

# **Fidelity UCITS ICAV**

## **Fidelity Global Quality Income UCITS ETF**

**26 July 2023**

**(A sub-fund of Fidelity UCITS ICAV, an Irish collective asset-management vehicle constituted as an umbrella fund with segregated liability between sub-funds with registered number C158668 authorised by the Central Bank of Ireland pursuant to the UCITS Regulations).**

**This supplement (the “Supplement”) forms part of the Prospectus dated 1 December 2022 (the “Prospectus”) in relation to Fidelity UCITS 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 Global Quality Income UCITS ETF (the “Sub-Fund”) which is a separate sub-fund of the Fund, represented by the Fidelity Global Quality Income UCITS ETF series of shares in the Fund (the “Shares”).**

**The Sub-Fund is an Index Tracking 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.**

**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>	USD
<b>Basis of Distribution</b>	Gross income
<b>Dealing NAV</b>	The Net Asset Value per Share calculated as at the Valuation Point for the relevant Dealing Day.
<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. However, 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>Index</b>	Fidelity Global Quality Income Index
<b>Index Provider</b>	FMR Co., Inc.
<b>Investment Manager</b>	Geode Capital Management LLC, One Post Office Square, 28th Floor, Boston, MA 02109, United States of America
<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>Further information in this respect is set out in the “Fees and Expenses” section of the Prospectus, and below.</p>
<b>Tracking Error</b>	<p>10 bps under normal market conditions</p> <p>Where the tracking error is defined as the standard deviation of the delivered excess returns over an annual period.</p> <p>The anticipated tracking error referenced above is for the unhedged Share Classes against the corresponding Sub-Fund’s Index.</p>
<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 official closing 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>	<p>Any day with the exception of:</p> <ul style="list-style-type: none"> <li>- Saturdays, Sundays, New Year’s Day, Christmas Day and Good Friday; and</li> <li>- Any day where the Index is not published,</li> </ul> <p>and/or such other day or days as the Directors may determine and notify in advance to Shareholders.</p> <p>For any given Dealing Day, the same day shall be the relevant Valuation Day.</p>
<b>Valuation Point</b>	11pm (Irish time) on each Valuation Day
<b>Website</b>	<p>www.fidelityinternational.com, on which the Net Asset Value per Share, the portfolio holdings and any other relevant information relating to any Sub-Fund will be published and on which this Prospectus and any other information in respect of the Fund, including various Shareholder and investor communications, may be published. Should this website become unavailable for any reason, an alternative website will be notified to Shareholders on which the Net Asset Value per Share, the portfolio holdings and any other relevant information relating to any Sub-Fund will be published and on which this Prospectus and any other information in respect of the Fund, including various Shareholder and investor communications, may be published.</p>

### 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.

Class Name	Share Class Currency	Currency Hedged Share Class	ETF or Non-ETF Shares	Dividend Distribution Policy	Maximum TER %	Dealing Deadline (Irish Time)	Offer Period	Offer Price
Inc	USD	No	ETF Shares	Distributing	0.40	5pm <sup>+</sup>	N/A*	N/A*
Acc	USD	No	ETF Shares	Accumulating	0.40	5pm <sup>+</sup>	27 July 2023 to 26 January 2024	5 USD
EUR Hedged Inc	EUR	Yes, Portfolio Hedge	ETF Shares	Distributing	0.45	5pm <sup>+</sup>	N/A*	N/A*
GBP Hedged Inc	GBP	Yes, Portfolio Hedge	ETF Shares	Distributing	0.45	5pm <sup>+</sup>	N/A*	N/A*
USD Hedged Inc	USD	Yes, Portfolio Hedge	ETF Shares	Distributing	0.45	5pm <sup>+</sup>	27 July 2023 to 26 January 2024	5 USD
USD Hedged Acc	USD	Yes, Portfolio Hedge	ETF Shares	Distributing	0.45	5pm <sup>+</sup>	27 July 2023 to 26 January 2024	5 USD
CHF Hedged Inc	CHF	Yes, Portfolio Hedge	ETF Shares	Distributing	0.45	5pm <sup>+</sup>	N/A*	5 CHF
CHF Hedged Acc	CHF	Yes, Portfolio Hedge	ETF Shares	Distributing	0.45	5pm <sup>+</sup>	27 July 2023 to 26 January 2024	5 CHF
Unlisted P USD Inc	USD	No	Non-ETF Shares	Distributing	0.40	5pm <sup>+</sup>	27 July 2023 to 26 January 2024	5 USD
Unlisted P USD Acc	USD	No	Non-ETF Shares	Accumulating	0.40	5pm <sup>+</sup>	27 July 2023 to 26 January 2024	5 USD
Unlisted P EUR Inc	EUR	No	Non-ETF Shares	Distributing	0.45	5pm <sup>+</sup>	27 July 2023 to 26 January 2024	5 EUR

