

# Prospectus



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Prospectus

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(Not valid as a prospectus without Parts I, II, and, if applicable, Part III)

## DEFINITIONS

<b>AUD</b>	Australian Dollars.
<b>Business Day</b>	A day on which the banks in the relevant jurisdiction are normally open for business.
<b>CSSF</b>	Commission de Surveillance du Secteur Financier.
<b>Directors</b>	The Board of Directors of the Fund.
<b>Distributor</b>	One of the FIL Group companies named in Part II of this Prospectus through whom Shares in the Fund may be bought, sold or switched.
<b>Efficient Portfolio Management</b>	Reference to Efficient Portfolio Management throughout this Prospectus shall mean reference to techniques and instruments which fulfil the following criteria: a) they are economically appropriate in that they are realised in a cost-effective way; b) they are entered into for one or more of the following specific aims; I. reduction of risk; II. reduction of cost; III. generation of additional capital or income for the funds with a level of risk which is consistent with the risk profile of the funds and the risk diversification rules laid down in Appendix A (5.1, A. III); c) their risks are adequately captured by the risk management process of the Fund.
<b>Eligible Market</b>	A Regulated Market in an Eligible State.
<b>Eligible State</b>	Any Member State of the EU or any other state in Eastern and Western Europe, Asia, Africa, Australia, North and South America and Oceania.
<b>EU</b>	European Union.
<b>Euro/EUR</b>	The European currency unit.
<b>FATF State</b>	Any state having joined the Financial Action Task Force.
<b>FIL Group</b>	FIL Limited and its respective affiliated companies.
<b>Fund</b>	Fidelity Funds II.
<b>fund</b>	A specific portfolio of assets and liabilities within the Fund managed in accordance with the investment policy specified for the Share or Shares connected with that fund.
<b>G20</b>	The informal group of twenty finance ministers and central bank governors from twenty major economies: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, United Kingdom, USA and the European Union.
<b>Law of 2010</b>	The Luxembourg law of 17 December 2010 relating to undertakings for collective investment, as it may be amended from time to time.
<b>Management Company</b>	FIL Investment Management (Luxembourg) S.A., a société anonyme with its registered office at 2a Rue Albert Borschette, BP 2174, L-1021 Luxembourg, which has been appointed by the Fund as Management Company to provide investment management, administration and marketing functions to the Fund with the possibility to delegate part or all of such functions to third parties.  The Management Company is also acting as Registrar, Transfer Agent, Administrative Service Agent and Domiciliary Agent of the Fund.
<b>Member State</b>	Any member state of the EU as well as Iceland, Liechtenstein and Norway.
<b>Member State of the EU</b>	Any member state of the European Union.
<b>Money Market Instruments</b>	Instruments normally dealt in on a money market (having a residual maturity or regular yield adjustment of 397 days or less or having a risk profile corresponding to this), which are liquid, and have a value which can be accurately determined at any time.
<b>Net Asset Value</b>	The value of the assets less liabilities of a Share in a fund determined in accordance with the principles set out in Part II of this Prospectus.
<b>OECD</b>	Organisation for Economic Co-operation and Development.
<b>open for business</b>	The Distributors and the Fund will be open at least every Business Day in the relevant jurisdiction. The Distributors may be open on other days as determined by them.

<b>other UCI</b>	An undertaking for collective investment within the meaning of Article 1, paragraph (2), points a) and b) of Directive 2009/65/EC, as amended.
<b>primarily</b>	Each time this word is used in the description of a fund or class of Shares or of a type of fund or class of Shares of the Fund, this means that at least 70% of the assets of the relevant fund are directly invested in the currency, the country, the type of security or other material element set out in the name of the fund and its investment objective.
<b>Regulated Market</b>	A market within the meaning of directive 2004/39/EC of 21 April 2004 on markets in financial instruments and any other market which is regulated, operates regularly and is recognised and open to the public. For the avoidance of any doubt this shall include the US OTC Bond Market.
<b>Share</b>	A class of share of any one fund in the capital of the Fund or a share in any such class.
<b>Sterling/GBP</b>	United Kingdom Pounds Sterling.
<b>Supervisory Officers</b>	Any person ('dirigeant') who conducts the daily business of the Management Company.
<b>Transferable Securities</b>	Shall mean: <ul style="list-style-type: none"> <li>– shares and other securities equivalent to shares,</li> <li>– bonds and other debt instruments,</li> <li>– any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange,</li> </ul> excluding techniques and instruments relating to transferable securities and money market instruments.
<b>Transfer Agent</b>	FIL (Luxembourg) S.A.
<b>UCITS</b>	An undertaking for collective investment in Transferable Securities authorised pursuant to Directive 2009/65/EC, as amended.
<b>US Dollar/USD</b>	United States Dollars.
<b>Valuation Date</b>	Each week day (any day Monday to Friday inclusive) excluding 25 December ("Christmas Day") and 1 January ("New Year's Day").

# Part I: Fund Details

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## IMPORTANT NOTE

**IMPORTANT:** If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser. Shares are offered on the basis of the information contained in this Prospectus and the relevant (Key Investor Information Document ('KIID' or 'KIIDs')). No person is authorised to give any information or to make any representations concerning the Fund other than as contained in this Prospectus and the KIID. Any purchase made by any person on the basis of statements or representations not contained in or inconsistent with the information and representations contained in this Prospectus and the KIID will be solely at the risk of the purchaser. The information provided in the Prospectus does not constitute investment advice.

Fidelity Funds II is designed and managed to support longer-term investment and active trading is discouraged. Short-term or excessive trading into and out of the Fund may harm performance by disrupting portfolio management strategies and by increasing expenses. In accordance with general FIL Group policy and practice and CSSF circular 04/146, the Fund and the Distributors are committed not to permit transactions which they know to be or have reasons to believe to be related to market timing. Accordingly, the Fund and the Distributors may refuse to accept applications for or switching of Shares, especially where transactions are deemed disruptive, particularly from market timers or investors who, in their opinion, have a pattern of short-term or excessive trading or whose trading has been or may be disruptive to the Fund. For these purposes, the Fund and the Distributors may consider an investor's trading history in a fund or other Fidelity funds and accounts under common ownership or control.

Investors in Fidelity Funds II agree that data relating to them, their account and account activities may be stored, changed or used by the FIL Group or associated companies. Storage and use of this data within the FIL Group is to develop and process the business relationship with investors and so investors may have access to their data in any jurisdiction where the data is kept. Data may be transmitted to other companies within the FIL Group, intermediaries and other parties in the business relationship. Data may be available in jurisdictions other than where this Prospectus is available. The FIL Group has taken reasonable measures to ensure confidentiality of the data transmitted within each of the entities concerned.

The Directors have taken all reasonable care to ensure that the facts stated in this Prospectus are true and accurate in all material respects and that there are no other material facts the omission of which makes any statement of fact or opinion in this Prospectus misleading. The Directors accept responsibility accordingly. The Board of Directors has approved the full English version of this Prospectus. This Prospectus may be translated into other languages. Where this Prospectus is translated into any other language, the translation shall be as close as possible to the English text and any material variations shall be in compliance with the requirements of the regulatory authorities in other jurisdictions.

The distribution of this Prospectus and the offering of the Shares may be restricted in certain jurisdictions. This Prospectus is not an offer or solicitation in any jurisdiction where such offer or solicitation is unlawful, where the person making the offer or solicitation is not authorised to make it or a person receiving the offer or solicitation may not lawfully receive it.

The information contained in this Prospectus is supplemented by the most recent KIID, annual report of the Fund and any subsequent semi-annual report of the Fund, if available, copies of which can be obtained free of charge at the registered office of the Fund. Persons interested in purchasing Shares should inform themselves as to (a) the legal requirements within their own country for the purchase of Shares, (b) any foreign exchange restrictions which may be applicable, and (c) the income and other tax consequences of purchase, conversion and redemption of Shares.

The Fund is registered under Part I of the Luxembourg law of 17 December 2010. This registration does not require any Luxembourg authority to approve or disapprove either the adequacy or accuracy of this Prospectus or the portfolio securities held by the Fund. Any representation to the contrary is unauthorised and unlawful. The Fund complies with the substance requirements as provided by Article 27 of the Luxembourg law of 17 December 2010.

Shares are listed on the Luxembourg Stock Exchange, except as shown in the footnotes to the relevant funds in Part I of this Prospectus.

The Fund qualifies as an undertaking for collective investment in transferable securities (a UCITS) and has obtained recognition under the Directive 2009/65/EC of the European Parliament and of the Council for marketing in certain Member States of the European Union.

Information for investors in certain countries is contained in Part III, which accompanies Parts I and II of this Prospectus. Investors should note that the information contained in Part III does not constitute tax advice, and the Directors recommend that Shareholders should seek their own professional advice as to the tax consequences before investing in Shares in the Fund.

Copies of this Prospectus and the latest KIIDs are available free of charge from the Distributors and the Representatives of the Fund.

The Fund draws the investors' attention to the fact that any investor will only be able to fully exercise their investor's rights directly against the Fund, notably the right to participate in general meetings of the Shareholders, if the investor is registered themselves and in their own name in the register of Shareholders of the Fund.

In case where an investor invests in the Fund through an intermediary investing in the Fund in their own name but on behalf of the investor, it may not always be possible for the investor to exercise certain Shareholder rights directly against the Fund. Investors are advised to take advice on their rights.

### **Market timing and excessive trading**

**The Fund is designed and managed to support longer-term investment and active trading is discouraged. Short-term or excessive trading into and out of the Fund may harm performance by disrupting portfolio management strategies and by increasing expenses. In accordance with general FIL Group policy and practice and CSSF circular 04/146, the Fund and the Distributors are committed not to permit transactions which they know to be or have reasons to believe to be related to market timing. Accordingly, the Fund and the Distributors may refuse to accept applications for or switching of Shares, especially where transactions are deemed disruptive, particularly from market timers or investors who, in the Fund's or any of the Distributors' opinion, have a pattern of short-term or excessive trading or whose trading has been or may be disruptive to the Fund. For these purposes, the Fund and the Distributors may consider an investor's trading history in a fund or other FIL Group UCIs and accounts under common ownership or control.**

## RISK FACTORS

### General

The following statements are intended to inform investors of the uncertainties and risks associated with investments and transactions in transferable securities and other financial instruments. Although care is taken to understand and manage these risks, the respective funds and accordingly the Shareholders in the respective funds will ultimately bear the risks associated with the investments of the relevant funds.

### Historical Performance

Past performance information relating to each fund is set out in the KIID. Past performance should not be seen as an indication of how a fund will perform in the future and cannot in any way provide a guarantee of future returns.

### Investing in Currency funds

An investment in the Currency funds is neither insured nor guaranteed by any government, government agencies or instrumentalities or any bank guarantee fund. Shares in the Currency funds are not deposits or obligations of, or guaranteed or endorsed by, any bank and the amount invested in Shares may fluctuate up and/or down. Although the Fund seeks to maintain capital value and liquidity whilst producing a return in line with money market rates to the investor, the Currency funds do not guarantee a stable Net Asset Value. All investments are subject to credit and counterparty risk, provide limited potential for capital appreciation and generally lower income than investments in medium- or long-term instruments would. Furthermore, the performance of the Currency funds may be affected by changes in money market rates, economic and marketing conditions and in legal, regulatory and tax requirements.

### Legal and Tax Risks

In some jurisdictions, the interpretation and implementation of laws and regulations and the enforcement of shareholders' rights under such laws and regulations may involve significant uncertainties. Further, there may be differences between accounting and auditing standards, reporting practices and disclosure requirements and those generally accepted internationally. Some of the funds may be subject to withholding and other taxes. Tax law and regulations of any country are constantly changing, and they may be changed with retrospective effect. The interpretation and applicability of the tax law and regulations by tax authorities in some jurisdictions are not as consistent and transparent as those of more developed nations, and may vary from region to region.

### Holdings Concentration

Some funds may invest in a relatively small number of investments or may be concentrated in a specific industry sector and the Net Asset Value of the fund may be more volatile as a result of this concentration of holdings relative to a fund which diversifies across a larger number of investments or sectors.

### Liquidity Risk

In normal market conditions the Fund's assets comprise mainly realisable investments which can be readily sold. A fund's main liability is the redemption of any shares that investors wish to sell. In general the Fund manages its investments, including cash, such that it can meet its liabilities. Investments held may need to be sold if insufficient cash is available to finance such redemptions. If the size of the disposals are sufficiently large, or the market is illiquid, then there is a risk that either the investments might not be sold or the price at which they are sold may adversely affect the Net Asset Value of the fund.

### Pricing and Valuation Risk

The Fund's assets comprise mainly quoted investments where a valuation price can be obtained from an exchange or similarly verifiable source. However, the Fund will also invest in unquoted and/or illiquid investments which will increase the risk of mispricing. Further, the Fund will compute Net Asset Values when some markets are closed for holidays or other reasons. In these and similar cases an objective verifiable source of market prices will not be available and the Investment Manager will invoke its fair value process which will determine a fair value price for the relevant investments; this fair value process involves assumptions and subjectivity.

### Credit Risk

Investments may be adversely affected if any of the institutions with which money is deposited suffers insolvency or other financial difficulties (default). Credit risk also arises from the uncertainty about the ultimate repayment of principal and interest bond or other debt instrument investments. In both cases the entire deposit or purchase price of the debt instrument is at risk of loss if there is no recovery after default. The risk of default is usually greatest with bonds and debt instruments that are classed as 'sub-investment' grade.

### Counterparty Credit & Settlement Risk

All security investments are transacted through brokers who have been approved by the Investment Manager as an acceptable counterparty. The list of approved brokers is reviewed regularly. There is a risk of loss if a counterparty fails to perform its financial or other obligations to the funds, for example, the possibility that a counterparty may default, by failing to make payments due, or make payments in a timely manner. If settlement never occurs the loss incurred by the fund will be the difference between the price of the original contract and the price of the replacement contract, or, in the case where the contract is not replaced the absolute value of the contract at the time it is voided. Further, in some markets 'Delivery versus Payment' may not be possible in which case the absolute value of the contract is at risk if the fund meets its settlement obligations but the counterparty fails before meeting its obligations.

