

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 US Quality Income UCITS ETF

Legal entity identifier:

6354005OXQODO6HO4K27

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?	
● ● <input type="checkbox"/> Yes	● ● <input checked="" type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 	<input type="checkbox"/> 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 ___% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 	<input checked="" type="checkbox"/> 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 US 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 MSCI ESG ratings. MSCI’s ESG ratings measure a company’s exposure to industry-specific material ESG risks. The ratings framework is supported by key material ESG issues.

The ESG characteristics which are promoted by the Sub-Fund are environmental conservation, good governance and fostering a positive social impact in society. Each of these characteristics are considered as part of the Index methodology.

ESG characteristics are determined by reference to MSCI ESG ratings. MSCI ESG ratings consider environmental characteristics such as biodiversity & land use, energy & climate change, toxic emissions & waste, as well as social characteristics such as human rights & community impact and labour rights & supply chain.

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

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).

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

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

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

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

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

This question is not applicable.

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

This question is not applicable.

Principal adverse impacts

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

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 MSCI 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. 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 MSCI.

The Index comprises equity securities of large and mid-capitalization dividend paying US companies 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: <https://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 a minimum of 50% of its assets in securities of issuers with desirable ESG characteristics.

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

The Sub-Fund will comply with the minimum threshold 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 which is lower than the minimum threshold.

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 MSCI ESG ratings, data regarding controversies and UNGC violations.



What is the asset allocation planned for this financial product?

Asset allocation

describes the share of investments in specific assets.

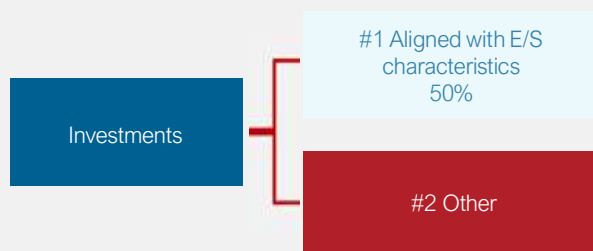
Taxonomy-aligned activities are expressed as a share of:

- **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 a

A minimum of 50% of its assets in securities of issuers with desirable ESG characteristics.

The Sub-Fund will comply with the minimum threshold 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 which is lower than the minimum threshold.



#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.

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.



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.

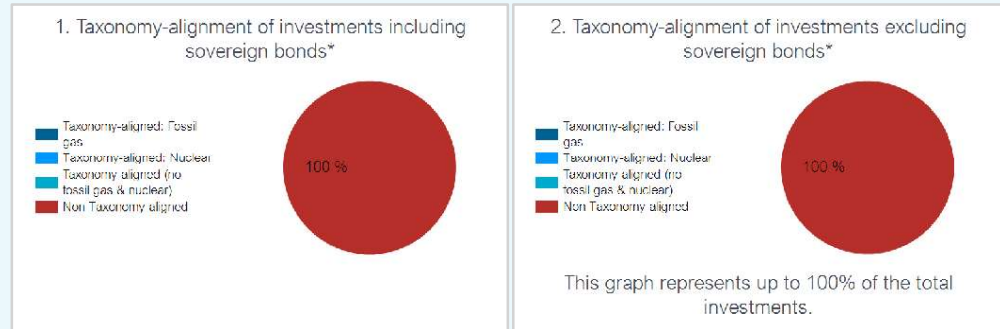
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

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.

Does the financial product invest in fossil gas and/or nuclear energy-related activities that comply with the EU Taxonomy?

- 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.



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

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



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



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

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



What is the minimum share of socially sustainable investments?

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



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

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

*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.



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

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 MSCI ESG ratings.

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 US companies 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 <https://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/IE00BYXVGX24/tab-disclosure#SFDR-disclosure>.