Unlisted P EUR Acc	EUR	No	Non-ETF Shares	Accumulating	0.45	5pm+	27 July 2023 to 26 January 2024	5 EUR
Unlisted P GBP Inc	GBP	No	Non-ETF Shares	Distributing	0.45	5pm+	27 July 2023 to 26 January 2024	5 GBP
Unlisted P GBP Acc	GBP	No	Non-ETF Shares	Accumulating	0.45	5pm+	27 July 2023 to 26 January 2024	5 GBP
Unlisted P USD Hedged Inc	USD	Yes, Portfolio Hedge	Non-ETF Shares	Distributing	0.45	5pm+	27 July 2023 to 26 January 2024	5 USD
Unlisted P USD Hedged Acc	USD	Yes, Portfolio Hedge	Non-ETF Shares	Accumulating	0.45	5pm+	27 July 2023 to 26 January 2024	5 USD
Unlisted P CHF Hedged Inc	CHF	Yes, Portfolio Hedge	Non-ETF Shares	Distributing	0.45	5pm+	27 July 2023 to 26 January 2024	5 CHF
Unlisted P CHF Hedged Acc	CHF	Yes, Portfolio Hedge	Non-ETF Shares	Accumulating	0.45	5pm+	27 July 2023 to 26 January 2024	5 CHF
Unlisted P GBP Inc	GBP	No	Non-ETF Shares	Distributing	0.30	5pm+	27 July 2023 to 26 January 2024	10 GPB
Unlisted P GBP Inc	GBP	No	Non-ETF Shares	Accumulating	0.30	5pm+	27 July 2023 to 26 January 2024	10 GPB
Unlisted P EUR Inc	EUR	No	Non-ETF Shares	Distributing	0.30	5pm+	27 July 2023 to 26 January 2024	10 EUR
Unlisted P EUR Inc	EUR	No	Non-ETF Shares	Accumulating	0.30	5pm+	27 July 2023 to 26 January 2024	10 EUR
Unlisted P CHF Inc	CHF	No	Non-ETF Shares	Distributing	0.30	5pm+	27 July 2023 to 26 January 2024	10 CHF
Unlisted P CHF Inc	CHF	No	Non-ETF Shares	Accumulating	0.30	5pm+	27 July 2023 to 26 January 2024	10 CHF

+ For subscriptions and redemption orders, on the Business Day prior to the relevant Dealing Day

\*The initial offer period for this Share Class has closed and Shares in this Share Class will be issued at their Net Asset Value per Share on each Dealing Day

## INVESTMENT OBJECTIVE AND POLICY

**Investment Objective.** The investment objective of the Sub-Fund is to provide investors with a total return, taking into account both capital and income returns, which reflects, before fees and expenses, the return of the Index (or such other index determined by the Directors from time to time as being able to track substantially the same market as the Index).