### Securitised or Structured Debt Instruments

Funds may invest in securitised or structured debt instruments (collectively referred to as structured products). Such instruments include asset-backed securities, mortgage-backed securities, collateralised debt instruments and collateralised loan obligations. Structured products provide exposure, synthetically or otherwise, to underlying assets and the risk/return profile is determined by the cash flows derived from such assets. Some of such products involve multiple instruments and cash flow profiles such that it is not possible to predict with certainty the outcome from all market scenarios. Also the price of such an investment could be contingent on, or highly sensitive to, changes in the underlying components of the structured instrument. The underlying assets can take many forms including, but not limited to, credit card receivables, residential mortgages, corporate loans, manufactured housing loans or any type of receivables from a company or structured vehicle that has regular cash flows from its customers. Some structured products may employ leverage which can cause the price of the instruments to be more volatile than if they had not employed leverage. In addition investments in structured products may be less liquid than other securities. The lack of liquidity may cause the current market price of assets to become disconnected from the underlying assets' value and consequently funds investing in securitised products may be more susceptible to liquidity risk. The liquidity of a structured product can be less than a regular bond or debt instrument and this may adversely affect either the ability to sell the position or the price at which such a sale is transacted.

### Mortgage-Related Securities

Generally, rising interest rates tend to extend the duration of fixed rate mortgage-related securities making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates a fund holding mortgage-related securities may exhibit additional volatility (extension risk). In addition, adjustable and fixed rate mortgage-related securities are subject to prepayment risk. When interest rates decline, borrowers may pay off their mortgages sooner than expected. This can reduce the returns of a fund because the fund may have to reinvest that money at the lower prevailing interest rates. In addition investments in securitised products may be less liquid than other securities. The lack of liquidity may cause the current market price of assets to become disconnected from the underlying assets value and consequently funds investing in securitised products may be more susceptible to liquidity risk. The liquidity of a securitised product can be less than a regular bond or debt instrument and this may adversely affect either the ability to sell the position or the price at which such a sale is transacted.

### Repurchase Transactions

Repurchase Transactions involve risks in that (a) in the event of the failure of the counterparty with which cash of a fund has been placed there is the risk that collateral received may realise less than the cash placed out, whether because of inaccurate pricing of the collateral, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; and that (b) (i) locking cash in transactions of excessive size or duration, (ii) delays in recovering cash placed out, or (iii) difficulty in realising collateral may restrict the ability of the Fund to meet redemption requests, security purchases or, more generally, reinvestment.

### Termination of Funds and Classes of Shares

In the event of the termination of a fund or a class of Shares, the assets of the fund or the class will be realised, the liabilities discharged and the net proceeds of realisation distributed to Shareholders in proportion to their holding of Shares in that fund or class. It is possible that at the time of such realisation or distribution, certain investments held by the fund or class of Shares may be worth less than the initial cost of such investments, resulting in a loss to the Shareholders. All normal operating expenses incurred up to the point of termination will be borne by a fund or the class. There are no unamortised organisational expenses with regard to the Fund, a fund or a class.

**The foregoing risk factors do not purport to be a complete explanation of the risks involved in investing in the Shares. Prospective investors should read the entire Prospectus and consult with their legal, tax and financial advisors before making any decision to invest in the Fund.**



## SUMMARY INFORMATION

### Fidelity Funds II

Legal structure:	Open ended investment company with multiple classes of Shares incorporated in Luxembourg.	Investment Manager:	FIL Fund Management Limited, Bermuda
Fidelity Funds II registered address:	2a, Rue Albert Borschette, BP 2174, L-1021 Luxembourg	Depository:	Brown Brothers Harriman (Luxembourg) S.C.A.
General Distributor:	FIL Distributors, Bermuda	Auditors:	PricewaterhouseCoopers S.à r.l., Luxembourg
Management Company, Registrar, Transfer Agent, Administrative Service Agent and Domiciliary Agent	FIL Investment Management (Luxembourg) S.A 2a, Rue Albert Borschette BP 2174 L-1021 Luxembourg		

### Principal Features

Investment choice:	Range of Currency funds.	Current sales charge:	0% for Currency funds
Investment objective:	Fidelity Funds II provides investment in professionally managed pools of international securities in different geographical areas and currencies, with the opportunity to achieve capital growth, income or a balance between growth and income.	Current redemption charge:	0% for Currency funds
Classes of Shares:	A for Currency funds.	Current switching charge:	0% for Currency funds (see Part II of this Prospectus for full details)
Principal geographical areas:	Worldwide.	Current annual management fee:	Class A Shares: Up to 1% for Currency funds. (see Part II of this Prospectus for full details)
Recommended investment time:	Currency funds – any time period.	Currency of the Fund:	US Dollar
Potential investors:	Fidelity Funds II is available to retail and institutional investors.	NAV publications:	Details can be obtained from the Distributor or the Fund. Generally available in various publications (for details see "How to Buy Shares", "Price" in Part II of this Prospectus)
Dividends:	Fidelity Funds II will not pay dividends.		
Taxation:	Annual subscription tax of 0.01% payable quarterly on Currency funds.		

Minimum investment:

Current Minimum Investments*		
Funds	Minimum Initial Investment	Minimum Subsequent Investment
Class A Shares in all Currency funds	USD 2,500	USD 1,000

\* or the equivalent of the amounts shown above in any major freely convertible currency

**Distributors****General Distributor:**

FIL Distributors  
 Pembroke Hall, 42 Crow Lane  
 Pembroke HM19, Bermuda  
 Telephone: (1) 441 297 7267  
 Fax: (1) 441 295 4493

**Share Distributors:**

FIL (Luxembourg) S.A.  
 2a, Rue Albert Borschette  
 BP 2174, L-1021 Luxembourg  
 Telephone: (352) 250 404 1  
 Fax: (352) 26 38 39 38

FIL Investment Services GmbH  
 Kastanienhöhe 1  
 D-61476 Kronberg im Taunus  
 Telephone: (49) 6173 509 0  
 Fax: (49) 6173 509 4199

FIL Investissements (FIL Gestion as from 1<sup>st</sup> January 2013)  
 Washington Plaza  
 29 rue de Berri  
 F-75008 Paris  
 Telephone: (33) 1 7304 3000

FIL Investments International  
 Oakhill House  
 130 Tonbridge Road  
 Hildenborough  
 Tonbridge, Kent TN11 9DZ  
 United Kingdom  
 Telephone: (44) 1732 777377  
 Fax: (44) 1732 777262

FIL Investment Management (Hong Kong) Limited  
 Level 21, Two Pacific Place  
 88 Queensway  
 Admiralty, Hong Kong  
 Telephone: (852) 2629 2629  
 Fax: (852) 2629 6088

FIL Distributors International Limited  
 PO Box HM670  
 Hamilton HMCX, Bermuda  
 Telephone: (1) 441 297 7267  
 Fax: (1) 441 295 4493

FIL Pensions Management  
 Oakhill House  
 130 Tonbridge Road  
 Hildenborough  
 Tonbridge  
 Kent TN11 9DZ  
 United Kingdom  
 Telephone: (44) 1732 777377  
 Fax: (44) 1732 777262

Financial Administration Services Limited  
 Oakhill House  
 130 Tonbridge Road  
 Hildenborough  
 Tonbridge  
 Kent TN11 9DZ  
 United Kingdom  
 Telephone: (44) 1732 777377  
 Fax: (44) 1732 777262

## THE RANGE OF FUNDS

### Currencies

Investments in a fund may be made in currencies different from the reference currency of the fund.

## CURRENCY FUNDS

### Investment Objectives

The aim of the Currency funds is to provide through the individual funds, a wholesale rate of return for a currency chosen by the investor with the opportunity to switch at any time between Currency funds. The overall investment objective of each Currency fund will not be altered at any time without offering Shareholders a free switch or redemption out of the relevant fund.

### Investment Policies

All Currency funds seek to achieve their investment objective by following the same investment policy, the essential differences being the currency in which their assets are denominated. The assets of a Currency fund shall be converted into the relevant currency for that fund. The assets of the Currency funds shall exclusively be composed of interest bearing transferable debt securities and, within the restrictions set out by law, in Money Market Instruments and in cash. The types of debt securities in which the various Currency funds may invest include those which are traded on the Money Market in the UK, regulated by the Financial Services Authority, or on the Over-the-Counter Market in the US, regulated by the US Securities and Exchange Commission and the National Association of Securities Dealers.

These may include the following:

- commercial paper;
- obligations issued or guaranteed by governments, governmental agencies, or instrumentalities;
- variable rate notes;
- variable rate certificates of deposit;
- certain investment grade collateralised mortgage obligations and other asset-backed securities;
- issues of governments and supranational agencies, such as Treasury Bills, notes and bonds; and
- short dated corporate bonds

The Currency funds may also acquire, within the restrictions imposed by law, regularly traded Money Market Instruments which are regularly negotiated, provided that the average residual maturity of the portfolio of the Currency fund concerned does not exceed 12 months. With due consideration given to the restrictions on investments required by applicable law and regulations and on an ancillary basis, each Currency fund may further hold cash and cash equivalents (including Money Market Instruments which are regularly negotiated, provided that the average residual maturity of the portfolio of the Currency fund concerned does not exceed 12 months). Money Market Instruments with a residual term of less than one year are considered for this purpose as liquid investments.

The method used to calculate the global exposure relating to derivative instruments is the commitment approach (please refer to Appendix A, D. of the Prospectus for further details).

The funds and their investment objectives are set out below:

Fund Name (and Reference Currency)	Investment Objective	Principal Dealing Currency
		A-Shares
Fidelity Funds II – Euro Currency Fund <sup>A,L</sup> (Euro)	Invests primarily in Euro denominated debt securities and other permitted assets.	Euro
Fidelity Funds II – US Dollar Currency Fund <sup>A,L</sup> (USD)	Invests primarily in US Dollar denominated debt securities and other permitted assets.	USD
Fidelity Funds II – Sterling Currency Fund <sup>A,L</sup> (GBP)	Invests primarily in United Kingdom Pounds Sterling denominated debt securities and other permitted assets.	GBP
Fidelity Funds II – Australian Dollar Currency Fund <sup>A,L</sup> (AUD)	Invests primarily in Australian Dollar denominated debt securities and other permitted assets.	AUD

## NOTES

to be read in conjunction with the information provided on the different funds

### Typical Investor Profiles

- A. *May suit a cautious investment strategy and most likely to be appropriate for investors who are investing to protect the value of their assets. This could be a good starting point for a first-time investor or used to provide a level of diversification to an equity portfolio.*

### Risk Profiles

- L. *Low risk. The value of the fund is calculated daily on the basis of the market value of underlying cash, government bonds and/or corporate bond investments. If you are investing in a fund that is denominated in a currency other than yours, there may be additional risk through exchange rate fluctuations.*

***The information provided in this Prospectus does not constitute investment advice. Your attention is drawn to the Important Note of this Prospectus. If you are investing in a fund that is denominated in a currency other than Euro, there may be additional risk through exchange rate fluctuations.***

# Part II: Core Information

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## PRINCIPAL FEATURES

### Structure

The Fund is an open-ended investment company incorporated under the laws of Luxembourg as a SICAV (*société d'investissement à capital variable*). Each fund is a separate portfolio of securities managed in accordance with specific investment objectives. Separate classes of Shares are issued in relation to the funds.

Investors can choose from a range of funds. Each fund provides investment in professionally managed pools of securities in different geographical areas and currencies. A detailed list of the funds and their investment objectives is in Part I of this Prospectus.

### Multicurrency Dealing

Shares can normally be purchased, sold or switched with any of the Distributors or be subscribed for or redeemed or switched through the Management Company on a day that the Distributors or the Management Company are open for business. The Distributors will normally accept orders in any of the major freely convertible currencies, while through the Management Company, settlement may only be made in one of the principal dealing currencies of the applicable class.

### Single Price

There is a single price for buying and selling Shares which represents the Net Asset Value of the relevant fund. If applicable, a sales charge is added in the case of purchases and a switch charge in the case of switches.

### Listing

Shares are listed on the Luxembourg Stock Exchange, except as shown in the footnotes to the relevant funds in Part I of this Prospectus. Other stock exchange listings may be sought from time to time as considered appropriate by the Board of Directors.

### Minimum Investment

The minimum initial and subsequent investments are as follows:

Funds	Minimum Investments – US Dollars*	
	Initial	Subsequent
Class A Shares in Currency funds	2,500	1,000

\* or the equivalent of the amounts shown above in any major freely convertible currency

The minimum value of a holding at any time must amount to the minimum initial investment applicable to the particular class of Shares of that fund, except for Shareholders as at 31 July 1995.

### Co-Management of Assets

For the purpose of effective management, where the investment policies of the funds so permit, the Board of Directors may choose that the assets of certain funds within the Fidelity Funds II range be co-managed. In such case, assets of different funds will be managed in common. The assets which are co-managed shall be referred to as a "pool", notwithstanding the fact that such pools are used solely for internal management purposes. The pools do not constitute separate entities and are not directly accessible to investors. Each of the co-managed funds shall be allocated its specific assets.

Where the assets of more than one fund are pooled, the assets attributable to each participating fund will initially be determined by reference to its initial allocation of assets to such a pool and will change in the event of additional allocations or withdrawals.

The entitlements of each participating fund to the co-managed assets apply to each and every line of investments of such pool.

Additional investments made on behalf of the co-managed funds shall be allotted to such funds in accordance with their respective entitlements, whereas assets sold shall be levied similarly on the assets attributable to each participating fund.

## CLASSES OF SHARES

### Class A Shares

Upon the sale of Class A Shares a sales charge of 0% for Currency funds is payable and there is no redemption fee or ongoing distribution charge.

## HOW TO BUY SHARES

### Applications

Investors buying Shares for the first time should complete the application form. The instructions for subsequent purchases must normally contain full details of registration, the name of the fund(s), class(es) of Shares, settlement currency(ies) and the value of Shares to be bought. Purchase instructions will normally only be fulfilled on banker's notification of receipt of cleared monies.

In case of joint holding and unless specifically stated in writing at the time of application, any one of the registered joint Shareholders is authorised to sign any documents or to give instructions in connection with that holding on behalf of the other joint Shareholders. Such authorisation shall remain in force unless notice of its termination is received under separate cover by the Distributor.

Completed applications with cleared monies received by a Distributor or the Management Company, where the investor is subscribing for Shares direct from the Fund, on a day that the Distributor and/or the Management Company are open for business before the appropriate dealing cut off times on a Valuation Date will normally be fulfilled that day at the next calculated Net Asset Value of the relevant fund plus any applicable sales charge.

