

# Fidelity UCITS II ICAV

## Fidelity EUR Corp Bond Research Enhanced UCITS ETF

**9 December 2025**

(A sub-fund of Fidelity UCITS II ICAV, an Irish collective asset-management vehicle constituted as an umbrella fund with segregated liability between sub-funds with registered number C174793 authorised by the Central Bank of Ireland pursuant to the UCITS Regulations).

This supplement (the “Supplement”) forms part of the Prospectus dated 18 February 2025 (the “Prospectus”) in relation to Fidelity UCITS II ICAV (the “Fund”) for the purposes of the UCITS Regulations. This Supplement should be read in the context of, and together with, the Prospectus and contains information relating to the Fidelity EUR Corp Bond Research Enhanced UCITS ETF (the “Sub-Fund”) which is a separate sub-fund of the Fund, represented by the Fidelity EUR Corp Bond Research Enhanced UCITS ETF series of shares in the Fund (the “Shares”).

The Sub-Fund is an Actively Managed Sub-Fund and Shares in this Sub-Fund may be designated as ETF Shares or Non-ETF Shares.

Prospective investors should review this Supplement and the Prospectus carefully and in their entirety and consider the risk factors set out in the Prospectus and in this Supplement before investing in this Sub-Fund. If you are in any doubt about the contents of this Supplement, you should consult your stockbroker, bank manager, solicitor, accountant and/or financial adviser.

An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

The Directors, as listed in the “*Management*” section of the Prospectus, accept responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Unless otherwise defined herein or unless the context otherwise requires, all defined terms used in this Supplement shall bear the same meaning as in the Prospectus.

#### KEY INFORMATION

|                              |  |
|------------------------------|--|
| <b>Base Currency</b>         | Euro   |
| <b>Basis of Distribution</b> | Net Income   |
| <b>Business Day</b>          | Any London Banking Day and/or such other day or days as the Directors may determine and notify in advance to Shareholders.   |
| <b>Dealing Day</b>           | Each Business Day will be a Dealing Day, except that any day on which market(s) on which the investments in the portfolio of the Sub-Fund are traded is/are closed and, as a result of which 25% or more of the portfolio of the Sub-Fund may not be traded, shall not be a Dealing Day. The Sub-Fund will have at least one Dealing Day per fortnight. The Dealing Days for the Sub-Fund are contained in a dealing calendar which is updated monthly and available from the Administrator. |
| <b>Dealing Deadline</b>      | ETF Shares: 2:30pm (Irish time) on the relevant Dealing Day.<br>Non-ETF Shares: 12pm (Irish Time) on the relevant Dealing Day.   |
| <b>Investment Manager</b>    | FIL Investments International  |

|                            |   |
|----------------------------|---|
| <b>Fees</b>                | <p>The maximum TER for each Class is set forth in the table in the “Classes” section below.</p> <p>A subscription fee of up to 5% of the Net Asset Value of Shares being subscribed and / or a redemption fee of up to 3% of the Net Asset Value of the Shares being redeemed may be charged by the Manager.</p> <p>The establishment expenses of the Sub-Fund will be borne by the Manager.</p> <p>Further information in this respect is set out in the “Fees and Expenses” section of the Prospectus, and below.</p> |
| <b>Settlement Deadline</b> | The second Business Day following the relevant Dealing Day  |
| <b>Valuation</b>           | The Net Asset Value per Share is calculated in accordance with the “Determination of Net Asset Value” section of the Prospectus, using the closing bid price published by the relevant Recognised Market on each Valuation Day for assets quoted, listed or traded on or under the rules of such Recognised Market.   |
| <b>Valuation Day</b>       | Every Dealing Day and, in the event it is not a Dealing Day, any day with the exception of Saturdays, Sundays, New Year’s Day, Christmas Day and Good Friday and/or such other day or days as the Directors may determine and notify in advance to Shareholders.  |
| <b>Valuation Point</b>     | 11:00pm (Irish time) on each Valuation Day.   |

## Classes

Shares of the Sub-Fund may be divided into different Share Classes with different dividend policies and currency hedging exposures. They may therefore have different fees and expenses. The following Share Classes are available to launch at the discretion of the Manager.

