

# **Fidelity UCITS II ICAV**

## **Fidelity North America Equity Fund**

**1 December 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 1 December 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 North America Equity Fund (the “Sub-Fund”) which is a separate sub-fund of the Fund.**

**The Sub-Fund is an Actively Managed Sub-Fund.**

**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>Accounting Date</b>	Annual accounts will be made up to 31 December each year, with the first such accounts made up to 31 December 2018, and the semi-annual accounts will be made up to 30 June each year, with the first such accounts made up to 30 June 2019.
<b>Base Currency</b>	EUR
<b>Business Day</b>	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>Dealing Day</b>	Each Business Day
<b>Dealing Deadline</b>	12 noon (Irish time) on the relevant Dealing Day
<b>Initial Offer Period</b>	The period for each Share Class set forth in the table in the " <i>Classes</i> " section below or such earlier or later date as the Directors may determine.
<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 "<i>Classes</i>" 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. The Sub-Fund will not be subject to any subscription fee in respect of investments made in the Master Fund and the Manager will pay any commission it receives by virtue of investing in the Master Fund into the assets of the Sub-Fund.</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 "<i>Fees and Expenses</i>" section of the Prospectus and below.</p>
<b>Minimum subscription amount</b> <b>Minimum additional subscription amount</b> <b>Minimum holding amount</b> <b>Minimum redemption amount</b>	Nil
<b>Settlement Deadline</b>	The third Business Day following the relevant Dealing Day

<b>Valuation</b>	The Net Asset Value per Share is calculated in accordance with the “ <i>Determination of Net Asset Value</i> ” section of the Prospectus, using the last traded price at the close of business on the relevant Recognised Market on each Valuation Day for assets quoted, listed or traded on or under the rules of a Recognised Market.
<b>Valuation Day</b>	Each Business Day
<b>Valuation Point</b>	10:00 pm (Irish time) on each Valuation Day

## Classes

Shares of the Sub-Fund may be divided into different Share Classes with different dividend policies. 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 Class	Dividend Distribution Policy	Maximum TER %	Initial Offer Period	Initial Offer Price
G Acc EUR	EUR	No	Accumulating	Up to 1.00%	N/A <sup>+</sup>	EUR 10

<sup>+</sup> 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 seek to achieve long-term capital growth.

The Sub-Fund is a feeder UCITS and will seek to achieve its objective by investing at least 85% of its net assets in unit classes of the Fidelity North America Equity Fund (the “**Master Fund**”), being a sub-fund of Fidelity Common Contractual Fund II, a common contractual fund constituted as an umbrella fund and authorised in Ireland by the Central Bank pursuant to the UCITS Regulations. The investment manager of the Master Fund is the same as the Investment Manager of the Sub-Fund.

**Investment Policy.** The investment policy of the Sub-Fund is that all or substantially all of the proceeds of issue of each Class of Shares in the Sub-Fund (and in any circumstances at least 85% of the Sub-Fund’s Net Asset Value) will be invested in the Master Fund. A small portion of the Sub-Fund may be retained in cash or invested in liquid instruments primarily listed or traded on the Recognised Markets for liquidity purposes and for the purposes of paying any expenses of the Sub-Fund, but such investments will not exceed 15% of the Net Asset Value of the Sub-Fund. Such instruments will include money market instruments including bank deposits, fixed or floating rate instruments (including commercial paper, 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. While these liquid instruments will be primarily listed or traded on Recognised Markets, some of these instruments may be traded over-the-counter on electronic trade platforms. For the avoidance of doubt, the liquid instruments in which the Sub-Fund will invest do not include total return swaps, securities lending, repurchase agreements or reverse repurchase agreements.

The Sub-Fund is expected to have similar performance to the Master Fund but the Sub-Fund’s performance may differ given that it may invest up to 15% of its Net Asset Value in liquid instruments described above. The Sub-Fund is also expected to have a similar risk profile to the Master Fund, which is not expected to have an above average risk profile or high volatility as a result of its use of financial derivative instruments.