Normally, the Management Company and/or the relevant Distributor do not accept from, or make payments to, persons other than the registered Shareholder or any of the joint Shareholders.

Dealing cut-off times are shown in the table below.

Dealing cut-off times	
UK time (normally Central European Time)	Hong Kong Time
12 noon (1.00 pm)	4.00pm

Other dealing cut-off times may be agreed with local Distributors.

Shareholders should normally allow at least three Business Days before further switching, selling or redeeming their Shares after purchase or subscription.

### Price

The purchase price comprises the Net Asset Value of Shares of the relevant fund calculated on a Valuation Date plus the applicable sales charge. The number of Shares will be rounded up or down to the nearest one hundredth of a Share.

Details of the most recent Net Asset Values of Shares in each fund may be obtained from each Distributor or the Management Company. The Net Asset Values of the appropriate funds are published in such manner as decided from time to time by the Directors.

### Currencies

Investors may place orders for Shares with Distributors in any of the major freely convertible currencies in addition to the principal dealing currency of the individual funds and/or classes of Shares. Investors may contact the Distributors for information about such currencies. The Distributors may publish details of other currencies which will be accepted. Foreign exchange transactions required to handle client purchases/redemptions may be aggregated and will be carried out by FIL Group's central treasury department on an arm's length basis through certain FIL Group companies from which a benefit may be derived by such companies. Settlement must be made in the currency in which the order was placed.

Investors subscribing for Shares direct from the Management Company may only settle in the principal dealing currency of the applicable fund or class.

### Settlement

Settlement should be made by electronic bank transfer net of bank charges. Payment should be made to the bank account published by the Distributor as appropriate to the currency of settlement.

Other methods of payment require the prior approval of the Distributor or the Management Company. Where payments are accepted by cheque (or where an electronic bank transfer does not result in the immediate receipt of cleared funds) processing of the application will usually be deferred until cleared monies are received. Cleared monies will be invested net of bank collection charges.

### Contract Notes

Contract notes will normally be issued within 24 hours of the allocation of Shares.

### Form of Shares

Shares are issued in registered form in the name of the subscriber or made available through Euroclear and/or Clearstream Banking. The Fund does not intend to issue bearer Shares.

Registered Shares are held on a register established by the Fund in the investor's name. No Share certificates are issued.

Certification of the registered holding may be requested and will be mailed within approximately four weeks after payment for the Shares and provision of registration details to the Distributor or the Management Company.

### Prevention of Money Laundering and Terrorist Financing Procedures

International rules and Luxembourg laws and regulations (including but not limited to the law of 12 November 2004 on the fight against money laundering and terrorist financing (as amended) (the "Law of 2004")) and associated circulars of the CSSF, outline obligations imposed on all professionals of the financial sector to prevent the use of undertakings for collective investment, such as the Fund, for money laundering/terrorist financing purposes. Within this context a procedure for the identification of investors has been established by the Fund and/or the relevant Distributor. That is, the application form of an investor must be accompanied by such documents as determined from time to time. Investors may also be requested to provide additional or updated identification documents from time to time pursuant to ongoing client due diligence requirements under relevant laws and regulations. If you have any questions regarding the identification documentation required, you should contact the Transfer Agent or your usual FIL Group contact.

## HOW TO SELL SHARES

### Instructions to Sell

Instructions to sell Shares should be addressed to a Distributor or to the Management Company. The instructions must contain full details of registration, the name of the fund(s), class(es) of Shares, settlement currency(ies), the number or value of Shares to be sold and bank details. Instructions received on a day that the Distributor or the Management Company is open for business, before the appropriate dealing cut off times on a Valuation Date, are dealt with at the Net Asset Value calculated that day.

Holders of Shares should submit signed written instructions. In case of joint holding and unless specifically stated in writing at the time of application, one of the registered joint Shareholders is authorised to sign any documents or give instructions in connection with that holding on behalf of the other joint Shareholders. Such authorisation shall remain in force unless notice of its termination is received under separate cover by the Distributor or the Management Company.

Completed written instructions should be forwarded to the Distributor or the Management Company immediately after the instruction is placed.

## Contract Notes

Contract notes will normally be issued within 24 hours of the price being determined.

## Settlement

Settlement will normally be made by electronic bank transfer. After receipt of written instructions, payment will normally be made in the principal dealing currency of the relevant class of Share within three Business Days for Currency funds. If in exceptional circumstances it is not possible to make the payment within the relevant period, then such payment shall be made as soon as reasonably practicable thereafter but without interest. Settlement amounts may be subject to bank charges levied by the shareholder's own (or a correspondent) bank. Payment may also be made in one of the major freely convertible currencies if requested by the Shareholder(s) at the time of instruction. Currently, no sales exit fee or redemption fee is applied. However, the right is reserved to charge a sales exit fee or a redemption fee, not exceeding 1.00% of the Net Asset Value, if the Directors so determine in the future, which fee will revert to the General Distributor. In the case of a redemption fee being applied, the Prospectus shall be updated and the investors duly informed. **Please refer to "Charges and Expenses" in Part II of this Prospectus for full details.**

## HOW TO SWITCH

### Class A Shares

Shareholders may switch some or all of their Shares in one fund or class of Shares into another fund or class of Shares if they satisfy the applicable minimum investment requirements for the existing and new funds or class of Shares.

### Procedures

Written instructions to switch Shares should be addressed to a Distributor or the Management Company. Instructions should include full account details and the number or value of Shares to be switched between named funds and classes. In case of joint holding and unless specifically stated in writing at the time of application, one of the registered joint Shareholders is authorised to sign any documents or give instructions in connection with that holding on behalf of the other joint Shareholders. Such authorisation shall remain in force unless notice of its termination is received under separate cover by the Distributor or the Management Company.

Shareholders may not be registered as the owner of the new Shares of the fund into which the Shareholders have switched until the Distributor or the Management Company has received renunciation for the Shares of the fund from which the Shareholders have switched. Shareholders should normally allow up to three Business Days after receipt of completed instructions by the Distributor or the Management Company before selling or switching the new Shares into another fund.

### Amounts to be Switched

The minimum value of a Shareholding in any one fund must amount to the minimum initial investment, except for shareholders as at 31 July 1995, as set out under "Principal Features", "Minimum Investment" in Part II of this Prospectus (or its equivalent in another major freely convertible currency).

Shareholders must therefore switch the appropriate minimum initial investment or, where investing into a fund where they have an existing shareholding, the appropriate minimum subsequent investment. When switching a partial holding, the minimum value of the remaining holding should equate to the minimum initial investment as set out under "Principal Features", "Minimum Investment" in Part II of this Prospectus (or its equivalent in another major freely convertible currency).

### Price

Switching instructions received on a day that the Distributors or the Management Company are open for business before the appropriate dealing cut-off times on a Valuation Date, are dealt with at the Net Asset Value calculated that day for each of the relevant funds.

No switching fees will be applied.

The currency exchange rate to be applied where the prices of the relevant funds are denominated in different currencies is that for Share purchases on the relevant day. The number of Shares will be rounded up or down to the nearest one-hundredth of a Share.

## Contract Notes

Contract Notes will normally be issued within 24 hours of the price being determined.

## Dealing Facilities

Dealing facilities are available at the FIL Group offices listed below:

FIL Investments International  
Oakhill House  
130 Tonbridge Road  
Hildenborough  
Tonbridge, Kent TN11 9DZ  
United Kingdom  
Telephone: (44) 1732 777377  
Fax: (44) 1732 777262

FIL Investment Management (Hong Kong) Limited  
Level 21, Two Pacific Place  
88 Queensway  
Admiralty, Hong Kong  
Telephone: (852) 2629 2629  
Fax: (852) 2629 6088

FIL (Luxembourg) S.A.  
2a, Rue Albert Borschette  
BP 2174, L-1021 Luxembourg  
Telephone: (352) 250404 1  
Fax: (352) 26 38 39 38

FIL Distributors International Limited  
PO Box HM670  
Hamilton HMCX, Bermuda  
Telephone: (1) 441 297 7267  
Fax: (1) 441 295 4493



FIL Investment Services GmbH  
Kastanienhöhe 1  
D-61476 Kronberg im Taunus  
Telephone: (49) 6173 509 0  
Fax: (49) 6173 509 4199

General Distributor  
FIL Distributors  
Pembroke Hall, 42 Crow Lane  
Pembroke HM19, Bermuda  
Telephone: (1) 441 297 7267  
Fax: (1) 441 295 4493

Financial Administration Services Limited  
Oakhill House  
130 Tonbridge Road  
Hildenborough  
Tonbridge  
Kent TN11 9DZ  
United Kingdom  
Telephone: (44) 1732 777377  
Fax: (44) 1732 777262

*Share dealings may also take place direct with the Management Company at*  
FIL Investment Management (Luxembourg) S.A  
2a, Rue Albert Borschette  
BP 2174, L-1021 Luxembourg  
Telephone: (352) 250404 1  
Fax: (352) 26 38 39 38

## DIVIDENDS

### General

The Fund does not pay dividends.

### Income Equalisation Arrangements

Income equalisation arrangements are applied for all Currency funds. In general, the equalisation procedure is applied to balance fluctuations of the ratio between net investment income and other assets, which are caused by net fund inflows and outflows due to transactions with the fund shares (purchases, sales and returns).

## CHARGES AND EXPENSES

### The Investment Manager

The Investment Manager receives from each Currency fund an annual management fee of 1.00% which is levied on the value of the net assets of the fund.

### The Depositary

The Fund pays the Depositary a monthly depositary fee calculated principally by reference to the value of the net assets of the Fund on the last Business Day of each month. The Depositary and the Fund determine the level of the fee from time to time in the light of market rates applicable in Luxembourg. Reasonable expenses incurred by the Depositary or by other banks and financial institutions to whom safekeeping of assets of the Fund is entrusted are additional to the Depositary's fee. The Depositary's fee normally includes the custody fees and certain transaction charges of the other banks and financial institutions. The amount paid to the Depositary in a financial year will be shown in the annual report of the Fund.

### General Distributor and Distributors

The Management Company with the consent of the Fund has appointed the General Distributor to assist in the promotion of Shares in the Fund. The General Distributor has appointed the Distributors to distribute Shares. The Distributors always act as the agent for the General Distributor. The General Distributor acts as principal in the purchase and sale of Shares via the Distributors and Shares are issued to/redeemed by the Fund to the General Distributor on the terms of the Prospectus. The General Distributor may not price orders received by it on less favourable terms than those available direct from the Fund.

Sales charges paid to the General Distributor, collected by the Distributors, are retained by the General Distributor. Sales charges paid to the Fund revert to the General Distributor. The General Distributor remunerates the Distributors. Initial commissions may be paid to financial intermediaries or institutions from the sales charge. Where ongoing commissions or other fees and charges are paid to financial intermediaries, these commissions are usually borne by the Investment Manager and paid through the General Distributor from the management fee.

### Other Expenses

Please refer to Appendix B "Charges and Expenses" for details of other costs, charges and expenses which may be paid by the Fund. The expenses of the Fund are allocated pro rata to the respective average net assets of each fund. The annualised expenses of each Currency fund are limited under the management contract to 1.25% per annum.

## MEETINGS AND REPORTS TO SHAREHOLDERS

The Annual General Meeting of Shareholders is held in Luxembourg on the last Thursday of May of each year at noon or, if such date is not a Business Day in Luxembourg, on the next following Business Day.

Notices of meetings of Shareholders are given in accordance with Luxembourg law and the Articles of Incorporation by publication in the *Mémorial* and the *Luxemburger Wort* in Luxembourg and in other newspapers decided by the Directors. Written notice will be sent to Shareholders at least 8 days prior to each meeting. All notices of meetings specify the time, place and agenda of the meeting, and the quorum and voting requirements. The Shareholders of any fund may hold, at any time, general meetings to decide on matters which relate exclusively to that fund.

The Fund's financial year ends on 31 January each year. The Fund's annual report incorporating financial statements is published within four months after the end of the financial year and at least two weeks before the Annual General Meeting of Shareholders. The Fund's accounting records are separately maintained in each fund's reference currency. Annual accounts are presented in the funds' reference currency with consolidated accounts presented in US dollars. The Fund publishes

a semi-annual unaudited financial report, containing a list of each fund's holdings and their market values, within two months of the date to which it is made up.

The annual and semi-annual reports can be downloaded from the website [www.fidelityworldwideinvestment.com](http://www.fidelityworldwideinvestment.com) or may be obtained free of charge on request from the Management Company, the Distributors and the representatives of the Fund.

## TAXATION

### Taxation of the Fund

The Fund is not liable to any Luxembourg taxes on income or on realised or unrealised capital gains, nor to any Luxembourg withholding tax. The funds are subject to an annual subscription tax of 0.05% calculated and payable quarterly on the net assets of the Fund on the last day of each fiscal quarter.

The reduced tax rate of 0.01% per annum of the net assets will be applicable to classes of Shares which are only sold or held by institutional investors within the meaning of article 174 of the Law of 2010.

No such tax is applicable in respect of assets invested in Luxembourg undertakings for collective investments which are themselves subject to this tax.

Capital gains, dividends and interest on securities held by the Fund may be subject to capital gains, withholding or other taxes imposed by the country of origin concerned and these taxes may not be recoverable by the Fund or by Shareholders.

### Taxation of individual Shareholders

#### (i) Non-resident individual Shareholders

Under current legislation, non Luxembourg tax resident individuals are not subject to any income, capital gain, withholding, gift, estate, inheritance or other tax in Luxembourg with respect to their Shares in the Fund.

#### (ii) Luxembourg resident individual Shareholders

Taxation of dividends received

Income derived by Luxembourg tax resident individual Shareholders are subject to income tax in Luxembourg. Luxembourg tax resident individual Shareholders may benefit however from an annual tax exemption which applies to taxable distributions up to EUR 1,500 (EUR 3,000 for married taxpayers/partners filing jointly). Distributions in excess of the annual exemption are taxed at progressive income tax rates. The highest marginal tax rate is 41.34% for 2012. In addition, a 1.4% dependency contribution is applied on the gross distribution, if such Shareholders are subject to Luxembourg Social Security regime.

