its Irish-domiciled and Global Bearer Certificate Exchange-Traded Funds (ETFs) to the ICSD model in Common Depository structure, thus centralising the issuance process in one Common Depository. This migration wave will consist of 10 ETFs issued under the Fidelity Ucits Icaav umbrella.

This document contains the relevant details on the conversion of the 10 Fidelity ETFs into the international ETF structure.

No action is required from customers for the conversion of the securities into the international ETF structure. Depending on the customer's current settlement arrangements, there may be settlement-related actions for customers to take. Please refer to the information provided below.

Mandatory conversion

The 10 Fidelity Ucits Icaav ETFs reported in the table on page 2 will be converted into international ETFs on Monday, 2 September 2019 (the "conversion date"). The conversion from the current domestic to the new international issuance structure is subject to the shareholder approval and will be confirmed after the EGM being held on 21 August 2019. Once approved, the conversion will become mandatory and does not require any action by customers.

IE-ISINs (Irish domiciled) static data will be updated in Clearstream's securities database (including the WSS database) to flag the ISIN as international. The IE ISINs will remain the same. If customers have holdings in a CASCADE account (collective safe custody), they will be converted into the customer's corresponding CBF-i account(s) ("6 series accounts") in the international settlement environment, over the weekend of the conversion, based on customer's holdings on record date Friday 30 September 2019 on a 1:1 basis. Settlement will remain possible until close of business on Friday 30 September 2019.

Please note that positions in remote market common codes held in other CSDs such as Monte Titoli, BP2S Netherlands, Euroclear France, Euroclear UK & IE is expected to be repatriated to their respective home market common code on Friday 30 August 2019. As from Friday 30 August 2019 remote market common codes will be closed for settlement. As from that date customers should refrain from instructing on remote market codes. Any pending settlement instructions, including matched instructions, will be cancelled in remote common codes and customers will have to reinstruct with the home market common code. For matched domestic instructions that are already provisioned, customers and their counterparty should either cancel both legs and re-instruct on the new home code setup. For this, customers may need to contact their counterparties directly to ensure prompt cancellation.

Stock exchange trading in the various markets will remain possible (unless announced otherwise) but customers are requested to check with their counterparty which settlement arrangement within the ICSDs should be applied to settle their trades.

Impacted securities

10 Fidelity ETFs subject to the mandatory conversion

Fund name	ISIN code	Common Code Citi Ireland	Common Code CBF Germany
SHS FIDELITY UC-GL.QUALITY INCOME ETF-INC USD	IE00BYXVGZ48	159141730	197028670
SHS FIDELITY UC-GL.QUALI.INCOME ETF-ACC GBPH	IE00BYV1YF22	171215188	-
SHS FIDELITY UC-US QUALITY INCOME ETF-ACC USD	IE00BYXVGY31	159141713	195687404
SHS FIDELITY UC-US QUALITY INCOME ETF-INC USD	IE00BYXVGX24	159141705	-
SHS FIDELITY UC-US QUALI.INCOME ETF-ACC GBPH	IE00BYV03C98	171213380	-
SHS FIDELITY UC-EUR.QUAL.INC.UC.ETF ACC EUR	IE00BYSX4283	171217130	-
SHS FIDELITY UC-EU QUALI.INCOME ETF-ACC GBPH	IE00BYSX4408	171217911	-
SHS FIDELITY UC-EM.M.QUAL.INC.UC.ETF ACC USD	IE00BYSX4846	171217938	-
SHS FIDELITY UC-GL.QUALITY INCOME ETF-ACC EUR	IE00BYV1YH46	-	171215684
SHS FIDELITY UC-US QUALITY INC.ETF-ACC EURH	IE00BYV1Y969	-	171214629

Impact on stock exchange settlement instructions

Friday, 30 August 2019	What will happen
After close of business	<p>CBF customers: Pending exchange settlement instructions will be modified to the CBF-i settlement platform (Creation) on customers' accounts. No separate customer information will go out.</p> <p>CBL/CBF-i customers: Pending exchange settlement instructions will be cancelled following change in static data of securities database. Customers should reinstruct accordingly.</p>
Monday, 2 September 2019	What will happen
Start of business	Stock exchange transactions on Xetra will settle in the CBL/CBF-i settlement platform as from settlement date Monday, 2 September 2019.

Impact on OTC settlement instructions

Friday, 30 August 2019	What will happen
After close of business	<p>Customers' pending OTC settlement instructions on CASCADE will be cancelled and customers should reinstruct to the CBL/CBF-i settlement platform (Creation) on their accounts. No separate Customer information will go out.</p> <p>Customers' pending OTC settlement instructions on the CBL/CBF-i settlement platform (Creation) will be cancelled following change in static data of securities database. Customers should reinstruct accordingly.</p>
Monday, 2 September 2019	What will happen
Start of business	<p>External settlement instructions</p> <p>The place of settlement for customer transactions in international ETFs will be the CBL/CBF-i settlement platform as from settlement date Monday, 2 September 2019.</p>

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Customers trading/clearing in the above ISINs on Xetra

For trades executed on Xetra as from Thursday, 29 August 2019, the related transactions will settle exclusively in CBL/CBF-i.

Customers settling Xetra transactions in CBL or CBF-i today

There is no impact for customers. Customer transactions will continue to settle in CBL/CBF-i.

Customers settling Xetra transactions in CBF today

What will happen close of business on	Action
Friday, 31 May 2019	
CBF will modify the customer's pending instructions to the CBL/CBF-i settlement platform (Creation) on the customer's CBF-i account.	No action to take.
The start of business on Monday, 2 September 2019	
CBL/CBF will execute the conversion and credit the customer's account in CBL/CBF-i with the IE ISINs of the corporate action. The customer's CASCADE account will be debited accordingly.	<ul style="list-style-type: none">Customers should amend their static reference data for the 10 Fidelity ETFs to reflect the place of safekeeping, and holding ledger to PSAFE: CITIGB2LMAGClearstream Banking recommends customers to make arrangements with their underlying clients to make the relevant amendments as soon as possible after the conversion date.

Other stock exchanges

Clearstream Banking recommends customers to check the relevant details with the local infrastructure of the other trading venues (Euronext, LSE, Borsa Italiana).

Place of settlement - Overview

Settlement type	Trading venue	Place of settlement pre-conversion	Place of settlement post-conversion ^a
Stock exchange settlement	Xetra	CBL (/CBF-i)	CBL (/CBF-i)
	Xetra	CBF	CBL (/CBF-i)
OTC	N/A	CBL (/CBF-i)	CBL (/CBF-i)
	N/A	CBF	CBL (/CBF-i)

a. Allowing the customers to centralise their OTC activity and stock exchange activity in the same location.

Any questions?

Have you read our international ETFs Product Information publication?

The Product Information publication is available on our website (www.clearstream.com) and offers further details on how the international ETF structure helps meet the post-trade challenges of the ETF market.

For further information, please contact Client Services.

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