The Sub-Fund is actively managed and references the S&P 500 Index (Net) (the “Benchmark”) for comparative purposes only. The Benchmark is a broad-based unmanaged index of 500 stocks which is widely recognised as representative of the equity market in general.

Benchmarks may be used from time to time as performance comparators and any such use will be disclosed in the Key Investor Information Document for the Sub-Fund.

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

The Fund will procure that the Sub-Fund’s investment policy ensures that - via its investment in the Master Fund - the Sub-Fund will meet the minimum requirements of the version of the German Investment Tax Act effective from 1 January 2018 (“**GITA 2018**”) to qualify for “equity fund” status according to section 2 sub-section 6 of GITA 2018. For this purpose, more than 50% of the Sub-Fund’s assets are invested in “equity participations” (as defined in section 2 sub-section 8 of GITA 2018) on an ongoing basis through its investment in the Master Fund.

The Fund will monitor the scope of “equity participations” held in the portfolio of the Sub-Fund indirectly via the Master 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.

### *Summary of the Master Fund*

The investment objective of the Master Fund is identical to that of the Sub-Fund, namely to seek to achieve long-term capital growth.

The Master Fund seeks to achieve its objective by obtaining exposure to a diversified portfolio, at least two thirds of which will be exposed to equities or equity-related securities of companies domiciled or exercising the predominant part of their economic activity in the United States, Canada or Mexico ("**North America**").

The Investment Manager (in the context of its role as investment manager of the Master Fund) has appointed a number of discretionary investment advisers as its delegates and will allocate some or all of the Master Fund's assets to such advisers. The Investment Manager is responsible for actively selecting each adviser to which assets will be allocated, for determining the amount of the Master Fund's assets to allocate to each adviser and for managing such portion of the Master Fund's assets as are not allocated to an adviser.

The Master Fund's investment strategy will pursue a policy of obtaining exposure to equities and equity-related securities of companies domiciled or exercising the majority of their economic activity in North America. Each Adviser will select the exposures that it obtains on behalf of the Master Fund based on its experience of investing in North American equities, current market conditions and the investment objective of the Master Fund. The Master Fund's investment strategy will seek to obtain exposure to equities and equity-related securities that will provide long-term capital growth for the Master Fund and will not actively focus on any specific geographic region within North America, industry sector or market capitalisation.

Further details of the Master Fund's investment policy are contained in the Appendix hereto and copies of the Master Fund's prospectus and supplement are available at [www.fidelityinternational.com](http://www.fidelityinternational.com).

The Sub-Fund will not use financial derivative instruments and as such does not expect to be leveraged. The Sub-Fund measures and monitors its global exposure using the commitment approach and accordingly its global exposure will not exceed 100% of its Net Asset Value.

## **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 "*Risk of Investment in Other Collective Investment Schemes*" risk. These risks are not intended to be exhaustive and potential investors should review the Prospectus and this Supplement, as well as the prospectus and supplement of the Master Fund, carefully and consult with their professional advisers before purchasing Shares. Investors should note that the risks disclosures in the "*Risk Information*" section of the Prospectus are equally applicable to the Master Fund and therefore should be read such that references therein to "a Sub-Fund" or "the Sub-Funds" are also references to the Master Fund.

## **INVESTOR PROFILE**

Typical investors in the Sub-Fund are expected to seek exposure to growth investments in the North American equity market over the medium or long term and will not look to an investment in the Sub-Fund as a regular source of income.

## **INVESTMENT MANAGER**

The Manager has appointed FIL Investments International to act as Investment Manager of the Sub-Fund. The Investment Manager was 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 (6) 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.

## **SUBSCRIPTIONS**

During the Initial Offer Period, Shares will be available at the Initial Offer Price as set out in the table above. Subsequent to an Initial Offer Period, Shares may be purchased in respect of any Dealing Day at the Net Asset Value per Share as of the applicable Valuation Day, plus an amount in respect of Duties and Charges (if any). Investors may subscribe for Shares for cash or in kind on each Dealing Day by making an application by the Dealing Deadline in accordance with the requirements set out in the "*Purchase and Sale Information*" section of the Prospectus. Consideration, in the form of cleared subscription monies/securities, must be received by the Settlement Deadline.