Taxation of capital gains realised

Capital gains realised by Luxembourg tax resident individual Shareholders are tax exempt if:

- (a) their shareholding (held directly or indirectly, alone or together with their household (spouse / partner and minor children)) in the Fund does not exceed 10% of the paid up share capital of the Fund, and
- (b) the disposal takes place more than six months after the acquisition thereof.

Capital gains realised by Luxembourg tax resident individual Shareholders are taxable if:

- (a) the Shares in the Fund are disposed of within six months of their acquisition (irrespective of the shareholding level), or
- (b) the Shares in the Fund are disposed of six months after their acquisition and the shareholding (held directly or indirectly, alone or together with their household (spouse / partner and minor children)) represents more than 10% of the paid up share capital of the Fund.

Capital gains realised under (a) will be subject to income tax up to 41.34%.

Capital gains realised under (b) will be subject to income tax after deduction of an amount of up to EUR 50,000 (EUR 100,000 for married taxpayers / partners filing jointly) available over a 10-year period. The balance thereof will be subject to income tax at the half of the applicable income tax rate for relevant taxpayer.

The marginal income tax rate in Luxembourg is 41.34% for 2012. In addition, a 1.4% dependency contribution is applied on the taxable capital gain, if such Shareholders are subject to Luxembourg Social Security regime.

#### (iii) United Kingdom resident Shareholders

Distributing funds and distributing Share classes of the Fund which are registered in the United Kingdom and which are certified after the year-end by HMRC as 'distributing funds' for the accounting period ending 30 September 2010 will also be regarded as 'reporting funds' for the purposes of the Offshore Funds (Tax) Regulations 2009 for that period. All sub-funds and Share classes of the Fund have been certified as 'UK reporting funds' by HM Revenue & Customs for the accounting period commencing on 1 October 2010. Reporting fund status will apply to all future accounting periods subject to compliance with the annual reporting requirements set out in the Offshore Funds (Tax) Regulations 2009.

#### (iv) EU Saving Directive

The EU Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (hereinafter the "Directive") provides that paying agents established in a member state of the EU or certain dependent or associated territories of member states who make savings income payments to individuals resident in another member state or to residual entities within the sense of the Directive (and, depending on the home state of the paying agent, possibly also to individuals and residual entities within the sense of the Directive resident in certain dependent or associated territories of member states) will be obliged, depending on the jurisdiction of establishment of the paying agent, either to report details of the payment and payee to fiscal authorities or to withhold tax from it. Austria and Luxembourg are entitled to provide for a "saving withholding tax system" during a transitional period. Where Luxembourg savings withholding tax applies, the rate of that tax is 35% as of 1 July 2011. However, there are procedures which allow that this savings withholding tax is not levied. It should be noted that the European Council

issued a draft proposal in order to amend the Directive. Possible (future) EU Savings implications should thus be monitored on a continuing basis.

The Luxembourg law of 21 June 2005 has implemented the EU Council Directive 2003/48/EC into national law.

The following entities have been appointed as Paying Agents:

- i) For Shareholders who subscribed directly from the Management Company or purchased Shares through FIL (Luxembourg) S.A.  
 FIL Investment Management (Luxembourg) S.A.  
 2a, Rue Albert Borschette  
 BP 2174  
 L-1021 Luxembourg
- ii) For all other Shareholders falling within the scope of the EU Savings Directive  
 FIL Investments International  
 Oakhill House  
 130 Tonbridge Road  
 Hildenborough  
 Kent TN11 9DZ  
 United Kingdom

### Taxation of corporate Shareholders

#### (i) Non-resident corporate Shareholders

Under current legislation, non Luxembourg tax resident corporate Shareholders are not subject to any income, capital gain, withholding, estate, inheritance or other taxes in Luxembourg with respect to their Shares.

#### (ii) Luxembourg resident corporate Shareholders and non resident corporate Shareholders holding the Shares through a Luxembourg permanent establishment

Dividend distributions and capital gains received by Luxembourg tax resident corporate Shareholders are taxable at an aggregate tax rate of 28.80% for Luxembourg City as from 1 January 2011.

The tax consequences for each Shareholder of purchasing, subscribing, acquiring, holding, converting, selling, redeeming or disposing of Shares in the Fund will depend upon the relevant laws of any jurisdiction to which the Shareholder is subject. Investors and prospective investors should seek their own professional advice as to this, as well as to any relevant exchange control or other laws and regulations. Taxation law and practice and the levels of tax relating to the Fund and to Shareholders may change from time to time.

## PERFORMANCE OF THE FUND

For the performance of the Fund please refer to the latest version of the KIIDs for the respective funds. Past performance is not necessarily a guide to the future performance results of the funds or of the investment manager.

## MANAGEMENT OF THE FUND

### Management Company and Supervisory Officers

The Fund has appointed FIL Investment Management (Luxembourg) S.A. as the Management Company of the Fund under a Management Company Services Agreement dated 1 June 2012. The Fund pays fees under this agreement at commercial rates agreed from time to time between the parties plus reasonable out-of-pocket expenses.

The Management Company was incorporated as a *Société Anonyme* under the laws of the Grand Duchy of Luxembourg by notarial deed dated 14 August 2002, and published in the Mémorial on 23 August 2002. It has been incorporated for an undetermined period. It is registered on the Registre de Commerce et des Sociétés under No. B 88 635. The latest amendments to the Articles of Incorporation dated 22 June 2011 were published in the Mémorial on 22 July 2011. The Management Company has an authorised and issued share capital of EUR 500,000.

The Management Company is authorised as a management company governed by the EC Directive 2009/65 and therefore complies with the conditions set out in Chapter 15 of Law of 2010. The corporate object of the Management Company is the management within the meaning of article 101(2) of Law of 2010 including but not limited to the creation, administration, management and marketing, of undertakings for collective investment.

The Management Company is responsible for the management, administration, including the overall management of the investments of the Fund, and for the marketing function.

The Management Company processes subscriptions, redemptions, switches and transfers of Shares and enters these transactions in the Fund's Register of Shareholders. It provides services to the Fund in connection with keeping the Fund's accounts, determination of the Net Asset Value of Shares in each fund on each Valuation Date, despatch of dividend payments to Shareholders, preparation and distribution of Shareholders' reports and provision of other administrative services.

The Management Company has appointed, with the consent of the Fund, the Investment Manager and the General Distributor, details of the agreements with these parties and a description of the fees and expenses payable by the Fund are described below.

Amongst other things, the Management Company and its Supervisory Officers shall have the duty to ensure at all times that the tasks of the Investment Manager and the General Distributor are performed in compliance with Luxembourg law, the Articles of Incorporation and the Prospectus. Amongst other things, the Management Company and Supervisory Officers shall ensure compliance of the Fund with the investment restrictions (see Appendix A) and oversee the implementation of the investment policy of each fund.

The Management Company and/or the Supervisory Officers shall report to the Board on a quarterly basis and the Supervisory Officers shall inform the Management Company and the Board without delay of any materially adverse matters resulting from the actions of the Investment Manager and the General Distributor.

The Directors have appointed Brown Brothers Harriman (Luxembourg) S.C.A. to be the Depository, responsible for the safekeeping of the assets of the Fund under the terms of the Depository Agreement. Details of this Agreement and a description of the fees and expenses payable by the Fund are contained in Appendix B.

## DIRECTORS

### The Directors of the Fund are:

#### **Nishith Gandhi**

Luxembourg; Head of Luxembourg Investment Administration for FIL Investment Management (Luxembourg) S.A., responsible for all aspects of fund administration operations, reporting and project management of SICAVs and FCPs registered in Luxembourg for the FIL Group. He is also Head of UK and Luxembourg Fund Accounting.

#### **Charles Hutchinson**

Luxembourg; Head of Compliance for FIL (Luxembourg) S.A. in Luxembourg with responsibility for Benelux, Nordic, Switzerland and Southern Europe. Before joining the FIL Group he held a number of financial control and compliance positions including Chief Financial Officer and Compliance Officer for NatWest Investment Management Limited in London.

#### **Mike Nikou**

Sweden; Managing Director Northern & Southern Europe, FIL Investments International, being responsible for sales, marketing and business development in these Regions. He joined the FIL Group in 1996 from AON (Bain Clarkson) where he was Head of Financial Services.

#### **FIL (Luxembourg) S.A.**

A company incorporated in Luxembourg on 14 October 1988 under the name of Fidelity International Service (Luxembourg) S.A. with RCS number B 29 112 and having its registered office at 2a, Rue Albert Borschette, BP 2174, L-1021 Luxembourg, Grand Duchy of Luxembourg; the company acts as a Distributor of the Fund as agent of the General Distributor, FIL Distributors.

### The Board of Directors of the Management Company are:

#### **Jon Skillman**

Managing Director, Continental Europe. He joined FIL in 1994 as Director of Planning, Fidelity Management & Research Co. Before his appointment as Managing Director, Continental Europe in 2012, he was President of Fidelity Stock Plan Services (SPS) at Fidelity Investments in Boston.

#### **Judy Marlinski**

Japan; President, Director & Representative Executive Officer at FIL Investments (Japan) Limited and FIL Securities (Japan) K.K.. She joined FIL in 2003 as Chief Operating Officer - Investments, prior to which she was at Fidelity Investments.

#### **Allan Pelvang**

Luxembourg; Country Head of FIL (Luxembourg) S.A. and Group Head of Tax since January 2011. He joined FIL in 1994 as Executive Director, Global Head of Tax at FIL Investment Management Limited; in 2005 was appointed Managing Director of FIL Limited.

#### **Marc Wathélet**

Luxembourg; Head of Continental European Customer Services and Managing Director of FIL (Luxembourg) S.A. responsible for Customer Services and Operations in Continental Europe, covering Luxembourg, Germany, Paris, and Dublin. He joined FIL in 1991 where he has held a Senior Manager position at Fund Accounting and at Client Services & Operations; Country Head and Managing Director of FIL (Luxembourg) SA since 2003 till 2010.

#### **Nicholas Clay**

Chief Financial Officer, Continental Europe. He joined FIL in 1994 as UK Financial Controller. Before being appointed Chief Financial Officer - Continental Europe in September 2011, he performed a number of senior finance roles within FIL, including the role of Chief Financial Officer for Fidelity in Japan.

## SUPERVISORY OFFICERS

### The Supervisory Officers of the Management Company are:

#### **Stephan von Bismarck**

United Kingdom; Head of Investment Management Risk with responsibility for investment management related risk management processes. Before joining the FIL Group in 2004, he was Deputy Head of Global Risk Management for AXA Investment Managers.

#### **Nishith Gandhi**

Luxembourg; Head of Luxembourg Investment Administration for FIL (Luxembourg) S.A., responsible for all aspects of fund administration operations, reporting and project management of SICAVs and FCPs registered in Luxembourg for the FIL Group. He is also Head of UK and Luxembourg Fund Accounting.

#### **Charles Hutchinson**

Luxembourg; Head of Continental Europe Compliance and Risk for FIL Holdings (Luxembourg) S.A. in Luxembourg. Before joining the FIL Group he held a number of financial control and compliance positions including Chief Financial Officer and Compliance Officer for NatWest Investment Management Limited in London.

## Appendix A

### INVESTMENT POWERS AND SAFEGUARDS

Under the Articles of Incorporation broad power is conferred on the Directors, based on the principle of spreading of risks and subject to the Articles of Incorporation and Luxembourg law, to determine the corporate and investment policy for the Fund and for the investment of each fund and the investment restrictions which shall apply from time to time.

#### A. Investment Restrictions

- I 1. The Fund may invest in:
- a) Transferable Securities and Money Market Instruments admitted to or dealt in on an Eligible Market;
  - b) recently issued Transferable Securities and Money Market Instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on an Eligible Market and such admission is secured within one year of the issue;
  - c) units/shares of UCITS and/or other UCIs, whether situated in a Member State of the European Economic Area (a "Member State") or not, provided that:
    - such other UCIs have been authorised under such laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured,
    - the level of protection for unitholders/shareholders in such other UCIs is equivalent to that provided for unitholders/shareholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of directive 2009/65/EC,
    - the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,
    - no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units/shares of other UCITS or other UCIs;
  - d) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a third country, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law;
  - e) financial derivative instruments, including equivalent cash-settled instruments, dealt in on an Eligible Market and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:
    - the underlying consists of instruments covered by this section I 1., financial indices, interest rates, foreign exchange rates or currencies, in which the funds may invest according to their investment objective;
    - the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF;
    - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative;
- and/or
- f) Money Market Instruments other than those dealt in on an Eligible Market and referred to under "Definitions", if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:
    - issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, a non Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
    - issued by an undertaking any securities of which are dealt in on Eligible Markets, or
    - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by Community law, or
    - issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million Euro (10,000,000 Euro) and which presents and publishes its annual accounts in accordance with the fourth Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.
2. In addition, the Fund may invest a maximum of 10% of the net assets of any fund in Transferable Securities and Money Market Instruments other than those referred to under 1. above.
- II The Fund may hold ancillary liquid assets up to 49% of the net assets of each fund; this percentage may exceptionally be exceeded if the Directors consider this to be in the best interests of the shareholders.
- III 1. a) The Fund will invest no more than 10% of the net assets of any fund in Transferable Securities or Money Market Instruments issued by the same issuing body.
- b) The Fund may not invest more than 20% of the net assets of any fund in deposits made with the same body.
- c) The risk exposure of a fund to a counterparty in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in I 1. d) above or 5% of its net assets in other cases.
2. Moreover, where the Fund holds on behalf of a fund investments in Transferable Securities and Money Market Instruments of issuing bodies which individually exceed 5% of the net assets of such fund, the total of all such investments must not account for more than 40% of the total net assets of such fund.
- This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.
- Notwithstanding the individual limits laid down in paragraph 1., the Fund may not combine for each fund:
- investments in Transferable Securities or Money Market Instruments issued by a single body,
  - deposits made with a single body, and/or
  - exposures arising from OTC derivative transactions undertaken with a single body in excess of 20% of its net assets.
3. The limit of 10% laid down in sub-paragraph 1. a) above is increased to a maximum of 35% in respect of Transferable Securities or Money Market Instruments which are issued or guaranteed by a Member State, its local authorities, or by another Eligible State or by public international bodies of which one or more Member States are members.