The Index is designed to reflect the performance of stocks of large and mid-capitalization dividend paying companies from developed countries that exhibit quality fundamental characteristics. The Index comprises the equity securities of the relevant companies. The Index constituents are screened according to fundamental measures such as free cash flow margin, return on invested capital and free cash flow stability with the objective of identifying financially robust companies. A wide range of environmental and social characteristics are also assessed during the Index construction process, as described in the Sustainability Annex. In particular, a minimum of 50% of the Index is comprised of securities of issuers with desirable ESG characteristics, as determined by reference to Sustainalytics ESG risk ratings. Sustainalytics' ESG Risk Ratings measure a company's exposure to industry-specific material ESG risks and how well a company is managing those risks. The ratings framework is supported by key material ESG issues. The Index applies certain ESG screens and exclusions comprising norms-based screens and negative screens of certain sectors, companies or practices. Accordingly, the Sub-Fund is subject to the disclosure requirements of article 8 of the SFDR (i.e. it promotes environmental and/or social characteristics), as described in the section of the Prospectus entitled "*Sustainable Investing and ESG Integration*". The Index is rebalanced annually. For more information on the Index, please refer to the publicly available index methodology at [www.spdji.com](http://www.spdji.com).

As at May 2020, the Index included eligible constituents from the following countries: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, South Korea, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, United Kingdom and United States. The list of countries may be subject to change over time.

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

**Investment Policy.** The investment policy of the Sub-Fund is to track the performance of the Index (or such other index determined by the Directors from time to time as being able to track substantially the same market as the Index and which is considered by the Directors to be an appropriate index for the Sub-Fund to track, in accordance with the Prospectus) as closely as possible, regardless of whether the Index level rises or falls, while seeking to minimise as far as possible the tracking error between the Sub-Fund's performance and that of the Index. Any determination by the Directors that the Sub-Fund should track another index at any time shall be subject to the provision of reasonable notice to Shareholders to enable any Shareholders who wish to do so to redeem their Shares prior to implementation of this change and the Supplement will be updated accordingly.

In order to seek to achieve this investment objective, the Investment Manager will aim to replicate the Index by holding all of the Index Securities in a similar proportion to their weighting in the Index. However, where full replication of the Index is not reasonably practical (for example, as a result of the number of securities or the illiquidity of certain securities within the Index), the Sub-Fund will use optimisation to select Index Securities in order to build a representative portfolio that provides a return that is comparable to that of the Index. Consequently, the Sub-Fund may over certain periods only hold a certain sub-set of the Index Securities. Further information on the use of sampling methodology can be found under "*Index Tracking Sub-Funds*" in the "*Investment Objectives and Policies*" section of the Prospectus. The Sub-Fund may hold some securities which are not constituents of the Index, where such securities provide similar exposure (with similar risk profiles) to certain securities that make up the Index. These securities, which are not constituents of the Index, are selected by virtue of the fact that they provide substantively the same exposure by industry and by company characteristics in the case of liquidity considerations or corporate actions to certain Index Securities.

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 equity index futures, forward foreign exchange contracts (including non-deliverable forwards) and currency futures. 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.

The securities in which the Sub-Fund invests will be primarily listed or traded on Recognised Markets globally in accordance with the limits set out in the UCITS Regulations. The Sub-Fund may hold ancillary liquid assets (deposits, commercial paper and short term commercial paper) subject to the limits and restrictions of the UCITS Regulations.

The Sub-Fund may enter into securities lending transactions as described in the “*Investment Restrictions*” section below and subject to the “*Securities Lending*” sub-section of the section of the Prospectus entitled “*Investment Objectives and Policies*” and to the conditions and limits set out in the Central Bank UCITS Regulations.

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. For further information in relation to the difficulties associated with tracking indices, please refer to “*Index Tracking Risk*” in the “*Risk Information*” section of the Prospectus.