The Initial Offer Period, for a Share Class in which no Shares have yet been issued, begins on the Business Day following the date of this Supplement and ends on the six month anniversary thereof.

| Class Name                | Share Class Currency | Currency Hedged Share Class | ETF or Non-ETF Shares | Dividend Distribution Policy | Maximum TER % | Offer Price |
|---------------------------|----------------------|-----------------------------|-----------------------|------------------------------|---------------|-------------|
| Acc                       | EUR                  | No                          | ETF Shares            | Accumulating                 | 0.20          | 5 EUR       |
| Inc                       | EUR                  | No                          | ETF Shares            | Distributing                 | 0.20          | 5 EUR       |
| USD Hedged Acc            | USD                  | Yes, Portfolio Hedge        | ETF Shares            | Accumulating                 | 0.25          | 5 USD       |
| USD Hedged Inc            | USD                  | Yes, Portfolio Hedge        | ETF Shares            | Distributing                 | 0.25          | 5 USD       |
| GBP Hedged Acc            | GBP                  | Yes, Portfolio Hedge        | ETF Shares            | Accumulating                 | 0.25          | 5 GBP       |
| GBP Hedged Inc            | GBP                  | Yes, Portfolio Hedge        | ETF Shares            | Distributing                 | 0.25          | 5 GBP       |
| CHF Hedged Acc            | CHF                  | Yes, Portfolio Hedge        | ETF Shares            | Accumulating                 | 0.25          | 5 CHF       |
| CHF Hedged Inc            | CHF                  | Yes, Portfolio Hedge        | ETF Shares            | Distributing                 | 0.25          | 5 CHF       |
| JPY Hedged Acc            | JPY                  | Yes, Portfolio Hedge        | ETF Shares            | Accumulating                 | 0.25          | 500 JPY     |
| JPY Hedged Inc            | JPY                  | Yes, Portfolio Hedge        | ETF Shares            | Distributing                 | 0.25          | 500 JPY     |
| Unlisted P EUR Acc        | EUR                  | No                          | Non-ETF Shares        | Accumulating                 | 0.20          | 5 EUR       |
| Unlisted P EUR Inc        | EUR                  | No                          | Non-ETF Shares        | Distributing                 | 0.20          | 5 EUR       |
| Unlisted P USD Acc        | USD                  | No                          | Non-ETF Shares        | Accumulating                 | 0.20          | 5 USD       |
| Unlisted P USD Inc        | USD                  | No                          | Non-ETF Shares        | Distributing                 | 0.20          | 5 USD       |
| Unlisted P GBP Acc        | GBP                  | No                          | Non-ETF Shares        | Accumulating                 | 0.20          | 5 GBP       |
| Unlisted P GBP Inc        | GBP                  | No                          | Non-ETF Shares        | Distributing                 | 0.20          | 5 GBP       |
| Unlisted P CHF Acc        | CHF                  | No                          | Non-ETF Shares        | Accumulating                 | 0.20          | 5 CHF       |
| Unlisted P CHF Inc        | CHF                  | No                          | Non-ETF Shares        | Distributing                 | 0.20          | 5 CHF       |
| Unlisted P JPY Acc        | JPY                  | No                          | Non-ETF Shares        | Accumulating                 | 0.20          | 500 JPY     |
| Unlisted P JPY Inc        | JPY                  | No                          | Non-ETF Shares        | Distributing                 | 0.20          | 500 JPY     |
| Unlisted P USD Hedged Acc | USD                  | Yes, Portfolio Hedge        | Non-ETF Shares        | Accumulating                 | 0.25          | 5 USD       |

|                           |     |                      |                |              |      |         |
|---------------------------|-----|----------------------|----------------|--------------|------|---------|
| Unlisted P USD Hedged Inc | USD | Yes, Portfolio Hedge | Non-ETF Shares | Distributing | 0.25 | 5 USD   |
| Unlisted P GBP Hedged Acc | GBP | Yes, Portfolio Hedge | Non-ETF Shares | Accumulating | 0.25 | 5 GBP   |
| Unlisted P GBP Hedged Inc | GBP | Yes, Portfolio Hedge | Non-ETF Shares | Distributing | 0.25 | 5 GBP   |
| Unlisted P CHF Hedged Acc | CHF | Yes, Portfolio Hedge | Non-ETF Shares | Accumulating | 0.25 | 5 CHF   |
| Unlisted P CHF Hedged Inc | CHF | Yes, Portfolio Hedge | Non-ETF Shares | Distributing | 0.25 | 5 CHF   |
| Unlisted P JPY Hedged Acc | JPY | Yes, Portfolio Hedge | Non-ETF Shares | Accumulating | 0.25 | 500 JPY |
| Unlisted P JPY Hedged Inc | JPY | Yes, Portfolio Hedge | Non-ETF Shares | Distributing | 0.25 | 500 JPY |

## **INVESTMENT OBJECTIVE AND POLICY**

### **Investment Objective**

The investment objective of the Sub-Fund is to achieve income and capital growth.

### **Investment Policy**

The Sub-Fund aims to achieve its investment objective on an active basis by investing in a portfolio primarily made up of Euro denominated investment grade corporate debt securities of issuers globally.

