

# **Fidelity UCITS II ICAV**

## **Fidelity Sustainable Global Corporate Bond Paris-Aligned Multifactor UCITS ETF**

**30 September 2022**

**(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 2 June 2022 (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 Sustainable Global Corporate Bond Paris-Aligned Multifactor UCITS ETF (the “Sub-Fund”) which is a separate sub-fund of the Fund, represented by the Fidelity Sustainable Global Corporate Bond Paris-Aligned Multifactor 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.**

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>	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>	2:30pm (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>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.

The Fund is an umbrella UCITS. The other sub-funds of the Fund are those listed in the Prospectus, Fidelity Global Government Bond Climate Aware UCITS ETF and Fidelity Sustainable Global High Yield Bond Paris-Aligned Multifactor UCITS ETF.

### 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 %	Initial Period	Offer	Offer Price
Acc	USD	No	ETF Shares	Accumulating	0.25	N/A*		5 USD
Inc	USD	No	ETF Shares	Distributing	0.25	3 October 2022 to 31 March 2023		5 USD
USD Hedged Acc	USD	Yes, Hedge	Portfolio ETF Shares	Accumulating	0.30	3 October 2022 to 31 March 2023		5 USD
USD Hedged Inc	USD	Yes, Hedge	Portfolio ETF Shares	Distributing	0.30	3 October 2022 to 31 March 2023		5 USD
EUR Hedged Acc	EUR	Yes, Hedge	Portfolio ETF Shares	Accumulating	0.30	3 October 2022 to 31 March 2023		5 EUR
EUR Hedged Inc	EUR	Yes, Hedge	Portfolio ETF Shares	Distributing	0.30	3 October 2022 to 31 March 2023		5 EUR
GBP Hedged Acc	GBP	Yes, Hedge	Portfolio ETF Shares	Accumulating	0.30	N/A*		5 GBP
GBP Hedged Inc	GBP	Yes, Hedge	Portfolio ETF Shares	Distributing	0.30	3 October 2022 to 31 March 2023		5 GBP
CHF Hedged Acc	CHF	Yes, Hedge	Portfolio ETF Shares	Accumulating	0.30	3 October 2022 to 31 March 2023		5 CHF
CHF Hedged Inc	CHF	Yes,	Portfolio ETF Shares	Distributing	0.30	3 October 2022		5 CHF

		Hedge					to 31 March 2023	
Unlisted P USD Acc	USD	No	Non-ETF Shares	Accumulating	0.25		3 October 2022 to 31 March 2023	5 USD
Unlisted P USD Inc	USD	No	Non-ETF Shares	Distributing	0.25		3 October 2022 to 31 March 2023	5 USD
Unlisted P EUR Acc	EUR	No	Non-ETF Shares	Accumulating	0.25		3 October 2022 to 31 March 2023	5 EUR
Unlisted P EUR Inc	EUR	No	Non-ETF Shares	Distributing	0.25		3 October 2022 to 31 March 2023	5 EUR
Unlisted P GBP Acc	GBP	No	Non-ETF Shares	Accumulating	0.25		3 October 2022 to 31 March 2023	5 GBP
Unlisted P GBP Inc	GBP	No	Non-ETF Shares	Distributing	0.25		3 October 2022 to 31 March 2023	5 GBP
Unlisted P CHF Acc	CHF	No	Non-ETF Shares	Accumulating	0.25		3 October 2022 to 31 March 2023	5 CHF
Unlisted P CHF Inc	CHF	No	Non-ETF Shares	Distributing	0.25		3 October 2022 to 31 March 2023	5 CHF
Unlisted P USD Hedged Acc	USD	Yes, Portfolio Hedge	Non-ETF Shares	Accumulating	0.30		3 October 2022 to 31 March 2023	5 USD
Unlisted P USD Hedged Inc	USD	Yes, Portfolio Hedge	Non-ETF Shares	Distributing	0.30		3 October 2022 to 31 March 2023	5 USD
Unlisted P EUR Hedged Acc	EUR	Yes, Portfolio Hedge	Non-ETF Shares	Accumulating	0.30		3 October 2022 to 31 March	5 EUR