## Investment Restrictions

The following investment restrictions will apply, in addition to those set out in the Prospectus:

- The Sub-Fund’s investments in other collective investment schemes will be limited to 10% of Net Asset Value.
- The Sub-Fund’s exposure to securities lending transactions is as set out below (as a percentage of Net Asset Value):

	Expected	Maximum
Securities Lending	15%	30%

### *Minimum Investment in Equity Participations according to the German Investment Tax Act*

The Sub-Fund qualifies for “equity fund” status according to section 2 sub-section 6 of the version of the German Investment Tax Act, effective from 1 January 2018 (“**GITA 2018**”), because, according to its investment policy laid down above, more than 50% of its assets is invested in “equity participations” (as defined in section 2 sub-section 8 of GITA 2018) on an ongoing basis.

The Fund will monitor the scope of “equity participations” held in the portfolio of the Sub-Fund on an ongoing basis. Changes in the composition of the portfolio, to the extent they trigger a breach (other than a short-term passive breach) of the above-stated German minimum ratio, will be considered accordingly and will trigger such disclosure and notification consequences as are required by German law.

## 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 those set out below. 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 to take a long or short-term exposure to the market covered by the Index (ie, large and mid-capitalization dividend paying companies from developed countries) and are prepared to accept the risks associated with an investment of this type, including the volatility of such market.

## **INVESTMENT MANAGER**

The Manager has appointed Geode Capital Management, LLC to act as Investment Manager of the Sub-Fund. The Investment Manager is registered for the provision of asset management services with the US Securities Exchange Commission in the United States of America. 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 gross 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 Shares*” 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 Shares*” 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, it is the current intention of the Directors, subject to any de minimis threshold, to declare dividends out of gross income attributable to each of the Distributing Classes. Distributions out of gross income are made up of Net Income and/or capital. 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 Friday 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 the Official List and to trading on the Regulated Market of Euronext Dublin and to be admitted to trading on each of the Listing Stock Exchanges. The ETF Shares are expected to be admitted to listing on Euronext Dublin on or about the closure of the Initial Offer Period for the relevant Share Class.

## **INDEX DISCLAIMERS**

The Sub-Fund is not sponsored, endorsed, sold or promoted by FMRC. FMRC makes no representation or warranty, express or implied, to the owners of the Sub-Fund or any member of the public regarding the advisability of investing in securities generally or in the Sub-Fund particularly or the ability of the Fidelity Global Quality Income Index to perform as intended. Other than as indicated below, FMRC's only relationship to FIL Ltd or the Sub-Fund is the licensing of the Fidelity Global Quality Income Index which was developed by FMRC and is calculated by FMRC or its agents without regard to FIL Ltd, or the Sub-Fund. Neither FMRC, nor its agents has any obligation to take the needs of FIL Ltd, the Sub-Fund or the Shareholders of the Sub-Fund into consideration in determining, composing or calculating the Fidelity Global Quality Income Index. FMRC is not responsible for nor has it participated in the determination of the offering prices and the amount of the Shares of the Sub-Fund or the timing of the issuance or sale of shares of the Sub-Fund or in the determination or calculation of the redemption price per Share of the Sub-Fund. FMRC has no obligation or liability in connection with the administration, marketing or trading of the Sub-Fund.

FMRC does not guarantee the accuracy and/or the completeness of the Fidelity Global Quality Income Index or any data included therein or relating thereto, all of which is provided “as is,” or that the Sub-Fund or the Fidelity Global Quality Income Index is suitable for any investor, and FMRC hereby expressly disclaims any and all liability for any errors, omissions, or interruptions therein or in the calculation thereof. FMRC makes no warranty, express or implied, as to the results to be obtained by the Sub-Fund, the Shareholders, or any other person or entity from use of the Fidelity Global Quality Income Index or any data included therein. FMRC makes no express or implied warranties, and expressly disclaims all warranties of non-infringement, merchantability or fitness for a particular purpose or use with respect to

the Fidelity Global Quality Income Index or any data included therein. Without limiting any of the foregoing, FMRC hereby expressly disclaims any and all liability for any special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.

“FMRC” refers to FMR Co., Inc., a Massachusetts corporation, having an office at 245 Summer Street, Boston, MA 02110.