The Sub-Fund aims to provide exposure to the performance of Euro denominated investment grade corporate bonds that is enhanced (by comparison to the performance of the broad Euro denominated investment grade corporate bonds market, ie, the Benchmark) through the integration of the Investment Manager's research in the Investment Process, as further described below.

#### *Investment Process*

The Investment Manager uses a combination of quantitative, fundamental and sustainability research to select securities which are weighted with a view to maximising portfolio return relative to the Benchmark.

The Sub-Fund will hold a portfolio of securities which is systematically selected and managed with the aim of outperforming the Bloomberg Euro Aggregate Corporate Index (the "Benchmark"). While the Investment Manager expects to outperform the Benchmark (net of fees), there is no guarantee this will occur or such outperformance may be minimal or affected by fees. The Benchmark tracks the performance of investment grade, euro-denominated, fixed-rate corporate bond market. As a result of its aim of outperformance, the Sub-Fund may bear a resemblance to the Benchmark and the risk characteristics (e.g. level of volatility) of the Sub-Fund's portfolio may be broadly similar to that of the Benchmark but the Sub-Fund will be actively managed and will not attempt to replicate the Benchmark. Rather, the Investment Manager may overweight the securities which it considers have the highest potential to outperform the Benchmark and underweight or not invest at all in securities which the Investment Manager considers most overvalued. The Sub-Fund may also invest in securities which do not form part of the Benchmark.

#### *Multi-factor Approach*

The Investment Manager will use a multifactor approach by using financial data (e.g. information contained in published financial statements, credit spreads available from data vendors, and bond and equity prices available from pricing vendors) to allocate companies a "factor score" as defined by the Investment Manager's research analysts. The "factor score" is higher for companies with: 1) a positive sentiment factor measured using metrics such as equity volatility and credit spreads; 2) a strong fundamentals factor measured by the financial health of the company using metrics such as profitability, the ability to service debt and levels of leverage and 3) a strong valuation factor being the relative cheapness or expensiveness of the company relative to others. The Investment Manager uses this score to weight and select bonds, in addition to taking into account factors specific to the bond (as opposed to the issuer) which resulted in the score, as well as transaction costs and the size of bond and issuer weights, and sector, country, duration, issuer size and weights of the Benchmark with the aim of outperforming the Benchmark. As a result of these constraints, the extent to which the Sub-Fund will deviate from the Benchmark, in relation to both composition and performance, is limited. While the Sub-Fund does not track the Benchmark, the Investment Manager does not anticipate the tracking error to exceed 2%. Please note that this indicative tracking error is not binding on the Sub-Fund and the Sub-Fund may deviate from this.

In seeking to assess securities, the Sub-Fund will leverage the expertise of the Investment Manager's fundamental and quantitative research analysis from its proprietary research platform which has a broad bottom-up asset class coverage, alongside global aggregation and top-down forecasting by sector and region, and macro and quantitative research.

#### *Consideration of ESG characteristics*

The Investment Manager considers ESG characteristics when assessing investment risks and opportunities, such as environmental characteristics including carbon intensity, carbon emissions, energy efficiency, water and waste management and biodiversity, as well as social characteristics including product safety, supply chain, health and safety and human rights. In determining ESG characteristics, the Investment Manager takes into account ESG ratings provided by Fidelity or external agencies. The Sub-Fund aims to achieve an ESG score of its portfolio greater than that of its Benchmark, as described in the section of the Prospectus entitled "Sustainable Investing and ESG Integration" and in the Sustainability Annex. Through the investment management process, the Investment Manager also aims to ensure that investee companies follow good governance practices. Neither the ESG assessment nor the related screening described above may be determinative on investment decisions. The Investment Manager may determine that, although an issuer's securities do not meet the relevant criteria, the Sub-Fund may still purchase and retain such securities where it believes that this is in the best interests of the Sub-Fund on the basis of the other elements of the investment policy described above.

The Sub-Fund is subject to the disclosure requirements of article 8 of the SFDR (i.e. it promotes environmental and/or social characteristics) and falls under the ESG Tilt category of products (as described in the Prospectus).

As of the date of this Supplement, the Benchmark administrator has been included on the ESMA register of administrators and benchmarks.

#### *Asset Classes*

The Sub-Fund will primarily invest in a broad range of corporate debt instruments, including bonds, bonds with warrants, corporate hybrid securities (including convertible bonds (which provide additional protection for the Sub-Fund when compared to other types of subordinated debt as they may be converted into equity) and convertible preferred stock), subordinated bonds, asset-backed securities, debentures and notes (including freely transferable notes and freely transferable promissory notes). They will include fixed and floating rate securities and investment grade, high yield and unrated debt securities and may be of any maturity or no maturity, e.g. perpetuials, and will be issued by companies globally. The Sub-Fund will not invest in contingent convertible bonds.