4. The limit of 10% laid down in sub-paragraph 1. a) is increased to 25% for certain bonds when they are issued by a credit institution which has its registered office in a Member State and is subject by law, to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest.
- If a fund invests more than 5% of its net assets in the bonds referred to in this sub-paragraph and issued by one issuer, the total value of such investments may not exceed 80% of the net assets of the fund.
- Notwithstanding the above provisions, the Fund is authorised to invest up to 100% of the net assets of any fund, in accordance with the principle of risk spreading, in Transferable Securities and Money Market Instruments issued or guaranteed by a state, or its local authorities or agencies, accepted by the CSSF (being at the date of this Prospectus OECD member State, Singapore or any Member State of the G20), or by public international bodies of which one or more Member States of the EU are members, provided that such fund must hold securities from at least six different issues and securities from one issue do not account for more than 30% of the net assets of such fund.**
5. The Transferable Securities and Money Market Instruments referred to in paragraphs 3. and 4. shall not be included in the calculation of the limit of 40% in paragraph 2.
- The limits set out in sub-paragraphs 1., 2., 3. and 4. may not be aggregated and, accordingly, investments in Transferable Securities or Money Market Instruments issued by the same issuing body, in deposits or in derivative instruments effected with the same issuing body may not, in any event, exceed a total of 35% of any fund's net assets;
- Companies which are part of the same group for the purposes of the establishment of consolidated accounts, as defined in accordance with directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph III.
- The Fund may cumulatively invest up to 20% of the net assets of a fund in Transferable Securities and Money Market Instruments within the same group.
- IV 1. Without prejudice to the limits laid down in paragraph V, the limits provided in paragraph III are raised to a maximum of 20% for investments in shares and debt securities issued by the same issuing body if the aim of the investment policy of a fund is to replicate the composition of a certain stock or bond index which is sufficiently diversified, represents an adequate benchmark for the market to which it refers, is published in an appropriate manner and disclosed in the relevant fund's investment policy.
2. The limit laid down in paragraph 1. is raised to 35% where this proves to be justified by exceptional market conditions, in particular on Regulated Markets where certain Transferable Securities or Money Market Instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.
- V 1. The Fund may not acquire shares carrying voting rights which should enable it to exercise significant influence over the management of an issuing body.
2. The Fund may acquire no more than:
- 10% of the non-voting shares of the same issuer;
  - 10% of the debt securities of the same issuer;
  - 10% of the Money Market Instruments of the same issuer.
3. These limits under second and third indents may be disregarded at the time of acquisition, if at that time the gross amount of debt securities or of the Money Market Instruments cannot be calculated.
- The provisions of paragraph V shall not be applicable to Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or its local authorities or by any non – Member State of the EU, or issued by public international bodies of which one or more Member States of the EU are members.
- These provisions are also waived as regards shares held by the Fund in the capital of a company incorporated in a non-Member State of the EU which invests its assets mainly in the securities of issuing bodies having their registered office in that State, where under the legislation of that State, such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State provided that the investment policy of the company from the non-Member State of the EU complies with the limits laid down in paragraph III, V 1. and 2. and VI.
- The limits set forth here above also do not apply when investments of any fund are made in the capital of subsidiary companies which, exclusively on behalf of the Fund or such fund carry on only the business of management, advice or marketing in the country where the subsidiary is located, with regard to the redemption of Shares at the request of Shareholders.
- VI 1. The Fund may acquire units/shares of the UCITS and/or other UCIs referred to in paragraph I 1. c), provided that no more than 10% of a fund's net assets be invested in the units of a UCITS or other UCI. In aggregate, the Fund will invest no more than 10% of its assets in units of other UCITS or other UCIs.
- For the purpose of the application of this investment limit, each compartment of a UCI with multiple compartments is to be considered as a separate issuer provided that the principle of segregation of the obligations of the various compartments vis-à-vis third parties is ensured.
2. The underlying investments held by the UCITS or other UCIs in which the Fund invests do not have to be considered for the purpose of the investment restrictions set forth under III above.
3. When the Fund invests in the units of UCITS and/or other UCIs that are managed, directly or by delegation, by the Investment Manager or by any other company with which the Investment Manager is linked by common management or control, or by a substantial direct or indirect holding, no subscription or redemption fees may be charged to the Fund on account of its investment in the units of such other UCITS and/or UCIs.
- In the event a fund invests a substantial portion of its assets in UCITS and other UCIs linked to the Fund as described in the preceding paragraph, the total management fee (excluding any performance fee, if any) charged to such fund and each of the UCITS or other UCIs concerned shall not exceed 3% of the relevant net assets under management. The Fund will indicate in its annual report the total management fees charged both to the relevant fund and to the UCITS and other UCIs in which such fund has invested during the relevant period.
4. The Fund may acquire no more than 25% of the units of the same UCITS or other UCI. This limit may be disregarded at the time of acquisition if at that time the net amount of the units in issue cannot be calculated. In case of a UCITS or other UCI with multiple compartments, this restriction is applicable by reference to all units issued by the UCITS or other UCI concerned, all compartments combined.
- VII The Fund shall ensure for each fund that the global exposure relating to derivative instruments does not exceed the net assets of the relevant fund. A fund's global exposure shall consequently not exceed 200% of its total net assets. In addition, this global exposure may not be increased by more than 10% by means of temporary borrowings (as referred to in section B. 2. below) so that it may not exceed 210% of any fund's total net assets under any circumstances.
- The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions. This shall also apply to the following subparagraphs.
- If the Fund invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in paragraph III above. When the Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in paragraph III.
- When a transferable security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this paragraph VII.

- VIII
1. The Fund may not borrow for the account of any fund amounts in excess of 10% of the net assets of that fund. Any such borrowings must be from banks and effected only on a temporary basis, provided that the Fund may acquire foreign currencies by means of back to back loans;
  2. The Fund may not grant loans to or act as guarantor on behalf of third parties.  
This restriction shall not prevent the Fund from acquiring Transferable Securities, Money Market Instruments or other financial instruments referred to in I 1. c), e) and f) which are not fully paid.
  3. The Fund may not carry out uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments.
  4. The Fund may not acquire movable or immovable property.
  5. The Fund may not acquire either precious metals or certificates representing them.
- IX
1. The Fund needs not comply with the limits laid down in this chapter when exercising subscription rights attaching to Transferable Securities or Money Market Instruments which form part of its assets. While ensuring observance of the principle of risk spreading, recently created funds may derogate from paragraphs III, IV and VI 1., 2. and 3. for a period of six months following the date of their creation.
  2. If the limits referred to in paragraph 1. are exceeded for reasons beyond the control of the Fund or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interest of its shareholders.
  3. To the extent that an issuer is a legal entity with multiple compartments where the assets of the compartment are exclusively reserved to the investors in such compartment and to those creditors whose claim has arisen in connection with the creation, operation or liquidation of that compartment, each compartment is to be considered as a separate issuer for the purpose of the application of the risk spreading rules set out in paragraphs III, IV and VI.

#### B. Other Safeguards

In addition, the Fund shall not:

1. borrow money except on a short term basis, and then only to the extent of 10% of the total value of the net assets of the Fund;
2. mortgage, pledge, charge or in any manner transfer as security for indebtedness any assets of the Fund other than as may be necessary in connection with permitted borrowings (within the above limit of 10%) except that the foregoing shall not prevent the Fund from segregating or pledging assets as may be required in constituting margins for the purposes of using financial derivative instruments and transactions as more fully described under D. below;
3. underwrite or participate (except as an investor) in the marketing of securities of any other company;
4. make loans or guarantee the obligations of third parties, save that the Fund may make deposits with the Depositary or any bank or deposit-taking institution approved by the Depositary or hold debt instruments. Securities lending does not rank as a loan for the purpose of this restriction;
5. issue warrants or other rights to subscribe for Shares in the Fund to its Shareholders or to any third parties;
6. except with the consent of the Directors, purchase, sell, borrow or lend portfolio investments from or to or otherwise execute transactions with any appointed investment manager or investment adviser of the Fund, or any Connected Person (as defined under section E "Miscellaneous" below) of either of them;
7. invest in documents of title to merchandise.

#### C. Risk Management Procedures

The Management Company will employ a risk-management process which enables it to monitor and measure at any time the risk of the positions and their contribution to the overall risk profile of each fund. The Management Company will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivative instruments. The risk management process is available upon request from the Management Company's registered office.

#### D. Global Exposure relating to Derivative Instruments and Leverage

As part of the risk management process global exposure relating to derivative instruments – which essentially measures the additional exposure to market risk resulting from the use of derivatives – for each fund is monitored. The Management Company uses the commitment approach for each fund. The methodology follows the guidelines stated in the CSSF circular 11/512 relating to the presentation of the main regulatory changes in risk management following the publication of CSSF regulations 10-4 and ESMA clarifications, further clarification from the CSSF on risk management rules and the definition of the content and format of the risk management process to be communicated to the CSSF.

Under the commitment approach each derivative position (including embedded derivatives) is in principle converted into the market value of the equivalent position in the underlying asset or by the notional value or the price of the futures contract where this is more conservative (the derivative position's commitment). If derivative positions are eligible for netting they may be excluded from the calculation. For hedge positions, only the net position is taken into account. Also excluded may be derivative positions which swap risk positions from securities held to other financial exposures under certain circumstances, as are derivative positions which are covered by cash positions and which are not considered to generate any incremental exposure and leverage or market risk.

Global exposure relating to derivative instruments is the sum of the absolute values of these net commitments and is typically expressed as a percentage of the total net assets of a fund. Global exposure relating to derivative instruments is limited to 100% for funds using the commitment approach.

#### E. Securities Lending and Borrowing and Repurchase Transactions

To the maximum extent allowed by, and within the limits set forth in, the Law of 2010 as well as any present or future related Luxembourg laws or implementing regulations, circulars and CSSF's positions (the "Regulations"), in particular the provisions of article 11 of the Grand-Ducal Regulation of 8 February 2008 (as these pieces of regulations may be amended or replaced from time to time), the Investment Manager in relation to each fund may for the purpose of Efficient Portfolio Management (a) enter, either as purchaser or seller, into repurchase transactions (*opérations à réméré*) and reverse repurchase and repurchase agreements transactions (*opérations de prise/mise en pension*) and (b) engage in securities lending transactions. A summary of the Regulations may be obtained at the registered office of the Fund.

Under no circumstances shall these operations cause a fund to diverge from its investment objective as laid down in the Prospectus or result in additional risk higher than its profile as described in the Prospectus.

The Management Company will ensure to maintain the volume of these transactions at a level such that is able, at all times, to meet redemption requests.

The counterparties to such transactions must be subject to prudential supervision rules considered by the CSSF as equivalent to those prescribed by Community law and specialised in this type of transaction.

Collateral with regard to securities lending transactions must be in the form of: (i) liquid assets (i.e., cash and short term bank certificates, money market instruments as defined in Council Directive 2007/16/EC of 19 March 2007) and their equivalent (including letters of credit and a guarantee at first-demand given by a first class credit institution not affiliated to the counterparty); (ii) bonds issued or guaranteed by a Member State of the OECD or their local authorities or by supranational institutions and undertakings with EU, regional or world-wide scope; (iii) shares or units issued by money market UCIs calculating a net asset value on a daily basis and assigned a rating of AAA or its equivalent; (iv) shares or units issued by UCITS investing mainly in bonds/shares satisfying the conditions under (v) and (vi) hereafter; (v) bonds issued or guaranteed by first class issuers offering an adequate liquidity; or (vi) shares admitted to or dealt in on a Regulated Market or on a stock exchange of a Member State of the OECD, provided that these shares are included in a main index. Securities that are the subject of purchase with a repurchase option or that may be purchased in reverse purchase agreements are limited to the type of securities mentioned under items (i), (ii), (iii), (v) and (vi).

Cash collateral received by the Fund in relation to these transactions will not be reinvested unless otherwise specifically permitted for a specific fund in the Prospectus. In that event, cash collateral received by such fund in relation to any of these transactions may be reinvested in a manner consistent with the investment objectives of such fund in (a) shares or units issued by money market undertakings for collective investment calculating a daily net asset value and being assigned a rating of AAA or its equivalent, (b) short-term bank deposits, (c) money market instruments as defined in the above referred Regulation of 2008, (d) short-term bonds issued or guaranteed by an EU member state, Switzerland, Canada, Japan or the United States or by their local authorities or by supranational institutions and undertakings with EU, regional or world-wide scope, (e) bonds issued or guaranteed by first class issuers offering an adequate liquidity, and (f) reverse repurchase agreement transactions according to the provisions described under section I.C.a) of the above referred CSSF Circular. Such reinvestment will be taken into account for the calculation of each concerned fund's global exposure relating to derivative instruments, in particular if it creates a leverage effect.

#### F. Miscellaneous

1. The Fund need not comply with the investment limit percentages set out above when exercising subscription rights attaching to securities which form part of its assets.
2. Such restrictions shall apply to each fund, as well as to the Fund as a whole.
3. If the investment limit percentages set out above are exceeded as a result of events or actions after investment that are beyond the control of the Fund or by reason of the exercise of subscription rights attaching to securities held by it, the Fund shall give priority, consistent with the best interests of Shareholders, upon sale of securities to disposing of these securities to the extent that they exceed such percentages; provided, however, that in any case where the foregoing percentages are lower than relevant percentages imposed by Luxembourg Law, the Fund need not give priority to disposing of such securities until the law's higher limits have been exceeded, and then only to the extent of such excess.
4. The Fund follows a risk-spreading policy regarding the investment of cash and other liquid assets.
5. The Fund will not purchase or sell real estate or any option right or interest therein, provided that the Fund may invest in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.
6. "Connected Person" of any investment adviser, investment manager, depositary or any Share Distributor means:
  - a) any person beneficially owning, directly or indirectly, 20% or more of the ordinary Share capital of that company or able to exercise, directly or indirectly, 20% or more of the total votes in that company;
  - b) any person controlled by a person who meets one or both of the requirements set out in a) above;
  - c) any company 20% or more of whose ordinary share capital is beneficially owned, directly or indirectly, by any investment adviser, investment manager or Share Distributor taken together; and any company 20% or more of the total votes in which can be exercised, directly or indirectly by such investment adviser, investment manager or Share Distributor taken together; and
  - d) any director or officer of any investment adviser or investment manager or Share Distributor or of any Connected Person of that company, as defined in a), b) or c) above.
7. The Investment Manager and any of its Connected Persons may effect transactions by or through the agency of another person with whom the Investment Manager and any of its Connected Persons have an arrangement under which that party will from time to time provide to or procure for the Investment Manager and any of its Connected Persons goods, services or other benefits, such as research and advisory services, computer hardware associated with specialised software or research services and performance measures etc, the nature of which is such that their provision can reasonably be expected to benefit the Fund as a whole and may contribute to an improvement in the Fund's performance and that of the Investment Manager or any of its Connected Persons in providing services to the Fund and for which no direct payment is made but instead the Investment Manager and any of its Connected Persons undertake to place business with that party. For the avoidance of doubt, such goods and services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payments.
8. The Investment Manager and any Connected Person shall not retain the benefit of any cash commission rebate (being cash commission repayment made by a broker or dealer to the Investment Manager and/or any Connected Person) paid or payable from any such broker or dealer in respect of any business placed with such broker or dealer by the Investment Manager or any Connected Person for or on behalf of the Fund. Any such cash commission rebate received from any such broker or dealer shall be held by the Investment Manager and any Connected Person for the account of the Fund. Brokerage rates will not be excessive of customary brokerage rates. All transactions will be done with best execution.