**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 ICAV - Fidelity Global Quality Income UCITS ETF

**Legal entity identifier:**

635400WZZCFHXJCBJ802

**Environmental and/or social characteristics**

**Does this financial product have a sustainable investment objective?**

☒ ☐ ☐ **Yes**

☐ It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_\_%

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective:** \_\_\_\_%

☒ ☐ ☒ **No**

☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☐ It promotes E/S characteristics, **but will not make any sustainable investments**



**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 seeks to track the performance of Fidelity Global Quality Income Index (the "Index") which integrates desirable ESG characteristics on an ongoing basis as part of the Index methodology and construction process. Desirable ESG characteristics are determined by reference to Sustainalytics ESG ratings. Sustainalytics' ESG Risk Ratings measure a company's exposure to industry-specific material ESG risks and how well a company is managing those risks. The ratings framework is supported by key material ESG issues.

Environmental characteristics include carbon intensity, carbon emissions, energy efficiency, water and waste management, biodiversity, while social characteristics include product safety, supply chain, health and safety and human rights.

The Index comprises equity securities of large and mid-capitalization dividend paying companies from developed countries that exhibit quality fundamental characteristics. The Sub-Fund partially intends to make sustainable investments.

The Index has been designated as a reference benchmark to determine whether this financial product is aligned with the environmental or social characteristics that it promotes

***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) the percentage of the Sub-Fund invested in securities of issuers with desirable ESG characteristics;
- ii) the percentage of the Sub-Fund invested in securities of issuers with exposure to the Exclusions (defined below); and
- iii) the percentage of the Sub-Fund invested in sustainable investments.

***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?***

A sustainable investment is determined as follows:

- (a) issuers that undertake economic activities that contribute to one or more of the environmental objectives set out in the EU Taxonomy and qualify as environmentally sustainable in accordance with EU Taxonomy; or
  - (b) issuers whereby the majority of their economic activities (more than 50%) contribute to environmental or social objectives aligned with one or more of the United Nations Sustainable Development Goals ("SDGs");
- provided they do no significant harm, meet minimum safeguards and good governance criteria.

***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?***

Sustainable investments are screened for involvement in activities that cause significant harm and controversies, assessed through a check that the issuer meets minimum safeguards and standards that relate to principal adverse impacts (PAIs) as well as performance on PAI metrics. This includes:

Norms-based screens - the screening out of securities identified under norms-based screens (as set out below);

Activity-based screens - the screening out of issuers based on their participation in activities with significant negative impacts on society or the environment, including issuers that are considered to have a 'Severe' controversy (having a Sustainalytics score of 5) using controversy screens, including i) operational issues, ii) society and communities, iii) employee rights and supply chain, iv) customers, v) governance; and PAI indicators - quantitative data (where available) on PAI indicators is used to evaluate whether an issuer is involved in activities that cause significant harm to any environmental or social objective.

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

For sustainable investments, as set out above, the Index applies a quantitative evaluation to identify issuers with challenging performance on PAI indicators. Issuers with a low score will be ineligible to be sustainable investments.

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

Norms-based screens are applied: Issuers identified as failing to behave in a way which meets their fundamental responsibilities in the areas of human rights, labour, environmental and anti-corruption as aligned with international norms including those set out by the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, UN Global Compact (UNGC), are not considered sustainable investments.

**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.

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.



### **Does this financial product consider principal adverse impacts on sustainability factors?**

☒ Yes

☐ No

Consideration of the principal adverse impacts on sustainability factors (referred to as principal adverse impacts) are considered by the Index methodology through a variety of tools, including:

(i) ESG rating - The Index references Sustainalytics ESG ratings which incorporate consideration of material principal adverse impacts such as carbon emissions, employee safety and bribery and corruption, water management.

(ii) Exclusions - the Index 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.