Investment grade securities are highly rated securities, generally those that are assigned a rating of BBB-/Baa3 or higher from Standard & Poor's or equivalent rating from an internationally recognised rating agency (in case of divergent ratings, the worst of the best two credit ratings applies), while high yield securities are medium or lower rated securities, generally those not rated as investment grade. The Investment Manager will seek to maintain an average credit rating, across the portfolio, of at least investment grade; however, this is not guaranteed.

The Currency Hedged Share Classes will implement currency hedging in accordance with the "Currency Hedging at Share Class Level" section of the Prospectus.

The Sub-Fund may for efficient portfolio management purposes only, and in accordance with the conditions and limits imposed by the Central Bank, use forward foreign exchange contracts (including non-deliverable forwards), bond, interest rate and index futures and currency futures for currency hedging purposes. Forwards and futures and their use for this purpose are described under "Use of Financial Derivative Instruments" in the "Investment Objectives and Policies" section of the Prospectus. Accordingly, while the Sub-Fund may be leveraged as a result of its use of FDIs, the primary purpose

of the use of FDIs is to reduce risk and it is expected that such leverage, calculated using the using the commitment approach, will not exceed 100% of the Sub-Fund's Net Asset Value.

With the exception of permitted investments in transferable securities and money market instruments which are unlisted, all securities invested in by the Sub-Fund will be listed, dealt or traded on Recognised Markets globally.

The Sub-Fund may also invest in other regulated, open-ended collective investment schemes as described under "General Investment Techniques" in the "Investment Objectives and Policies" where the objectives of such funds are consistent with the objective of the Sub-Fund. The Sub-Fund's investments in other collective investment schemes will be limited to 10% of Net Asset Value.

The Sub-Fund may also, on an ancillary basis for cash management purposes, invest in money market instruments including bank deposits, fixed or floating rate instruments (including commercial paper), floating or variable rate notes, bankers acceptances, certificates of deposit, debentures and short-dated government or corporate bonds, cash and cash equivalents (including treasury bills) that are rated as investment grade or below or are unrated, subject to the limits and restrictions of the UCITS Regulations.

### **SFDR / EU Taxonomy Disclosures**

The SFDR and the EU Taxonomy require certain disclosures, as regards Sustainability Risks and other matters. The disclosures regarding Sustainability Risks are set out in the Prospectus (under the heading "*Sustainable Investing and ESG Integration*"), while the other disclosures are set out both in the section of the Prospectus entitled "*Sustainable Investing and ESG Integration*" and in the Sustainability Annex.

### **INVESTMENT RISKS**

Investment in the Sub-Fund carries with it a degree of risk including the risks described in the "Risk Information" section of the Prospectus and, in particular, the "Sustainable Investing Risk" risk disclosure and "Lower Rated/Unrated Securities" risk disclosure. These risks are not intended to be exhaustive and potential investors should review the Prospectus and this Supplement carefully and consult with their professional advisers before purchasing Shares.

The Sub-Fund is not expected to have an above average risk profile or high volatility as a result of its use of FDIs. For information in relation to risks associated with the use of financial derivative instruments, please refer to "*Derivatives Risk*" in the "*Risk Information*" section of the Prospectus.

### **INVESTOR PROFILE**

Typical investors in the Sub-Fund are expected to be retail and institutional investors who want Euro denominated investment grade fixed income exposures delivered through a benchmark aware investment strategy, using active management and bottom-up fundamental and quantitative research capabilities. A benchmark aware investment strategy is one which may bear a resemblance and have risk characteristics broadly similar to that of the Benchmark but is actively managed and does not attempt to replicate the Benchmark, as described in the Investment Policy section above.

### **INVESTMENT MANAGER**

The Manager has appointed FIL Investments International to act as Investment Manager of the Sub-Fund. The Investment Manager is incorporated in the United Kingdom, with its registered office at Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey, KT20 6RP, United Kingdom, and FIL Limited is its ultimate parent company. The Investment Manager is authorised and regulated in the United

Kingdom by the Financial Conduct Authority. The Investment Manager acts as investment manager or investment adviser to a range of collective investment schemes.

The Investment Management Agreement provides that the appointment of the Investment Manager will continue in force unless and until terminated by either party providing six months' prior written notice. The Investment Management Agreement may also be terminated forthwith without prior notice in certain circumstances, such as upon the insolvency of either party (or upon the happening of a like event) or upon an unremedied breach within 30 days of receipt of notice. The Manager may also terminate the appointment of the Investment Manager with immediate effect in certain circumstances, including where to do so is in the best interests of the Sub-Fund. The Investment Management Agreement contains provisions regarding the Investment Manager's legal responsibilities. The Investment Manager is not liable for losses, liabilities, damages or expenses caused to the Sub-Fund unless resulting from its negligence, wilful default, bad faith or fraud.