## **REDEMPTIONS**

Shareholders may effect a redemption of Shares on any Dealing Day at the appropriate Net Asset Value per Share, subject to an appropriate provision for Duties and Charges, provided that a valid redemption request from the Shareholder is received by the Manager by the Dealing Deadline, in accordance with the provisions set out herein and at the "*Purchase and Sale Information*" section of the Prospectus. Settlement will not take place later than 10 Business Days from the Dealing Deadline.

## **FEES AND EXPENSES**

The maximum TER for each Class is set forth in the table in the "*Classes*" section above. The TER figure includes any fees and expenses charged by the Master Fund to the Sub-Fund. Such fees and expenses include all operational expenses of the Master Fund but does not include extraordinary costs, transaction costs and related expenses. Further details of the fees and expenses charged by the Master Fund are set out in its prospectus and supplement, which are available at [www.fidelityinternational.com](http://www.fidelityinternational.com).

## **MASTER / FEEDER RULES**

The Manager, which is also the management company of the Master Fund, has adopted internal conduct of business rules in accordance with the requirements of the UCITS Regulations which set out the terms of the Sub-Fund's investment in the Master Fund (the "**Master Feeder Rules**"). The Master Feeder Rules set out how the Manager accesses information from the Master Fund, the basis of its investment and disinvestment, dealing arrangements, audit arrangements and procedures to be followed where certain stated events occur in respect of the Sub-Fund or the Master Fund. A copy of the Master Feeder Rules will be available to investors upon request to the Manager.

## **TAXATION IMPLICATIONS OF INVESTMENT IN THE MASTER FUND**

The Master Fund is a common contractual fund and, as such, it does not have a separate legal personality and is transparent for Irish tax purposes. Therefore, the Master Fund is not chargeable to Irish tax on its relevant income or relevant gains, which instead are treated as arising, or as the case may be, accruing to each investor in the Master Fund (including the Sub-Fund) in proportion to the value of the units beneficially owned by the investor, as if the relevant profits had arisen or as the case may be, accrued, to the investors in the Master Fund without passing through the hands of the Master Fund.

## APPENDIX – FURTHER DETAILS OF THE MASTER FUND'S INVESTMENT POLICY

The Master Fund will seek to achieve its objective by obtaining exposure to a diversified portfolio at least two thirds of which will be exposed to equities or equity-related securities of companies domiciled or exercising the predominant part of their economic activity in the United States, Canada or Mexico ("**North America**").

### *Multi-Manager Structure*

The Investment Manager has appointed a number of discretionary investment advisers as its delegates and will allocate some or all of the Master Fund's assets to such advisers. The Investment Manager is responsible for actively selecting each adviser to which assets will be allocated, for determining the amount of the Master Fund's assets to allocate to each adviser and for managing such portion of the Master Fund's assets as are not allocated to an adviser.

Unless otherwise indicated, the term "Adviser" will be used in this Supplement to mean either an external adviser appointed by the Investment Manager or the Investment Manager acting itself as an adviser. The Investment Manager may appoint Advisers which are Fidelity group companies.

The Investment Manager will review a range of qualitative and quantitative factors when determining or reviewing the allocations to Advisers, including the attributes (i.e. the strengths and weaknesses) of each Adviser's portfolio management team, the Adviser's investment style, its process for selecting investments in accordance with the Master Fund's investment strategy described below, philosophy and historical performance and the holdings in the Adviser's allocated assets. The Investment Manager utilises these factors to determine and review the allocation of the assets of the Master Fund based on its view of whether a particular Adviser has a superior ability to add value to the allocated assets (on a net of fees basis) over time and, where relevant, whether the Adviser may be appointed alongside other Advisers in such a way that the Advisers complement each other's investment style and positioning. The Investment Manager will monitor the performance of each Adviser and may in its absolute discretion discontinue the allocation of assets to all or any of the Advisers at any time subsequent to their appointment. The Advisers will each be regulated in their country of domicile for the purposes of investment management and will have been cleared to act as discretionary investment managers in respect of Irish collective investment schemes by the Central Bank. The Advisers will each be selected by the Investment Manager following an extensive investment and operational due diligence process designed to identify the most appropriate investment advisers to implement the Master Fund's investment strategy.