(iii) Engagement - the Investment Manager uses engagement as a tool to better understand principal adverse impacts and, in some circumstances, advocate for mitigating the principal adverse impacts. This includes the adoption of proxy voting guidelines designed to promote long-term shareholder value by supporting good corporate governance practices and engagement with investee companies, either directly or by means of collective engagement initiatives via third party providers that act as agent for a pool of investors in certain companies.

The Index methodology includes consideration of company performance on principal adverse impact indicators. Companies are scored on principal adverse impact indicators and this score is a criteria to determine eligibility as sustainable investments. By determining eligibility as sustainable investments, company performance on principle adverse impact indicators can influence portfolio weights when the portfolio is scaled to achieve a minimum exposure to sustainable investments. The specific indicators utilised include metrics to determine carbon footprint, greenhouse gas intensity of investee companies, exposure to companies active in the fossil fuel sector, share of non-renewable energy consumption, activities negatively affecting biodiversity, emissions to water, hazardous waste ratio, violations of UNGC principles and OECD Guidelines for Multinational Enterprises, lack of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines, unadjusted gender pay gap, board gender diversity and exposure to controversial weapons.

These indicators are subject to data availability and may evolve with improving data quality and availability.

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



## What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investments objectives and risk tolerance.

The Sub-Fund seeks to track the performance of the Index which integrates desirable ESG characteristics on an ongoing basis as part of the Index construction process.

A minimum of 50% of the Sub-Fund's assets will be invested in securities with desirable ESG characteristics.

Desirable ESG characteristics are determined by reference to ESG ratings provided by Sustainalytics.

The Index comprises equity securities of large and mid-capitalization dividend paying companies from developed countries that exhibit quality fundamental characteristics.

The Index applies ESG screens and revenue thresholds (including norms-based screening and exclusions based screening):

1. exclusions based screens, which include weapons, certain fossil fuels and tobacco, and
2. a norms-based screening of issuers which are considered to have failed to conduct their business in accordance with international norms, including as set out in the UNGC.

The above exclusions and screens (the "Exclusions") may be updated from time to time. Please refer to the Index methodology for further information: [www.spdji.com](http://www.spdji.com).

### ***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 will invest:

- (i) a minimum of 50% of its assets in securities of issuers with desirable ESG characteristics,
- (ii) a minimum of 10% of its assets in sustainable investments of which a minimum of 0% have an environmental objective (which is aligned with the EU Taxonomy), a minimum of 0% have an environmental objective (which is not aligned with the EU Taxonomy) and a minimum of 0% have a social objective.

In addition, the Index will systematically apply the Exclusions as described above.

The Sub-Fund will comply with these minimum thresholds at the date of each annual re-balance of the Index. During each annual period, market movements could result in the Sub-Fund having an exposure to sustainable investments which is lower than the minimum thresholds.

### ***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.

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

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

The governance practices of issuers are assessed through integration within the Index methodology of fundamental research, including Sustainalytics ESG ratings, data regarding controversies and UN Global Compact violations.



## 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 green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

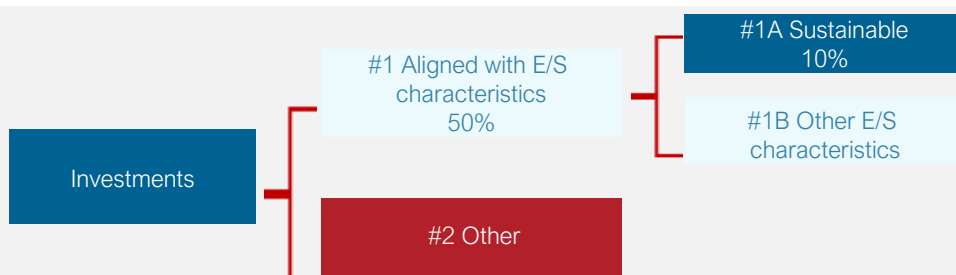
(#1 Aligned with E/S characteristics) The Sub-Fund aims to invest:

- (i) A minimum of 50% of its assets in securities of issuers with desirable ESG characteristics,
- (ii) A minimum of 10% of its assets in sustainable investments (#1A sustainable)\* of which a minimum of 0% have an environmental objective (which is aligned with the EU Taxonomy), a minimum of 0% have an environmental objective (which is not aligned with the EU Taxonomy) and a minimum of 0% have a social objective.