The Investment Manager has the discretion to delegate all the powers, duties and discretions exercisable in respect of its obligations under the Investment Management Agreement as the Investment Manager and any delegate may from time to time agree. Any such appointment will be in accordance with the requirements of the Central Bank.

## **PRIMARY MARKET – SUBSCRIPTIONS AND REDEMPTIONS**

Shares in unlaunched Classes will be available during the Initial Offer Period (or such earlier or later date as the Directors may determine) at the fixed price detailed in the table in the "Classes" section above.

Shares in a given Share Class, following the closure of the Initial Offer Period of that Share Class, may be subscribed for and redeemed on each Dealing Day by making an application before the Dealing Deadline. Such Shares will be issued or redeemed at the Net Asset Value per Share plus an amount in respect of Duties and Charges and/or a subscription/redemption fee, where applicable.

Subscription and redemption orders in respect of the ETF Shares in the Sub-Fund will be processed in accordance with the "*Purchase and Sale Information – ETF Sub-Funds*" section of the Prospectus. Subscription and redemption orders in respect of the Non-ETF Shares in the Sub-Fund will be processed in accordance with the "*Purchase and Sale Information – Non-ETF Sub-Funds*" section of the Prospectus.

## **SECONDARY MARKET – SUBSCRIPTIONS AND REDEMPTIONS**

Investors may buy and sell ETF Shares in the Sub-Fund on a Secondary Market in accordance with the "*Purchase and Sale Information – Procedures for Dealing on the Secondary Market*" section of the Prospectus.

## **CONVERSIONS**

Notwithstanding the terms of the Prospectus, Shareholders are not entitled to convert their Shares in the Sub-Fund into Shares in another sub-fund of the Fund or to convert their ETF Shares in the Sub-Fund into Non-ETF Shares in the Sub-Fund or vice versa. Shareholders are permitted to convert their ETF Shares in one Share Class of the Sub-Fund to ETF Shares of another Share Class of the Sub-Fund.

## **DIVIDEND DISTRIBUTIONS**

In respect of Distributing Classes, and subject to Net Income being available for distribution, it is the current intention of the Directors, subject to any de minimis threshold, to declare dividends out of Net Income attributable to each of the Distributing Classes. Under normal circumstances, the Directors intend that dividends shall be declared on a quarterly basis in or around February, May, August and

November of each year and paid on the last Thursday of that relevant month, or any such other Business Day that the Directors deem appropriate. However, Shareholders should note that the Directors may, in their discretion, decide not to make such payment in respect of a Distributing Class.

## **LISTING**

Application has been made for the ETF Shares to be admitted to trading on one or more stock exchanges of Recognised Markets in Europe. The ETF Shares are expected to be admitted to listing on or about the closure of the Initial Offer Period for the relevant Share Class.

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:**

Fidelity UCITS II ICAV - Fidelity EUR Corp Bond Research Enhanced UCITS ETF

**Legal entity identifier:**

2549008NEN2H38J9DX64

**Environmental and/or social characteristics**

| <b>Does this financial product have a sustainable investment objective?</b>   |  |
|---|--|
| <input checked="" type="radio"/> <input type="checkbox"/> <b>Yes</b>  | <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b>  |
| <input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective:</b> ___% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective:</b> ___% | It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li>with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li>with a social objective</li> </ul> <input checked="" type="checkbox"/> It promotes E/S characteristics, <b>but will not make any sustainable investments</b> |



**What environmental and/or social characteristics are promoted by this financial product?**

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

The Sub-Fund promotes environmental and social characteristics by aiming to achieve an ESG score of its portfolio greater than the ESG score of its benchmark. ESG scores are determined by reference to ESG ratings. Whilst the Sub-Fund aims to achieve an ESG score of its portfolio greater than the ESG score of its benchmark, this outperformance may be marginal.

The Sub-Fund promotes environmental and social characteristics by considering the ESG ratings of issuers and applying the Exclusions (as defined below). The environmental characteristics promoted by the Sub-Fund include the effective management of carbon intensity, carbon emissions, energy efficiency, water and waste management and biodiversity. The social characteristics promoted by the Sub-Fund include product safety, effective supply chain management, health and safety standards and human rights.

ESG scores of individual securities are established by assigning set numerical values to Fidelity ESG ratings and ESG ratings provided by external agencies. These numerical values are aggregated to determine the average ESG score of the portfolio and that of the benchmark.