#### G. Additional Country Specific Investment Restrictions

The funds offered and sold in Taiwan shall be subject to the following additional restrictions:

1. Unless exempted by the Financial Supervisory Commission of the Executive Yuan (the 'FSC'), the total value of open long positions in derivatives held by each fund may not, at any time, exceed 40% (or such other percentage stipulated by the FSC from time to time) of the fund's net asset value; the total value of open short positions in derivatives held by each fund may not, at any time, exceed the total market value of the corresponding securities held by the fund;
2. The fund may not invest in gold, spot commodities, or real estate;
3. Each fund's holdings in securities listed on Mainland China securities exchanges may not, at any time, exceed 10% (or such other percentage stipulated by the FSC from time to time) of the fund's net asset value;
4. The total investment in each fund by domestic investors in Taiwan shall not exceed a certain percentage stipulated by the FSC from time to time; and
5. The securities market of Taiwan may not constitute the primary investment region in the portfolio of each fund. The investment amount of each Fund in the securities market of Taiwan shall not exceed a certain percentage stipulated by the FSC from time to time.



## Appendix B

### ADMINISTRATION DETAILS MANAGEMENT AND ADMINISTRATION

#### Investment Manager

The Management Company with the consent of the Fund has appointed FIL Fund Management Limited (“the Investment Manager”) by an Investment Management Agreement dated 1 June 2012 between the Management Company, the Fund and the Investment Manager (“the Investment Management Agreement”) to provide the Fund with day to day investment management of each fund, under the supervision and subject to the control of the Management Company and its Supervisory Officers. The Investment Manager is authorised to act on behalf of the Fund and to select agents, brokers and dealers through whom to execute transactions and provides the Management Company and the Directors with reports they may require.

The Investment Manager may also provide investment management and advisory services to other FIL Group mutual funds and unit trusts, institutional and private investors.

The Investment Manager may receive investment advice from and act upon the advice of any Connected Person (any company within the FIL Group) of the Investment Manager and may execute, transact and otherwise carry out its functions, duties and obligations with or through any Connected Person (as so defined). The Investment Manager shall remain responsible for the proper performance by such company of those responsibilities.

#### Investment Management Fee

The Fund pays the Investment Manager a fee calculated separately in respect of each fund and accrued daily in the reference currency and paid monthly normally in US Dollars, at the following annual rates: up to 1.00% of the value of net assets for Currency funds.

The Investment Manager may waive any or all of its fee in respect of any fund at its discretion from time to time.

The fee may be increased in respect of any one or more funds from time to time, provided the fee does not exceed an annual rate of 2.00% of the value of the net assets of the fund. However, the aggregate of all fees and expenses of any Currency fund will not exceed an annual rate of 1.25% of the value of the net assets of each Currency fund. Any increase is subject to not less than three months’ notice being given to Shareholders in the same manner as notices of meetings; provided, however, that all fees and expenses allocated to each Currency fund are limited to 1.25% of average total net assets.

The Investment Manager bears all expenses incurred by it and any Connected Person related to services performed by it for the Fund. Brokerage commissions, transaction charges and other operating costs of the Fund are payable by the Fund.

#### Termination or Amendment

The Investment Management Agreement has been entered into for a period of 30 years from 1 June 2012, unless terminated earlier by either party upon 90 days’ prior written notice.

During such time as any Shares in the Fund are authorised for sale in Hong Kong, the Fund may terminate the Investment Management Agreement on 30 days’ written notice, if the Investment Manager goes into liquidation, becomes bankrupt or has a receiver appointed over its assets, or on the grounds that the Directors or the Management Company are of the opinion that a change of Investment Manager is desirable in the best interests of the Shareholders (subject to, if the Investment Manager so requires, the concurrence of the Securities and Futures Commission). Subject to this, the Fund or the Management Company may not give notice to terminate the Agreement except with the sanction of a resolution passed by not less than a two-thirds majority at a Shareholders’ meeting at which the holders of not less than two-thirds of the Shares are present or represented and voting.

The Investment Management Agreement may be amended by agreement between the Investment Manager, the Fund and the Management Company, by action of their respective Boards of Directors, but the Fund or the Management Company may not increase the Investment Manager’s fee above the rate of 2.00% and for any Currency fund above the aggregate rate of 1.25% without the sanction of an ordinary meeting of Shareholders nor amend the termination provisions of the Investment Management Agreement without the sanction of a resolution passed by not less than a two-thirds majority at a Shareholders’ meeting at which the holders of not less than two-thirds of the Shares are present or represented and voting.

If the Investment Management Agreement is terminated for any reason, the Fund shall, at the request of the Investment Manager, change its name forthwith to a name excluding “Fidelity” and excluding any other name connected with the Investment Manager.

#### Depositary

The Fund has appointed Brown Brothers Harriman (Luxembourg) S.C.A. (“the Depositary”) by Depositary Agreement dated 31 July 2000 to act as depositary of the Fund and to hold all cash, securities and other property of the Fund on behalf of the Fund. The Depositary may appoint other banks and financial institutions to hold the Fund’s assets. The Depositary is required to perform all the duties of a depositary prescribed by Article 33 of the Law of 2010. The Depositary is a bank which was organised as a *société anonyme* under the laws of the Grand Duchy of Luxembourg on 9 February 1989, and which was subsequently transformed into a *société commandite* par actions. The Depositary is a subsidiary of Brown Brothers Harriman & Co.

The Fund pays a monthly depositary fee calculated by reference to the value of the net assets of the Fund on the last Business Day of each month and paid monthly in the amount as the Depositary and the Fund shall determine from time to time in the light of market rates applicable in Luxembourg. Transaction charges and any reasonable disbursements and out-of-pocket expenses incurred by the Depositary or by other banks and financial institutions to whom safekeeping of assets of the Fund is entrusted, will be borne by the Fund. The fee paid for this service by the Fund varies depending upon the markets in which the assets of the Fund are invested and typically range from 0.003% of the net assets of the Fund in developed markets to 0.35% of the net assets of the Fund in emerging markets (excluding transaction charges and reasonable disbursements and out-of-pocket expenses). The depositary fee paid in a financial year will be shown in the annual report of the Fund. The Depositary’s appointment may be terminated by either the Depositary or the Fund upon 90 days’ written notice. Termination is, however, subject to the condition that except in the case of *force majeure* a new depositary must be appointed to act in place of the retiring Depositary with effect from the date of termination. The retiring Depositary shall take all necessary steps to ensure the preservation of the interests of the Shareholders for such period as shall be necessary to effect an orderly transfer of assets to the new depositary.

#### General Distributor & Share Distributors

The General Distributor and the Share Distributors have been appointed as Distributors of Shares by the Fund under the following current agreements: General Distributor’s Agreement; Share Distributors Agreements with FIL (Luxembourg) S.A. and FIL Investment Services GmbH, with FIL Investments International, with FIL Investment Management (Hong Kong) Limited, with FIL Distributors International Limited, with FIL Investissements (FIL Gestion as from 1<sup>st</sup> January 2013) and with FIL Administration Services Limited. Each of these agreements may be terminated by either party upon 90 days’ prior written notice. The General Distributor is paid the sales charge, if any, collected by the Share Distributors (as agents for the General Distributor). The General Distributor is paid the sales charge, if any, on sales of Shares made directly through the Management Company and receives the fee charged on switches, if any. The General Distributor remunerates the Share Distributors out of the sales charges, if any. Under the terms of the Articles of Incorporation the sales charge, if any, may be a maximum of 8% of the Net Asset Value.

#### Auditors

PricewaterhouseCoopers, Société Coopérative, Luxembourg, have been appointed as the Fund’s Auditors. Their appointment is subject to review by the Board of Directors and, if so recommended, to approval at the Annual General Meeting.

#### Services Agreement

The Management Company and the Fund have appointed FIL Limited by a services agreement (the “Services Agreement”) dated 1 June 2012, to provide services in relation to the investments of the funds including valuation, statistical, technical, reporting and other assistance.

The Fund pays fees for the services noted in the Management Company Services Agreement and the Services Agreement at commercial rates agreed from time to time between the parties plus reasonable out-of-pocket expenses. The maximum fee paid for these services by the Fund will be 0.35% of the net assets (excluding reasonable out-of-pocket expenses).

The Agreements may be terminated by either party upon 90 days' written notice.

#### **Hong Kong Representative's Agreement**

The Fund has appointed FIL Investment Management (Hong Kong) Limited by an agreement dated 8 November 1991, as amended 31 July 2000 to act as Hong Kong Representative, to receive purchase, sale and switch requests, to provide information to investors and to accept notices and other services in respect of the Fund. The Hong Kong Representative is paid its reasonable out-of-pocket expenses.

#### **Taiwan General Representative's Agreement**

The Board of Directors and the General Distributor have decided to appoint FIL Securities (Taiwan) Limited to act as Taiwan General Representative, to receive purchase, sale and switch requests, to provide information to investors and to accept notices and other services in respect of the Fund.

### **CHARGES AND EXPENSES**

The costs, charges and expenses which may be charged to the Fund include: all taxes which may be due on the assets and the income of the Fund; usual banking and brokerage fees due on transactions involving portfolio securities of the Fund (the latter to be included in the acquisition price and to be deducted from the selling price); insurance, postage and telephone costs; Directors' fees, fees of the Management Company and remuneration of officers and employees of the Fund; remuneration of the Investment Manager, the Depositary, any Paying Agent, the Hong Kong Representative and of representatives in other jurisdictions where the Shares are qualified for sale, and of all other agents employed on behalf of the Fund; such remuneration may be based on the net assets of the Fund or on a transaction basis or may be a fixed sum; formation expenses; the cost of preparing, printing and publishing in such languages as are necessary, and distributing offering information or documents concerning the Fund, annual and semi-annual reports and such other reports or documents as may be desirable or required under the applicable laws or regulations of the above cited authorities; the cost of printing certificates and proxies; the cost of preparing and filing the Articles of Incorporation and all other documents concerning the Fund, including registration statements and offering circulars with all authorities (including local securities dealers' associations) having jurisdiction over the Fund or the offering of Shares; the cost of qualifying the Fund or the sale of Shares in any jurisdiction or of a listing on any exchange; the cost of accounting and bookkeeping; the cost of calculating the Net Asset Value of Shares of each fund; the cost of preparing, printing, publishing and distributing or sending public notices and other communications (including electronic or conventional contract notes) to the Shareholders; legal and auditing fees; registrar's fees; and all similar charges and expenses. Administrative and other expenses of a regular or recurring nature may be calculated on an estimated basis for yearly or other periods in advance, and the same may be accrued in equal proportions over any such period.

Costs, charges and expenses which may be attributed to a fund will be borne by that fund; otherwise they will be allocated in US Dollars pro rata to the values of the net assets of all, or all appropriate, funds on such basis as the Directors consider reasonable.

A portion of commissions paid to selected brokers for certain portfolio transactions may be repaid to the funds which generated the commissions with these brokers and may be used to offset expenses.

The above fees may be permanently or temporarily waived or borne by the Investment Manager.

## Appendix C

### ADDITIONAL INFORMATION NET ASSET VALUE

The Net Asset Value of Shares of each fund is determined in the reference currency of the respective fund in accordance with the Articles of Incorporation. The reference currency of each fund is the currency in which it is designated.

The Net Asset Value per Share of each fund and, if applicable, of each class of Shares of such fund, is calculated as of each Valuation Date by dividing the value of the fund's assets less liabilities (converted into the relevant currency at exchange rates prevailing on that Valuation Date), by the number of Shares in that fund outstanding at such close of business. To the extent feasible, investment income, interest payable, fees and other liabilities (including investment management fees) are accrued daily.

The Articles of Incorporation contain Valuation Regulations which provide that for the purpose of determining Net Asset Value:

1. Securities which are traded on stock exchanges are to be valued at the last available price at the time when the valuation is carried out, or the securities are to be valued at fair market value in the opinion of the Directors or their delegate.
2. Securities which are not traded on any stock exchange are to be valued, if dealt in on any other regulated market, in a manner as near as possible to that described in the preceding paragraph, unless the Directors or their delegate determine that some other form of quotation, such as, in relation to the Currency funds, the linear amortisation method, which may be an appropriate method of valuation of short-dated debt Transferable Securities, better reflects their fair values, in which event that form of quotation will be used for valuation.
3. Restricted securities owned by the Fund are to be valued at their fair value as determined by the Directors or their delegate. Among the factors which may be considered in making such determination are (a) the nature and duration of the restrictions upon disposition of the securities, (b) the extent to which there is a market for securities of the same class or for securities into which the restricted securities are convertible, and (c) the initial discount from such market value, if any, at which such securities were acquired from the market value of unrestricted securities of the same class or into which they are convertible.
4. The value of any investment, security or other asset which is dealt principally on a market made among professional dealers and institutional investors shall be determined by reference to the last available price.
5. All other assets are to be valued at their respective estimated sales prices determined by the Directors or their delegate.

The Board of Directors is authorised to apply other appropriate valuation methods for the holdings of the Fund if the aforesaid valuation methods can not be applied due to an extraordinary market event or other circumstances, or would otherwise cause the value of a holding to be other than a fair value.