(#1B Other E/S characteristics) Includes securities of issuers with desirable ESG characteristics but are not sustainable investments.

The Sub-Fund will comply with these minimum thresholds at the date of each annual re-balance of the Index. During each annual period, market movements could result in the Sub-Fund having an exposure to sustainable investments which is lower than the minimum thresholds.

The minimum overall percentage of sustainable investments is determined on the basis of including issuers, as described above, whereby more than 50% of economic activities contributes to a sustainable objective.



**#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?***

Derivatives are not used by the Sub-Fund to attain the environmental or social characteristics promoted.



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 emission levels corresponding to the best performance.



### 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.

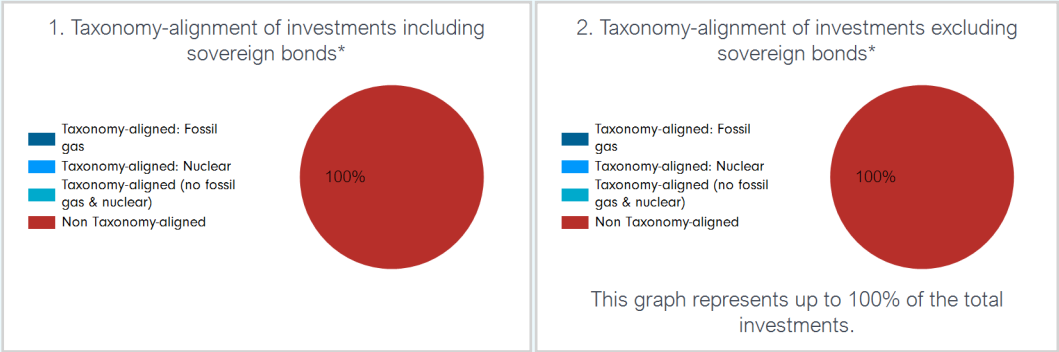
The EU Taxonomy alignment of the underlying investments of the Sub-Fund is measured by turnover.

#### 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

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?

The Sub-Fund invests a minimum of 0% in sustainable investments with an environmental objective that is not aligned with the EU Taxonomy. The Sub-Fund will invest at least 10% of its assets in sustainable investments, typically across both environmental and social objectives. However, it does not commit to any specific individual or combination of sustainable investment objectives and, therefore, there is no committed minimum share of sustainable investments with an environmental objective that is not aligned with the EU Taxonomy.

<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.



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

The Sub-Fund invests a minimum of 0% in sustainable investments with a social objective.

The Sub-Fund will invest at least 10% of its assets in sustainable investments, typically across both environmental and social objectives. However, it does not commit to any specific individual or combination of sustainable investment objectives and, therefore, there is no committed minimum share of socially 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 efficient portfolio management.

As a minimum environmental and social safeguard, the Index will apply the 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?**

The Index has been designated as a reference benchmark 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?***

The Index integrates desirable ESG characteristics on an ongoing basis as part of the Index methodology and construction process. Desirable ESG characteristics are determined by reference to Sustainalytics ESG ratings.

The Index is partially comprised of sustainable investments.

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

The Sub-Fund seeks to track the performance of the Index which integrates desirable ESG characteristics on an ongoing basis as part of the Index construction process.

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

The Index comprises equity securities of large and mid-capitalization dividend paying companies from developed countries that exhibit quality fundamental characteristics.

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

For more information on the Index, please refer to the publicly available index methodology at [www.spdji.com](http://www.spdji.com).



### **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/IE00BYXVGZ48/tab-disclosure#SFDR-disclosure>.

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