The weighted average ESG score of the Sub-Fund's portfolio is measured against the ESG score of the benchmark using either a weighted average or equal weighted method of calculation. Further details on the calculation methodology are set out at [Sustainable investing framework \(fidelityinternational.com\)](https://www.fidelityinternational.com) and may be updated from time to time. The Investment Manager undertakes monitoring of the Sub-Fund's ESG score on a periodic basis and the Sub-Fund aims to achieve its ESG score targets by adjusting its portfolio on an ongoing basis. In seeking to exceed the ESG score of the benchmark, the Investment Manager aims to invest in securities of issuers

with higher ESG characteristics.

By systematically favouring investments with stronger performance across the identified environmental and social indicators, the Sub-Fund's strategy of targeting a portfolio ESG score above that of its benchmark aims to promote these characteristics in a measurable manner.

No ESG reference benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted.

### **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The Sub-Fund uses the following sustainability indicators in order to measure the attainment of the environmental or social characteristics that it promotes:

- (i) in order to assess whether the Sub-Fund had met its aim of having an ESG score of its portfolio greater than the ESG score of its benchmark, the following indicator is used: whether the ESG score of the Sub-Fund's portfolio is better than the ESG score of its benchmark; and
- (ii) in order to assess whether, in respect of its direct investments the Sub-Fund has applied the Exclusions (as defined below) and has prohibited investment in certain issuers as described in more detail below, the following indicator is used: the percentage of the portfolio (which is expected to be zero) invested in such securities.

### **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

This question is not applicable as the Sub-Fund does not intend to make sustainable investments.

### **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

This question is not applicable as the Sub-Fund does not intend to make sustainable investments.

### **How have the indicators for adverse impacts on sustainability factors been taken into account?**

This question is not applicable.

### **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

This question is not applicable.

#### **Principal adverse impacts**

are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



### **Does this financial product consider principal adverse impacts on**

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

### **sustainability factors?**

Yes

No

Consideration of the principal adverse impacts on sustainability factors of investment decisions (referred to as principal adverse impacts) is incorporated through a variety of tools, including:

- (i) *ESG rating* - Fidelity references ESG ratings which incorporate consideration of material principal adverse impacts such as carbon emissions, employee safety and bribery and corruption, water management and, for sovereign issued securities, ratings used incorporate consideration of material principal adverse impacts such as carbon emissions, social violations and freedom of

expression.

(ii) *Exclusions* - When investing directly, the Sub-Fund applies the Exclusions (as defined below) to help mitigate the principal adverse impacts through excluding harmful sectors and prohibiting investment in issuers that breach international standards, such as the UNGC. Such exclusions include PAI indicator 4: Exposure to Companies active in the fossil fuel sector, PAI indicator 10: Violations of UN Global Compact principles & OECD Guidelines for Multinational Enterprises and PAI indicator 14: Exposure to controversial weapons.

(iii) *Engagement* - Fidelity uses engagement as a tool to better understand principal adverse impacts and, in some circumstances, advocate for mitigating the principal adverse impacts. Fidelity participates in relevant individual and collaborative engagements that target a number of principal adverse impacts (i.e. Climate Action 100+, Investors Against Slavery and Trafficking APAC).

(iv) *Quarterly reviews* - review of principal adverse impacts on a quarterly basis.

Fidelity takes into account specific indicators for each sustainability factor when considering whether investments have a principal adverse impact. These indicators are subject to data availability and may evolve with improving data quality and availability.

Information on principal adverse impacts will be available in the annual report of the Sub-Fund.



## What investment strategy does this financial product follow?

The Sub-Fund will hold a portfolio of securities which is systematically selected and managed with the aim of outperforming its benchmark.

The Sub-Fund will primarily invest in a broad range of corporate debt instruments, including bonds, bonds with warrants, corporate hybrid securities (including convertible bonds and convertible preferred stock), subordinated bonds, asset-backed securities, debentures and notes (including freely transferable notes and freely transferable promissory notes).

The Sub-Fund aims to achieve an ESG score of its portfolio greater than that of its benchmark by investing in securities of issuers with, on average, better ESG characteristics than those in the benchmark.

In respect of its direct investments, the Sub-Fund is subject to the Exclusions (as defined below).

### ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The Sub-Fund aims to achieve an ESG score of its portfolio greater than that of its benchmark (as described above, under “What environmental and/or social characteristics are promoted by this financial product?”).

In addition, the Sub-Fund will systematically apply the exclusions described below (the “Exclusions”), and the percentage of the portfolio invested in securities which are caught by the Exclusions is expected to be zero.

