

**Macquarie Investment Management Australia Limited**

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31 May 2021



Dear Investor

**Arrowstreet Emerging Markets Fund ARSN 122 035 910 (Fund) - Notice of termination**

After undertaking a strategic review of the Fund, we have decided to terminate the Fund as at the date of this letter (**Termination Date**).

**Why is the Fund being terminated?**

Applications into the Fund have not been accepted since 26 June 2012. This was due to global capacity constraints implemented by Arrowstreet Capital, Limited Partnership, the investment manager of the Fund, aimed at protecting returns for existing unitholders in the Fund. Since that time, the funds under management of the Fund have reduced significantly.

Our review identified that the Fund cannot be managed in a cost-effective manner without significantly increasing the management fee charged to investors, as the Fund is currently small in scale and therefore, the expenses, on a per unit basis, required to run the Fund are relatively high. Accordingly, we believe that terminating the Fund is in the best interests of investors.

**What this termination means for you**

We will no longer accept additional applications in and redemptions from the Fund from the Termination Date.

All units in the Fund will be redeemed once the Fund's assets have been realised. We will seek to distribute the net proceeds of the termination to your nominated bank account as soon as reasonably practicable after the Termination Date. A transaction confirmation providing details of the amount paid will be issued to you shortly after payment.

**What are the tax consequences of the termination of the Fund?**

It is expected that a taxable event will arise for unitholders in respect of their units in the Fund on the Termination Date and that they may crystallise a gain or loss as a result of their redemption from the Fund.

In addition, the Fund is currently expected to crystallise gains when the assets of the Fund are realised. However, as the final position can only be known at the time the assets are realised, the Fund may crystallise gains (or losses) resulting from these transactions.

The Fund may also hold realised gains from previous transactions. To the extent that any net gains arise in the Fund, these will be distributed to unitholders as part of the final distribution from the Fund. We expect final tax statements to be issued within a month of the end of financial year, similar to prior financial years.

To confirm your tax position as a unitholder in the Fund and to further understand the tax implications for you as a result of the termination, you are encouraged to seek independent tax advice.

**More information**

While we believe that terminating the Fund is the correct course of action given that the Fund's small size means that the Fund management fee does not cover the Fund's running costs, we do wish to recognise and apologise for any inconvenience this may cause you.

To understand how the termination affects your personal situation, we recommend that you speak to your financial adviser or accountant.

Please contact Macquarie Investment Management Client Service on 1800 814 523 or email [mim.clientservice@macquarie.com](mailto:mim.clientservice@macquarie.com) if you have any questions or would like further information regarding the termination of the Fund or regarding other funds available for investment.

Yours sincerely



Graham Maiden  
Head of Client Service  
**Macquarie Investment Management**