For example, if a market in which the Fund invests is closed at the time the Fund is valued, the latest available market prices may not accurately reflect the fair value of the Fund's holdings. This might be the case if other markets which are open at the Fund's valuation point, and with which the closed market is highly correlated, have experienced price movements (subsequent to the time of closure of the market in which the Fund has invested). Other factors may also be taken into account when considering the fair value of holdings in a market which is closed. Failure to adjust those closing prices to fair values could be exploited by some investors at the expense of long term shareholders in an activity known as market timing.

Accordingly the Directors or their delegates may adjust the last available market price to take account of market and other events which occur between the relevant market closing and the point at which the Fund is valued. Such adjustments are made on the basis of an agreed policy and set of procedures which are transparent to the Fund's depository and auditors. Any adjustment is applied consistently across the funds and share classes.

Other situations, including where a holding has been suspended, has not traded for some time or for which an up to date market price is not available will be subject to a similar adjustment process. Investors should note that it may be the case that payments to be made to a fund such as those in respect of a class action may not be included in the Net Asset Value of a fund until actually received owing to the inherent uncertainty surrounding such payments.

The value of all assets and liabilities not expressed in the reference currency of a fund or the principal dealing currency of a class will be converted into the reference currency of such fund or the principal dealing currency of such class at rates last quoted by any major bank. If such quotations are not available, the rate of exchange will be determined in good faith by or under procedures established by the Board of Directors.

The assets relating to a fund means the assets which are attributed to that fund less the liabilities attributed to that fund and where any asset or liability of the Fund cannot be considered to be attributed to a fund such asset or liability shall be allocated to the assets or liabilities relating to all the Fund or all the relevant funds pro rata to the Net Asset Values thereof. Liabilities are binding on the relevant fund only provided, however, under exceptional circumstances the Directors may undertake joint and several obligations which may be binding upon several or all funds if this is in the interest of the Shareholders concerned.

Calculations of Net Asset Value are made by the Management Company and are made generally in accordance with generally accepted accounting principles. In the absence of bad faith, negligence or manifest error, every decision in calculating Net Asset Values taken by the Management Company will be final and binding on the Fund and on present, past and future Shareholders.

### ELIGIBLE INVESTORS

Although Shares are freely transferable, the Articles of Incorporation reserve to the Fund the right to restrict the beneficial ownership of Shares by any person to no more than 3% of the Shares which are outstanding at the time of such issue or any time thereafter. The Articles of Incorporation also reserve to the Fund the right to prevent the beneficial ownership of Shares by any "US Person" (as defined therein). The Board of Directors have adopted a definition of "US Person" as set out in paragraph 6 of General Information. Under such powers the Fund may compulsorily redeem Shares held in excess of such limit or by such "US Person" on the terms provided in the Articles of Incorporation and may restrict the exercise of rights attached to such Shares.

### TEMPORARY SUSPENSION OF DETERMINATION OF NET ASSET VALUE AND OF THE ISSUE, SWITCHING AND REDEMPTION OF SHARES

The Directors may suspend the determination of the Net Asset Value of Shares of any fund, the issue of such Shares, the switching of such Shares and the redemption of such Shares: (a) during any period (other than ordinary holidays or customary weekend closings) when any market or stock exchange is closed on which a significant portion of the Fund's investments relating to that fund is quoted and which is the main market or stock exchange for such investments, provided that the closing of such exchange or market affects the valuation of the investments quoted thereon; or during any period when dealings on such market or stock exchange are substantially restricted or suspended, provided such restriction or suspension affects the valuation of the investments of the Fund relating to that fund quoted thereon; (b) during any period when an emergency exists as a result of which disposal by the Fund of investments relating to that fund which constitute a substantial portion of the assets of the fund is not practically feasible or would be seriously prejudicial to the Shareholders; (c) during any breakdown in the means of communication normally employed in determining the price of any of the Fund's investments relating to that fund or of current prices on any market or stock exchange; (d) when for any other reason the prices of any investments owned by the Fund relating to that fund cannot promptly or accurately be ascertained; (e) during any period when remittance of monies which will or may be involved in the realisation of or in the payment for any of the Fund's investments relating to that fund cannot, in the opinion of the Directors, be carried out at normal rates of exchange; and (f) in the event of the publication of a notice convening an Extraordinary General Meeting of Shareholders for the purpose of winding up the Fund as from the time of such publication. Further, if on any Valuation Date redemption requests and switching requests relate to more than 5% of the Shares in issue in respect of a fund, the Directors may declare that part or all of such Shares for redemption or switching will be deferred on a pro rata basis for a period that the Directors consider to be in the best interests of the Fund and/or the Directors may defer any redemption request which exceeds the higher of 3% of the Shares in issue in respect of a fund or class of Shares or US\$5 million (or its currency equivalent). Such period would not normally exceed 20 Valuation Dates. On such Dates, these redemption and switching requests will be met in priority to later requests.

Suspension of determination of the Net Asset Value of Shares of one fund will not imply suspension in respect of other funds unaffected by the relevant events. Shareholders who have requested switching or redemption of their Shares or who have made an application to subscribe for Shares will be notified in writing of any such suspension of the right to subscribe, to convert or to require redemption of Shares and will be promptly notified upon termination of such suspension. Any such suspension will be published in such manner as decided by the Board of Directors if in the opinion of the Fund the suspension is likely to exceed one week.

In the event of any contemplated liquidation of the Fund, no further issues, switches, or redemptions of Shares will be permitted after publication of the first notice convening the General Meeting of Shareholders for the purpose of winding up the Fund. All Shares outstanding at the time of such publication will participate in the Fund's liquidation distribution.

Each Distributor reserves the right to suspend or terminate sales of Shares in one or more funds and to refuse to accept any applications. Sales will normally be suspended when the Fund suspends the determination of Net Asset Value.

### REDEMPTION IN SPECIE

The Fund shall have the right, if the Board of Directors so determines to satisfy payment of the redemption price to any Shareholder requesting redemption of any of his Shares (but subject to the consent of the Shareholder in the case of Shares valued at less than US\$100,000) in specie by allocating to the holder investments from the pool of assets set up in connection with such class or classes of Shares equal in value (calculated in the manner described in article 21 of the Articles of Incorporation) as of the Valuation Date on which the redemption price is calculated to the value of the Shares to be redeemed. The nature and type of assets to be transferred in such case shall be determined on a fair and reasonable basis and without prejudicing the interests of the other holders of Shares of the relevant class or classes of Shares and the valuation used shall be confirmed by a special report of the auditor. The costs of any such transfers shall be borne by the transferee.

### LIQUIDATION OF FIDELITY FUNDS II AND TERMINATION OF FUNDS AND CLASSES OF SHARES

A fund or a class of Shares may be terminated by a) resolution of a class meeting of the Shareholders in that fund or class, or b) if the value of the net assets of a fund is below US\$50,000,000 or its equivalent and the Directors so decide, by resolution of the Directors. In either case, the assets of the fund or the class will be realised, the liabilities discharged and the net proceeds of realisation distributed to Shareholders in proportion to their holding of Shares in that fund or class. Payment of proceeds to Shareholders will be made against delivery to the Fund of certificates for Shares in that fund or class, where appropriate, and any other evidence of discharge which the Directors may reasonably require.

In the event that a fund or a class of Shares is terminated, notice will be given in writing to registered Shareholders. Notices will also be published in the *Mémorial* and the *d'Wort* in Luxembourg and in other newspapers circulating in jurisdictions in which the Fund is registered as the Directors may determine.

Shareholders of one or several funds may also decide by resolution of a class meeting of the relevant fund or funds to allocate the assets of the relevant fund or funds to another fund and to redesignate the Shares of the relevant fund or funds as Shares of another fund (following any necessary split or consolidation, and the payment of the amount corresponding to any fractional entitlement to Shareholders or the allocation, if so resolved, of rights to fractional entitlements as set out in the Articles of Incorporation of the Fund).

Shareholders of one or several funds may also decide by resolution of a class meeting to contribute the assets and liabilities attributable to the fund or funds concerned to another undertaking for collective investment against issue of Shares of that undertaking for collective investment to be distributed to the holders of Shares of the class or classes concerned.

In the event that a decision is taken to merge one or several funds with another undertaking for collective investment, a notice will be published by the Fund which will contain information in relation to the new fund of the relevant undertaking for collective investment. Publication will be made at least thirty days before the last date on which holders of Shares may request redemption of their Shares, free of charge, before the implementation of the merger.

A general meeting convened to decide upon the consolidation of several classes of Shares within the Fund shall not be subject to any quorum requirements. Any resolutions on this subject may be taken by simple majority.

Resolutions to be passed by a class meeting with respect to a contribution of the assets and liabilities attributable to any fund or funds to another undertaking for collective investment shall be subject to the quorum and majority requirements referred to in the Articles of Incorporation, except when a merger is to be implemented with a mutual investment fund (*fonds commun de placement*) or a foreign based undertaking for collective investment, in which case the resolutions shall only be binding upon Shareholders who shall have voted in favour of the merger proposals.

The Fund is of unlimited duration but may be liquidated at any time by resolution of Shareholders in accordance with Luxembourg law. The net proceeds of liquidation corresponding to each fund shall be distributed by the liquidators to the holders of Shares in that fund in proportion to their holding of Shares in that fund. Amounts which are not promptly claimed by Shareholders will be held in escrow accounts by the *Caisse de Consignation*. Amounts not claimed from escrow within the period fixed by law may be liable to be forfeited in accordance with the provisions of Luxembourg law.

A general meeting of the Shareholders will be called to consider the liquidation of the Fund if the value of the Fund's net assets should decline to less than two-thirds of the minimum capital required by law. The minimum capital required by Luxembourg law is currently the equivalent of 1,250,000 Euros.

### GENERAL INFORMATION

1. The Fund was incorporated in Bermuda on 1 November 1991 under the original name Fidelity Accumulating Money Funds Limited. The name of the Fund was changed into Fidelity Currency Funds Limited on 4 July 1995. An Extraordinary General Meeting of Shareholders held on 30 June 2000 resolved to move the registered and principal office of the Fund to Luxembourg and to adopt the name "Fidelity Funds II" and Articles of Incorporation compatible with Luxembourg law. Pursuant to article 159 of the Luxembourg Company law the Fund has thereby become a Luxembourg corporation qualifying as "*société d'investissement à capital variable*". The last amendment to the Articles of Incorporation was published in the *Mémorial* on 10 August 2005. The Fund has been registered with the Commercial Register Number B76939 kept at the *Registre de Commerce et des Sociétés* of Luxembourg and its Articles of Incorporation (as amended from time to time) are on file there. This document may be inspected and copies may be obtained from there against payment of the Registrar's fees. The Articles of Incorporation may be amended by the Shareholders in accordance with Luxembourg law.
2.
  - a) The Fund was initially constituted with an issued Share capital of US\$12,000, subscribed by the Shareholders of the Fund. The capital of the Fund is equal to the Net Asset Value of all funds taken together. The Fund's assets are held in the funds listed in Part I of this Prospectus.
  - b) Under Luxembourg law the Fund is authorised to issue an unlimited number of Shares, all of which are with out par value. Each Share when issued is fully paid and non-assessable. No Shares have preference, pre-emption or exchange rights (other than rights of switches between funds).
  - c) All the Shares in one fund have equal rights and privileges. Each Share in a fund is entitled to participate equally with the other Shares in that fund in any dividends or other distributions declared on the Shares in that fund, as well as in the event of a termination of that fund or the liquidation of the Fund, in the liquidation proceeds of that fund. Each Share is entitled to one vote at any meeting of Shareholders and any meeting of Shareholders of that fund, as a class. However, the Fund may decline to accept the vote of any US Person (as defined in paragraph 6 below) or the vote of any holder as to his holding above 3% (as provided in the Articles of Incorporation).
  - d) There are no options or any special rights outstanding relating to any Shares.
  - e) The Board of Directors has generally the power to restrict the issues of Shares pursuant to article 7 of the Articles of Incorporation if the Board is of the opinion that such further issues would be detrimental to the Fund as a whole or to the holders of Shares in the fund in respect of which such a restriction is established. Information as to the funds which at a given time are not offered to investors is available at the registered office of the Fund and at the offices of the Distributors.
3. Except as described in this Prospectus, no commissions, discounts, brokerage or other special terms have been granted by the Fund or the Management Company in relation to Shares issued or to be issued by the Fund; on any issue or sale of Shares a Distributor (including the General Distributor) may, out of its own funds or out of the sales charges, if any, pay commissions or other fees and charges on applications received through brokers and other professional agents or grant discounts.
4.
  - a) The Fund, together with other funds advised or managed by FIL Fund Management Limited, may place orders for the purchase or sale of securities in which the Fund may invest with affiliates of FIL Fund Management Limited and other Connected Persons, provided that, among other conditions, they can reasonably be expected to execute the transaction on terms as favourable as could be expected to be obtained from other brokers qualified to execute the transaction and at commission rates comparable to those which would have been charged by such other brokers.
  - b) Subject to the receipt of best execution, the Fund may take into account the sale of Shares by brokers and dealers when selecting them for the execution of transactions.