- (a) Activity-based exclusions according to the Fidelity Exclusion Framework:
1. Issuers which have involvement in production of controversial weapons, their intended use components and their exclusive delivery platforms as guided by international treaties
  2. Issuers which have involvement in production of nuclear weapons, their intended use components and their exclusive delivery platforms, or in nuclear weapons support services<sup>1</sup>
  3. Issuers which derive  $\geq 5\%$  of their revenues from nuclear weapons related activities and are in countries which are non-signatories of The Treaty on the Non-Proliferation of Nuclear Weapons
  4. Issuers which have involvement in production of tobacco-related products

<sup>1</sup> Includes depleted uranium

5. Issuers that derive  $\geq 5\%$  of their revenues from thermal coal extraction/mining or derive  $\geq 20\%$  of their revenues from thermal coal power generation subject to transition criteria<sup>2</sup>

(b) Norms-based exclusions:

Norms-based exclusions apply to issuers which, according to Fidelity's assessment, fail to behave in line with international norms. These international norms include fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption as set out by the Ten Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, the UN Guiding Principles on Business and Human Rights, and International Labour Organization (ILO) Conventions.

(c) Sovereign Exclusions:

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. Sovereign issuers on the Financial Action Task Force (FATF) Black List are excluded, along with those issuers that are identified as failing to meet the three principles based on a proprietary assessment and a review of internationally recognised country indicators such as The World Bank's Worldwide Governance Indicators and the countries listed under the UN Security Council Sanctions.

The Exclusions may be updated from time to time. Please refer to the website for further information: [Sustainable investing framework \(fidelityinternational.com\)](https://www.fidelityinternational.com). Further details can also be found in the sub-section titled "Exclusions" in the "Fidelity International and Sustainable Investing" section of the Prospectus.

The Investment Manager also has discretion to implement enhanced, stricter sustainable requirements and exclusions from time to time.

### ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

This question is not applicable.

### ***What is the policy to assess good governance practices of the investee companies?***

The governance practices of issuers are assessed using fundamental research, including ESG ratings, data regarding controversies and UN Global Compact violations (whereby issuers which the Investment Manager assesses as violating UN Global Compact are excluded).

Key points that are analysed, prior to investing in an issuer and on an ongoing basis, include track record of capital allocation, financial transparency, related party transactions, board independence and size, executive pay, auditors and internal oversight, minority shareholder rights, among other indicators. For sovereign issuers, factors such as corruption and freedom of expression are included.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



## **What is the asset allocation planned for this financial product?**

**Asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

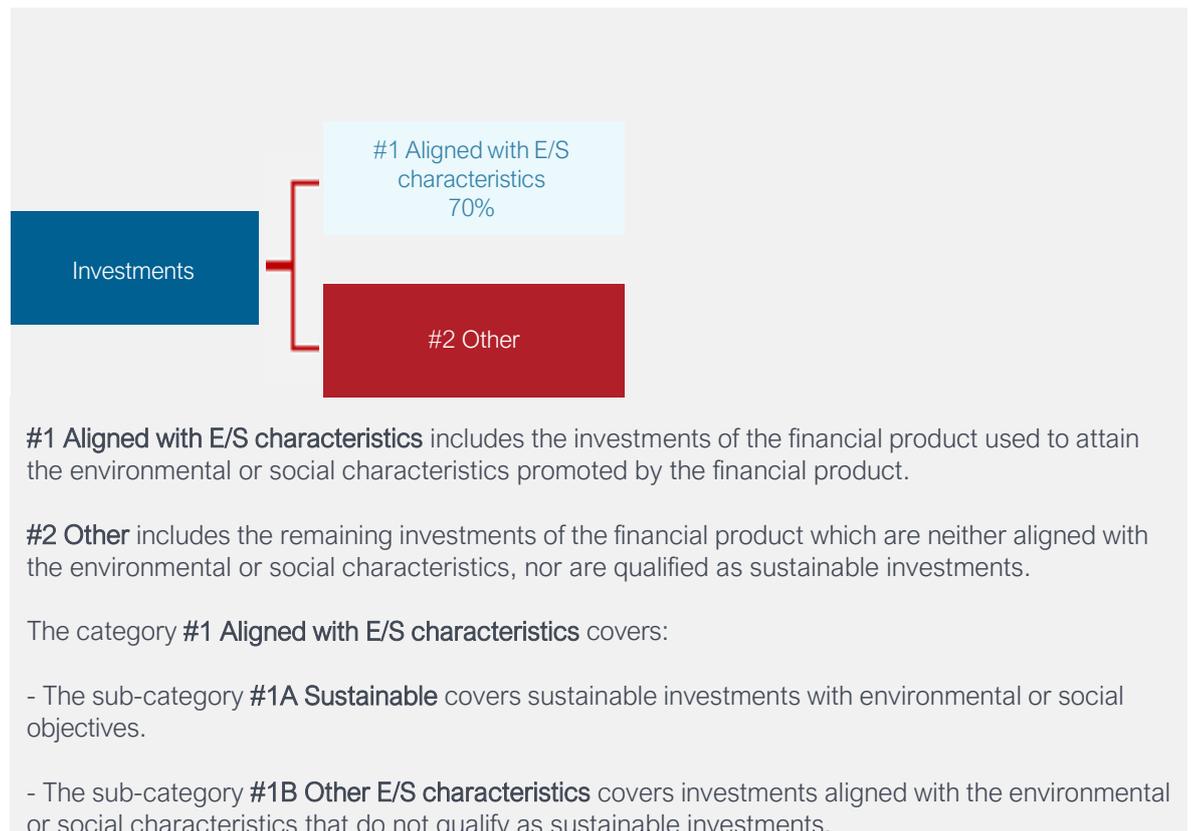
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a