									2023	
Unlisted Hedged Inc	P	EUR	EUR	Yes, Hedge	Portfolio	Non-ETF Shares	Distributing	0.30	3 October 2022 to 31 March 2023	5 EUR
Unlisted Hedged Acc	P	GBP	GBP	Yes, Hedge	Portfolio	Non-ETF Shares	Accumulating	0.30	3 October 2022 to 31 March 2023	5 GBP
Unlisted Hedged Inc	P	GBP	GBP	Yes, Hedge	Portfolio	Non-ETF Shares	Distributing	0.30	3 October 2022 to 31 March 2023	5 GBP
Unlisted Hedged Acc	P	CHF	CHF	Yes, Hedge	Portfolio	Non-ETF Shares	Accumulating	0.30	3 October 2022 to 31 March 2023	5 CHF
Unlisted Hedged Inc	P	CHF	CHF	Yes, Hedge	Portfolio	Non-ETF Shares	Distributing	0.30	3 October 2022 to 31 March 2023	5 CHF

\*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 align with the Paris Agreement long-term global warming objectives by restricting the carbon emission exposure of its portfolio and 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 investment grade corporate debt securities of issuers globally.

The reduction of carbon emission objective of the Sub-Fund will be aligned with the Solactive Paris Aligned Global Corporate USD Index (the "**Benchmark**"), as described below.

### *Summary*

The Investment Manager uses a combination of quantitative, fundamental and sustainability research to select securities which are: (a) weighted with a view to maximising portfolio return relative to Benchmark; (b) aligned with the carbon emission performance of the Benchmark; and (c) sustainable investments pursuant to the SFDR. The Sub-Fund is part of the Fidelity Sustainable Family and adopts a 'Sustainable Focused' strategy, investing in securities issued by companies that contribute to an environmental objective, do no significant harm, meet minimum safeguards and have good governance.

The Sub-Fund has a sustainable investment objective and, in particular, is aligned with the EU PAB Emission Reduction Requirements. In addition, the Sub-Fund also adheres to the Fidelity Sustainable Family Framework, further details of which are set out in the section of the Prospectus entitled "Fidelity Sustainable Family of Funds". The Sub-Fund is therefore subject to the disclosure requirements of article 9 of the SFDR.

### *The Benchmark*

The Benchmark tracks the performance of investment grade corporate debt securities publicly issued globally while at the same time aiming to align with the Paris Agreement's climate targets on greenhouse gas emission reduction (the "**EU PAB Emission Reduction Requirements**"). The EU PAB Emission Reduction Requirements require the Benchmark to exhibit a level of emission intensity 50% lower than an equivalent global market universe (which does not integrate alignment with the Paris Agreement) at launch and subsequently to aim for a further year-on-year decarbonisation target, currently at an average rate of 7% per annum. As a result of complying with the EU PAB Emission Reduction Requirements and the minimum technical requirements for EU Paris-aligned benchmarks, the Benchmark will be labelled as an EU Paris Aligned Benchmark. In addition, the Benchmark excludes issuers based on their involvement in activities with significant externalities (tobacco, fossil fuels, controversial weapons etc.), breaches of international norms (such as United Nations Global Compact (UNGC) principles) and with a significant negative impact on certain sustainable development goals. Such exclusions ensure that the securities in the Benchmark and their issuers do not significantly harm sustainable objectives pursuant to the SFDR. Finally, the governance practices of issuers are assessed as part of the Benchmark construction process with the exclusion of companies with verified failure to respect established norms such as the UNGC principles, the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises or UN Guiding Principles for Business and Human Rights. Such exclusions ensure that the issuers of securities in the Benchmark follow good governance principles pursuant to the SFDR. Further details regarding the Benchmark are available on the index provider's website at [www.solactive.com/indices](http://www.solactive.com/indices).

As a result of its aim of outperformance, the Sub-Fund will likely bear a close resemblance to the Benchmark and the risk characteristics (e.g. level of volatility) and carbon footprint of the Sub-Fund's portfolio will 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 in the following circumstances: 1) instruments that were previously constituents of the Benchmark may be held for a transition period after they fall out of the Benchmark in a manner appropriate to protect the best interests of Shareholders and will then be divested; and 2) for liquidity management purposes where inflows and liquidity levels require holdings in certain instruments that are not constituents of the Benchmark.