At all times the Investment Manager retains the discretion to invest the Master Fund's assets directly, including the event that the appointment of an Adviser is terminated.

Notwithstanding anything to the contrary in the Prospectus, the fees of the Advisers will be paid by the Investment Manager and will not be paid out of the assets of the Master Fund.

### *Investment Strategy*

The Master Fund's investment strategy will pursue a policy of obtaining exposure to equities and equity-related securities of companies domiciled or exercising the majority of their economic activity in North America. Each Adviser will select the exposures that it obtains on behalf of the Master Fund based on its experience (described above) of investing in North American equities, current market conditions and the investment objective of the Master Fund. The Master Fund's investment strategy will seek to obtain exposure to equities and equity-related securities that will provide long-term capital growth for the Master Fund and will not actively focus on any specific geographic region within North America, industry sector or market capitalisation. Each Adviser will take into consideration such factors as it, in its experience of implementing a North American equity investment strategy, considers relevant, which may include economic, legislative and business developments, market conditions, the presence (or absence) of a given security in an index and the results of bottom-up (i.e. focusing on individual stocks rather than the market or industry as a whole) or top-down analysis (i.e. focusing on the overall market before analysing individual stocks), proprietary research or publicly available research (e.g. Morningstar).



An Adviser may take “long” positions in those stocks it expects to outperform and obtain a “short” exposure to those stocks identified as being likely to underperform. As a result, the Master Fund’s market exposure may vary in time. The maximum value of long positions in the Master Fund is 137.5% of the Net Asset Value of the Master Fund (i.e. 100% direct exposure and 37.5% leverage exposure through the use of derivatives) and the maximum of the absolute values of short positions in the Master Fund is 20% of the Net Asset Value of the Master Fund.

### *Defensive Positions*

In exceptional circumstances when the Investment Manager anticipates adverse market, economic, political or other conditions, the Master Fund may invest primarily in money market instruments or equivalents, described below, or leave a significant portion of its assets uninvested for defensive purposes.

### *Instruments*

The Master Fund will invest at least two thirds of its net assets in the following securities which may be issued and listed or traded on Recognised Markets globally:

- **Equity and Equity-Related Securities:** Equity securities of companies domiciled or exercising the predominant part of their economic activity in North America of any market capitalisation, sector or industry classification, which may include common stocks, depository receipts (American Depository Receipts, European Depository Receipts or Global Depository Receipts) and related securities such as preferred stocks, real estate investment trusts (“REITs”), private placement securities, subscription rights, warrants, equity-linked notes, unlisted equity securities, initial public offerings (IPOs), secondary offerings, Rule 144A or Regulation S securities (securities offered outside of the US but which are exempt from the registration requirements of Section 5 of the US Securities Act of 1933), partnership interests (interests in partnerships traded on a recognised securities exchange) and convertible securities;
- **FDI:** The following FDI, for investment purposes (i.e. to obtain exposure to the performance of the underlying assets described below) and/or for efficient portfolio management purposes, as described in the Prospectus under “Use of Financial Derivative Instruments”:
  - Futures contracts based on the equity and equity-related securities described above, indices of such securities (which meet the requirements of and have been cleared by the Central Bank for use by UCITS) and fixed income securities of the types described below may be used for investment purposes (i.e. to achieve a profit) as well as to hedge existing long positions, and futures on indices of commodities (which meet the requirements of and have been cleared by the Central Bank for use by UCITS), interest rates and currencies may be used for hedging purposes;
  - Options on the equity and equity-related securities described above and indices of such securities (which meet the requirements of and have been cleared by the Central Bank for use by UCITS) may be used for investment purposes (i.e. to achieve a profit) as well as to hedge existing long positions, and options on indices of commodities (which meet the requirements of and have been cleared by the Central Bank for use by UCITS) and currencies may be used for hedging purposes. These options may be either exchange traded or traded “over the counter”;
  - Swaps on the equity and equity-related securities described above, inflation, volatility, variance, credit default and total return swaps, contracts for difference, swaptions and swaps on indices (of the equity and equity-related securities described above) may be used for investment purposes (i.e. to achieve a profit) as well as to hedge existing long positions, and swaps on indices of commodities (which meet the requirements of and have been cleared by the Central Bank for use by UCITS), interest rate swaps and currency swaps may be used for hedging purposes; and
  - Forwards on the equity and equity-related securities described above and equity indices (which meet the requirements of and have been cleared by the Central Bank for use by UCITS) may be used for investment purposes (i.e. to achieve a profit) as well as to hedge existing long positions,