**(#1 Aligned with E/S characteristics)** The Sub-Fund will invest a minimum of 70% of its assets in securities with an ESG rating which will contribute to the ESG Score of the portfolio.

**(#1B Other E/S characteristics)** Includes securities of issuers which are used to attain the

ESG Tilt transition list and remain eligible for investment by the Sub-Fund provided they (1) are not planning to develop new coal assets, and trend in thermal coal output, and for thermal coal power, demonstrate a plan to transition towards low carbon power generation.

environmental or social characteristics promoted by the Sub-Fund but are not sustainable investments.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#### ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Where the security underlying a derivative has an ESG rating, the exposure of the derivative may be included in determining the proportion of the Sub-Fund dedicated to promotion of environmental or social characteristics.



#### **To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The Sub-Fund invests a minimum of 0% in sustainable investments with an environmental objective aligned with the EU Taxonomy.

The compliance of the investments of the Sub-Fund with the EU Taxonomy will not be subject to an assurance by auditors or a review by third parties.

The EU Taxonomy alignment of the underlying investments of the Sub-Fund is measured by turnover.

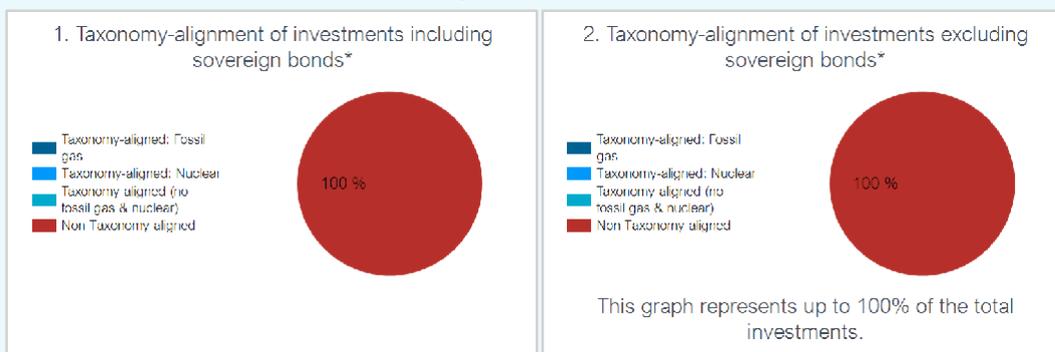
#### ***Does the financial product invest in fossil gas and/or nuclear energy-related activities that comply with the EU Taxonomy<sup>1</sup>?***

- Yes
- In fossil gas       In nuclear energy
- No

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules. **Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emissions

The two graphs below show in dark blue the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

### What is the minimum share of investments in transitional and enabling activities?

The Sub-Fund invests a minimum of 0% in transitional activities and a minimum of 0% in enabling activities.



are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.



### What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

This question is not applicable as the Sub-Fund does not intend to make sustainable investments.

### What is the minimum share of socially sustainable investments?



This question is not applicable as the Sub-Fund does not intend to make sustainable investments.

### What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The remaining investments of the Sub-Fund will be invested in assets aligned with the financial objective of the Sub-Fund, cash and cash equivalents for liquidity purposes and derivatives which may be used for investment and efficient portfolio management.

As a minimum environmental and social safeguard, the Sub-Fund will adhere to the

<sup>1</sup>Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Exclusions.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

No ESG reference benchmark has been designated to determine whether this financial product is aligned with the environmental or social characteristics that it promotes.

***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

This question is not applicable.

***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

This question is not applicable.

***How does the designated index differ from a relevant broad market index?***

This question is not applicable.

***Where can the methodology used for the calculation of the designated index be found?***

This question is not applicable.



**Where can I find more product specific information online?**

More product-specific information can be found on the website:

<https://www.fidelity.lu/funds/factsheet/IE000JEXZJT1/tab-disclosure#SFDR-disclosure>.

Further information on the methodologies set out herein is available on the website: [Sustainable investing framework \(fidelityinternational.com\)](https://www.fidelityinternational.com).