#### *Multifactor 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 companies relative to others. The Investment Manager uses this score to weight and select securities, 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 in order to deliver out-performance of 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.

#### *Fundamental and Quantitative Assessment*

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 Environmental and Social Characteristics*

As described above, the Investment Manager seeks to ensure that the Sub-Fund's portfolio is aligned with the carbon emission performance of the Benchmark, which in turn is aligned with the EU PAB Emission Reduction Requirements. As such, the Sub-Fund's investments are in an economic activity that contributes to an environmental objective, namely the reduction of carbon emissions. In addition, the Sub-Fund will consider a wide range of environmental and social characteristics on an ongoing basis. Environmental characteristics include, but are not limited to, climate change mitigation and adaptation, water and waste management and biodiversity, while social characteristics include, but are not limited to, product safety, supply chain, health and safety and human rights. Controversies involving environmental and social characteristics are regularly monitored. Environmental and social characteristics are analysed by Fidelity's fundamental analysts and rated through Fidelity Sustainability Ratings, in adherence with the Fidelity Sustainable Family Framework. As a result, the Sub-Fund's investments will either have an ESG rating from a recognised third-party ESG data provider or a Fidelity proprietary rating. The Fidelity Sustainability Ratings Framework allocates investments into sub-sectors, each with industry specific criteria against which an issuer is assessed relative to its peers, using an A to E rating scale (A being the top rating).

## ESG Screening

The Investment Manager will ensure that the Sub-Fund maintains a robust ESG profile by focusing on companies that have strong ESG credentials as determined by the ESG screening policy and the ESG ratings (described below). The Investment Manager maintains a screening policy and applies screens to the portfolio. These screens are defined by the Investment Manager, based on globally recognised standards and principles in areas such as environmental protection and human rights. Development of these screens relies on third party data provider(s) (which, for the avoidance of doubt, do not have any investment discretion in relation to the Sub-Fund) who identify that an issuer either participates in, or derives revenue from, activities that are inconsistent with the Investment Manager's ESG Framework. In particular, the ESG Framework screens out companies that derive their revenue according to the exclusion categories in the below table.

Exclusion Category	Scope of Exclusion	Threshold
<b>Controversial weapons</b>	Manufacturer	≥ 0%
<b>Tobacco</b>	Manufacturer / Producers	≥ 0%
	Distributors	≥ 5%
<b>Semi-automatic firearms</b>	Manufacturer	≥ 0%
	Distributors	≥ 5%
<b>Thermal coal</b>	Producers / power generation	≥ 5%
	Producers / power generation with effective commitment to a Paris Agreement aligned objective or revenue share from renewable energy exceeding the one from thermal coal activities.	≥ 30%
<b>Conventional weapons</b>	Manufacturer	≥ 5%
<b>Oil sands</b>	Producers / extraction	≥ 5%
<b>Arctic oil and gas</b>	Onshore and offshore Producers / extraction	≥ 5%

Additionally, the Sub-Fund is subject to further exclusions based on Fidelity Sustainability Ratings, a proprietary rating system developed by Fidelity International's research analysts to assess individual issuers described in the section of the Prospectus entitled "General approach to sustainable investing", which is integrated into the investment process with lower rated issuers (e.g. rated D and E issuers) excluded from the investment universe. This screening is evaluated and updated from time to time at the discretion of the Investment Manager and, as described in the Prospectus, details of the Sub-Fund's holdings are available to Shareholders.

## ESG Rating and Portfolio Weighting

The Sub-Fund's portfolio is systematically tilted toward securities with higher ESG ratings so that there is a minimum of 70% of the Sub-Fund's net assets invested in securities with an above average ESG rating relative to industry peers. An ESG rating is determined using a combination of third party data provider(s) and the Investment Manager's research analysts and corporate governance specialists who focus on key risk factors, including, for example, accounting and tax policies, disclosure and investor communications, shareholder rights, remuneration and social and environmental factors, to seek to identify such negative outliers. The ESG assessment using these risk factors, in addition to carbon intensity data, is integrated into the investment process described above. In particular, the Investment Manager seeks to improve the portfolio's overall ESG profile compared to the Benchmark by increasing its exposure to securities with a higher rating. In addition, the Investment Manager takes into account the size of bond and issuer weights, and sector, country, duration, issuer size and weights of the Benchmark in order to deliver out-performance of the Benchmark and align with the Benchmark's carbon emission performance.