and forwards on interest rates and currencies (also known as Foreign Exchange (FX) forward contracts) may be used for hedging purposes.

Where the Master Fund has invested in the securities of an issuer whose business is commodity-related (e.g. an issuer which produces gold, oil or agricultural commodities), the Master Fund may obtain exposure to the relevant commodities (through FDI, as described above) in order to manage its exposure to the relevant commodity price (e.g. in order to maintain the exposure to the relevant issuer, while reducing exposure to the prices of the commodities to which that issuer is connected).

In addition, the Master Fund may invest in collective investment schemes (including exchange traded funds) which are themselves exposed to investments that are similar to the Master Fund's other investments. Such collective investment schemes may or may not be managed by the Investment Manager or its affiliates and will comply with the requirements of the UCITS Regulations in respect of such investments.

The Master Fund may, with the remaining portion of its assets and on an ancillary basis, invest in investment grade government and corporate fixed income securities and convertible debt securities (listed or traded on a Recognised Market), such as commercial paper, covered bonds, inflation-linked bonds, mortgage-backed and asset-backed securities and debentures. Convertible debt securities are debt securities that are convertible into equity securities of the issuer. Fixed income securities will typically be selected in "risk-off" market conditions (i.e. where the risk of default is low relative to the potential yield) where they are considered to be attractive relative to investment in equities. Convertible securities will typically be selected where the convertible securities offer a more cost-effective investment than direct investment in the equivalent equities.

The Master Fund may enter into repurchase agreements, reverse repurchase agreements and securities lending transactions as described in the "*Investment Restrictions*" section below and subject to the "*Securities Lending*" and "*Repurchase and Reverse Repurchase Agreements*" sub-sections 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 Master 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 and UCITS eligible investments in commodities (through FDIs, as described above, providing exposure to commodity indices that have been cleared in advance by the Central Bank for use by UCITS).

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

The Master 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 are invested in "equity participations" (as defined in section 2 sub-section 8 of GITA 2018) on an ongoing basis.

The Manager will monitor the scope of "equity participations" held in the portfolio of the Master 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 Restrictions**

The Master Fund will comply with the investment restrictions set out in the "*Investment Restrictions*" section of the Prospectus. Investment in other collective investment schemes will be no more than 10% of the Net Asset Value of the Master Fund and investment in emerging market countries will be no more than 30% of the Net Asset Value of the Master Fund.

The Master Fund's exposure to types of securities financing transactions is as set out below (in each case as a percentage of Net Asset Value):

	Expected	Maximum
Total Return Swaps	0%	30%
Repurchase Agreements & Reverse Repurchase Agreement	0%	30%
Securities Lending	0%	30%

### **Leverage**

As noted in the Prospectus, the Master Fund measures and monitors its global exposure using the commitment approach. The leverage of the Master Fund using the commitment approach will not exceed 100% of its Net Asset Value as a result of its use of FDI.