Details of the Sub-Fund's portfolio and the Net Asset Value per Share are available on the Website daily.

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, 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), corporate hybrid securities, 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. perpetuals, 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), index futures 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.

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 / Taxonomy Regulation Disclosures**

### *General*

The SFDR and the Taxonomy Regulation require certain disclosures, as regards Sustainability Risks and other matters. The disclosures regarding Sustainability Risks are set out in the Prospectus (under the heading "*General approach to sustainable investing*"), while the other disclosures are (notwithstanding anything to the contrary in the Prospectus) set out below.

### *Sustainable investment*

The Sub-Fund has a sustainable investment objective and, in particular, is aligned with the EU PAB Emission Reduction Requirements. In addition, the Sub-Fund also adheres to Fidelity's Sustainable Family Framework, further details of which are set out in the section of the Prospectus entitled "Fidelity Sustainable Family of Funds".

### *No significant harm*

The Sub-Fund seeks to ensure that its investments do not significantly harm sustainable objectives pursuant to SFDR in the manner described below.

As described in the section entitled "The Benchmark" above, the Benchmark construction process ensures that the securities in the Benchmark and their issuers do not significantly harm sustainable objectives pursuant to the SFDR. To the extent the Sub-Fund invests in securities which do not form part of the Benchmark, such securities are assessed to ensure they do not significantly harm sustainable objectives pursuant to the SFDR through Fidelity's sustainable investing framework, further details of which are available at <https://fidelityinternational.com/sustainable-investing-framework/>.

### *Good governance*

The Investment Manager seeks to ensure that the issuers of securities in the Sub-Fund's portfolio follow good governance principles as follows:

As described in the section entitled "The Benchmark" above, the Benchmark construction process assesses the governance practices of issuers with the exclusion of companies with verified failure to respect established norms such as the UNGC principles, the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises or UN Guiding Principles for Business and Human Rights. Such exclusions ensure that the issuers of securities in the Benchmark follow good governance principles pursuant to SFDR. To the extent the Sub-Fund invests in securities which do not form part of the Benchmark, such issuers are assessed to ensure they follow good governance principles pursuant to SFDR through Fidelity's sustainable investing framework, further details of which are available at <https://fidelityinternational.com/sustainable-investing-framework/>.

### *SFDR reference benchmark*

While the Sub-Fund does not track the Benchmark, the Benchmark is referred to in the construction of the Sub-Fund's portfolio and it is therefore a reference index within the meaning of the SFDR. As described above, the Sub-Fund's investment objective is to align with the Paris Agreement long-term global warming objectives by restricting the carbon emission exposure of its portfolio (ie, by adhering to the EU PAB Emission Reduction Requirements) and to achieve income and capital growth. As also described above, the Benchmark is labelled as an EU Paris Aligned Benchmark, which means it also adheres to the EU PAB Emission Reduction Requirements. As such, the Benchmark is consistent with the Sub-Fund's investment objective. The Benchmark differs from a broad market index in that it complies with the EU PAB Emission Reduction Requirements and excludes issuers which meet any of the exclusion criteria set out in the minimum technical requirements for EU Paris-aligned benchmarks.

### *Taxonomy Regulation*

The Taxonomy Regulation requires disclosure regarding how and to what extent the Sub-Fund's investments are in economic activities that qualify as environmentally sustainable under the Taxonomy Regulation. In order for an investment to qualify as environmentally sustainable (ie, to be "**Taxonomy-aligned**"), it must meet a number of different technical screening criteria and it must not significantly

harm any of the environmental objectives set out in the Taxonomy Regulation.

The Sub-Fund invests 0% of its Net Asset Value in Taxonomy-aligned investments.

## **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. 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 exposure to the investment grade corporate debt securities sector and benefit from the higher yields generally offered by corporate bonds compared to government securities.

## **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 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.