- c) Foreign exchange transactions for investors or the Fund may be effected on an arm's length basis by or through FIL Group companies from which a benefit may be derived by such companies.
5. a) A Director may hold any other office or position of profit under the Fund (other than the office of Auditor) in conjunction with his office of Director on such terms as to tenure and otherwise as the Directors may determine. Any Director may also act in a professional capacity (other than as Auditor) and he or his firm shall be entitled to remuneration for such services as if he were not a Director.
- b) Pursuant to the Articles of Incorporation, a Director may not normally vote in respect of any contract in which he is personally interested but shall not be disqualified by his office from contracting with the Fund. Any such contract will be disclosed in the financial reports of the Fund.
- c) The Directors who are not employed by the Management Company, the Investment Manager or a Distributor or their affiliates are entitled to an annual Director's fee and a fee for each Board Meeting attended. The aggregate fee paid to the Directors is disclosed in the annual report and accounts. Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors, or otherwise in connection with the business of the Fund.
- d) The Directors of the Fund shall be indemnified by the Fund against liability and related expenses in connection with any claim brought against such person by reason of his having been such Director or officer, provided that no indemnity shall be provided against liability to the Fund or its Shareholders by reason of wilful misfeasance, bad faith, negligence or reckless disregard of duties or with respect to any matter as to which he shall have been finally adjudicated not to have acted in good faith in the reasonable belief that his action was in the best interests of the Fund.
6. "Eligible Investor" means any person who is not a US Person and whose subscription or other acquisition of Shares (whether from the Fund or from any other person) is not made (a) while such person is physically present in the United States of America or (b) in connection with any solicitation to such person to subscribe while such person was physically present in the United States of America; and provided further that such person is not a person whose purchase of Shares would result in the violation of the laws of the jurisdiction wherein such person may reside or be physically present. As used in this Prospectus, but subject to applicable law and to such changes as may be communicated to applicants for or transferees of Shares, "US Person" means: (a) a citizen or resident of the United States of America; (b) a partnership, corporation, limited liability company or similar entity, organised or incorporated under the laws of the United States of America, or an entity taxed as such or subject to filing a tax return as such under the United States federal income tax laws; (c) any estate or trust the executor, administrator or trustee of which is a US Person unless, in the case of trusts of which any professional fiduciary acting as trustee is a US Person, a trustee who is not a US Person has sole or shared investment discretion with respect to trust assets and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person; (d) any estate or trust the income of which from sources without the United States of America is includible in gross income for purposes of computing United States income tax payable by it; (e) any agency or branch of a foreign entity located in the United States of America; (f) any discretionary or non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary located within or outside the United States of America for the benefit or account of a US Person; (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the United States of America, except that any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organised, incorporated or (if an individual) resident in the United States of America shall not be deemed a US Person; (h) any firm, corporation or other entity, regardless of citizenship, domicile, situs or residence if, under the income tax laws of the United States of America from time to time in effect, any portion of the income thereof would be taxable to a US Person even if not distributed, other than a passive foreign investment company; (i) any partnership, corporation or other entity if (A) organised or incorporated under the laws of any foreign jurisdiction and (B) owned or formed by a US Person or Persons principally for the purpose of investing in securities not registered under the US Securities Act of 1933 (including but not limited to Shares of the Fund); (j) any employee benefit plan unless such employee benefit plan is established and administered in accordance with the law of a country other than the United States of America and customary practices and documentation of such country and is maintained primarily for the benefit of persons substantially all of whom are non-resident aliens with respect to the United States of America; and (k) any other person or entity whose ownership of Shares or solicitation for ownership of Shares in Fidelity Investments Institutional Services Company Inc., FIL Distributors International Limited or the Fund, acting through their Officers or Directors, shall determine may violate any securities law of the United States of America or any state or other jurisdiction thereof. *(Except that US Person shall not include any Eligible Investor or any person or entity, notwithstanding the fact that such person or entity may come within any of the categories referred to above, as to whom FIL Distributors International Limited or the Fund, acting through their officers or Directors, shall determine that ownership of Shares or solicitation for ownership of Shares shall not violate any securities law of the United States of America or any state or other jurisdiction thereof).* As used herein, United States of America includes its states, commonwealths, territories, possessions and the District of Columbia.
7. The following documents are available for inspection free of charge during normal business hours on weekdays (Saturdays, Sundays and other public holidays excepted) at the registered office of the Fund. These documents, together with a translation of the Law of 2010, may also be inspected, free of charge, at the offices of the Distributors.
- a) Articles of Incorporation of the Fund
- b) Management Company Services Agreement
- c) Depositary Agreement
- d) Distributors' Agreements
- e) Investment Management Agreement
- f) Services Agreement
- g) Hong Kong Representative's Agreement
- h) KIIDs
- The Agreements listed above may be amended from time to time by agreement between the parties thereto. Any such agreement on behalf of the Fund will be made by its Directors, except as noted in Appendix B under Management and Administration, Termination or Amendment.
- The Articles of Incorporation (as amended from time to time) may be inspected at the registered office of the Fund, the offices of the Distributors and the local representatives, as set out in Part III of this Prospectus.
- Copies of the Prospectus, the latest KIIDs and the latest financial reports of the Fund may be obtained, free of charge, upon request at the registered office of the Fund, the offices of the Distributors and the Management Company.
- Additional information is made available by the Management Company Fund at its registered office, upon request, in accordance with the provisions of Luxembourg laws and regulations. This additional information includes the procedures relating to complaints handling, the strategy followed for the exercise of voting rights of the Fund, the policy for placing orders to deal on behalf of the Fund with other entities, the best execution policy as well as the arrangements relating to the fee, commission or non-monetary benefit in relation with the investment management and administration of the Fund.
8. Shareholders are bound by the Articles of Incorporation of the Fund and any amendments to them.
9. For out-of-court complaints and redress mechanism please contact the appointed Compliance Officer, FIL Investment Management (Luxembourg) S.A., 2a, Rue Albert Borschette, BP 2174, L-1021 Luxembourg. No investor compensation scheme is in place for the Fund.
10. The competent supervisory authority in the Fund's home state is the Commission de Surveillance du Secteur Financier (CSSF), 110, route d'Arlon, L-2991 Luxembourg.

# Part III: Important Information for Investors

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## FINLAND

### Registration and Supervision

The official name of the Fund is Fidelity Funds II. The Fund is an open-ended investment company domiciled in Luxembourg since 31 July 2000 and it qualifies as an undertaking for collective investment in transferable securities (a UCITS) and has obtained recognition under the amended EC Council Directive 85/611 for marketing in certain Member States of the European Union.

By virtue of a ruling of the Finnish Financial Supervisory Authority (the "FSA"), the Fund is authorised to sell its Shares to members of the public in Finland.

The following funds are available to Finnish investors under the Fund: Fidelity Funds II – Euro Currency Fund (Euro), Fidelity Funds II – US Dollar Currency Fund (USD), Fidelity Funds II – Sterling Currency Fund (GBP), Fidelity Funds II – Australian Dollar Currency Fund (AUD).

The information below describes the facilities available to investors resident in Finland and the procedures which apply to dealing in Shares in the Fund. This information must be read in conjunction with the current Prospectus of the Funds, the KIIDs, the most recent annual report and accounts and, if published thereafter, the most recent semi-annual report and accounts. Material amendments to the Prospectus, the Fund's regulations or to the Articles of Incorporation as well as the annual and semi-annual reports and accounts will be filed with the FSA. Investors will be informed about material changes in the Fund as required by the home state legislation or as laid out in the Articles of Incorporation or the Prospectus, as in force from time to time.

### Marketing and Purchase of Shares

The target investors/distribution channels for the Fund will be inclusive of asset managers, large and small banks, life companies and IFAs. Both above-the-line and below-the-line marketing will be employed in the promotion of the Fund and will be inclusive of trade and national press, billboards and online advertising, as well as brochures, mailings, teleconferences and events.

FIL (Luxembourg) S.A. is the Distributor for Finland and acts as agent for the General Distributor, FIL Distributors. A list of the Finnish Sales Representatives may be obtained by calling the following toll-free number: 0800 113 582.

Investors may give instructions in writing or in the form prescribed (directly, through their bank or other financial representative) to the Distributor for Finland mentioned above at the address given below or any other Distributor listed in the Prospectus or to a Finnish Sales Representative:

2a, Rue Albert Borschette  
BP 2174  
L-1021 Luxembourg  
Telephone: (352) 250 404 1  
Fax: (352) 26 38 39 38

Investors buying Shares for the first time should complete the application form. Any subsequent purchase of Shares can be made by telephone and must be confirmed in writing immediately. Subsequent purchases can be made by fax if the FIL Group has received a completed fax indemnity. Purchase instructions will normally only be fulfilled on banker's notification of receipt of cleared monies.

Completed applications with cleared monies received by a Distributor or the Fund on a day that the Distributor and the Fund are open for business before the appropriate dealing cut off times on a Valuation Date will normally be fulfilled that day at the next calculated Net Asset Value of the relevant fund plus any applicable sales charge.

Settlement should be made by electronic bank transfer net of bank charges. Payment should be made to the bank account published by the Distributor as appropriate to the currency of settlement.

Other methods of payment require the prior approval of the Distributor or the Fund. Where payments are accepted by cheque (or where an electronic bank transfer does not result in the immediate receipt of cleared funds) processing of the application will usually be deferred until cleared monies are received. Cleared monies will be invested net of bank collection charges.

Shareholders should normally allow up to three Business Days before further switching, selling or redeeming their Shares after purchase or subscription.

The purchase price comprises the Net Asset Value of Shares of the relevant fund calculated on a Valuation Date plus the applicable sales charge. Currently, the sales charge for Class A Shares of the Currency funds is 0% of the Net Asset Value of the Shares.

Investors may place orders for Shares with Distributors in any of the major freely convertible currencies in addition to the principal dealing currency of the individual funds and/or classes of Shares. Investors may contact the Distributors for information about such currencies. The Distributors may publish details of other currencies which will be accepted.

The Fund will not pay dividends.

### The Depositary

The Fund has appointed Brown Brothers Harriman (Luxembourg) S.C.A. to be the Depositary, responsible for the safekeeping of the assets of the Fund under the terms of the Depositary Agreement.

### Redemption of Shares

Instructions to sell Shares should be addressed to a Distributor. The instructions must contain full details of registration, the name of the fund(s), settlement currency, the number or value of Shares to be sold and bank details. Instructions received on a day that the Distributor or the Fund is open for business, before the appropriate dealing cut off times on a Valuation Date, are dealt with at the Net Asset Value calculated that day.

Settlement will normally be made by electronic bank transfer. After receipt of written instructions, payment will normally be made in the principal dealing currency of the relevant class of Share within three Business Days for Currency funds. If in exceptional circumstances beyond the Fund's control it is not possible to make the payment within the relevant period, then such payment shall be made as soon as reasonably practicable thereafter but without interest. Settlement amounts may be subject to bank charges levied by the shareholder's own (or a correspondent) bank.

Payment may also be made in one of the major freely convertible currencies if requested by the Shareholder(s) at the time of instruction. Foreign exchange transactions required to handle client purchases/redemptions may be aggregated and will be carried out by FIL Group's central treasury department on an arm's length basis through certain FIL Group companies from which a benefit may be derived by such companies.

### Publication of Prices

Prices for Shares of the Fund may be obtained from any Distributor or from the Finnish Sales Representatives. Shares are listed on the Luxembourg Stock Exchange. Price information may be published in certain media as decided from time to time.

### Documents Available for Inspection

The latest Prospectus, KIIDs, Articles of Incorporation, audited annual report and accounts and unaudited semi-annual report and accounts can be obtained, free of charge, upon request at the offices of the Finnish Sales Representatives, at the registered office of the Fund and the offices of the Distributors.

### Taxation

The Directors of the Fund are informed of the following taxation consequences for individuals resident in Finland ('Individuals') and companies carrying on a trade in Finland ('Companies'):

- a) In a recent precedent issued by the Finnish Supreme Administrative Court on the 12th of March 2010, distributions from a Luxembourg SICAV were treated as dividend for Finnish tax purposes. In this light, it seems that dividends declared in respect of Shares should be regarded – for Finnish tax purposes – as dividend income.

Should such dividends be regarded as dividend income for Finnish tax purposes and should the Shares be regarded as publicly quoted (as defined in Finnish tax law), then

- i. for Individuals, of such dividends 70% should be taxable capital income and 30% tax exempt and
- ii. for Companies, of such dividends 75% should be taxable and 25% tax exempt.

Should such dividends be regarded as dividend income for Finnish tax purposes and should the Shares not be regarded as publicly quoted (as defined in Finnish tax law), then

- iii. for Individuals, of such dividends annually a portion equivalent to 9% of the total fair market value of the Shares, as defined in Finnish law, should be tax exempt. However, of the dividend amount exceeding 60,000 EUR annually (including certain other dividends from other companies) should 70% be capital income and 30% tax exempt. In addition, of dividends exceeding 9% of the total fair market value of the Shares, 70% should be taxed as earned income and 30% should be tax exempt and
- iv. for Companies, of such dividends 75% should be taxable and 25% tax exempt.

Nonetheless, in case the dividends declared in respect of Shares would not be regarded as dividend for Finnish tax purposes, but rather as profit distribution from an investment fund, such income would, for Individuals, be treated as taxable capital income and, for Companies, as fully taxable income.

- b) Capital gains realised upon the disposal or redemption of Shares are, as regards Individuals, subject to Finnish income tax. For Individuals, capital gains are generally tax exempt if the aggregate of the assignment prices for all disposals with certain exceptions during the tax year do not exceed Euro 1,000. For the purposes of determining the taxable capital gain received by an Individual, the greater of the actual acquisition cost or the presumed acquisition cost shall be deducted from the assignment price. The presumed acquisition cost is 40% of the assignment price if the period of ownership of the assigned property is at least 10 years and 20% in other cases.

As regards Companies, capital gains are subject to Finnish corporate income tax.

- c) The capital income of Individuals up to Euro 50,000 is currently taxable at 30% and capital income exceeding Euro 50,000 is currently taxable at 32%. Earned income is taxed at separate progressive rates. The corporate income tax rate for Companies is currently 24.5%.
- d) Individuals suffering a net loss from capital, e.g. as a result of a capital loss upon the disposal, conversion or redemption of Shares may deduct the loss from their capital gains generally in the same tax year and in the five following years. A capital loss is, however, not deductible for Individuals in case the acquisition costs of the assigned assets in that tax year do not exceed Euro 1,000. Capital losses are hence treated differently from ordinary capital expenditures. If the capital expenditures of an Individual in a tax year exceed the capital income, the Individual may claim a deduction in the tax levied on earned income for the same tax year ('tax credit for the capital loss').

The tax deduction that may be claimed is currently equal to 30% of such excess expenditures and its maximum amount is Euro 1,400. The maximum amount will be increased by Euro 400 if the individual alone or together with his/her spouse has maintained one child during the year. The increase is Euro 800 in the same situation if there has been more than one child.

- e) According to Finnish tax law there are three different sources of income: business income, income from agriculture and other income. The investment in the Fund may be regarded as part of the source of business income or other income of the Individuals and the Companies. The tax treatment of an investment in the Fund may vary depending on the situation of each Investor and should be checked separately in each case (for example a passive investment can be considered to belong to the source of other income and will be taxed according to Income Tax Act and on the other hand active investment activities can be considered to constitute business income and will be taxed according to the Business Income Tax Act).

- f) If the Shares in the Fund are considered part of the business income source, the gain arising on the disposal of such Shares can be set off against other business costs and vice versa the loss arising on the disposal of such Shares can be set off against other business income. Business income losses may be set-off only against business income in the same tax year and in the following ten years.

Capital losses in the other income source are deductible, but may be set off only against capital gains in the same tax year and in five following years.

The loss in the business income source cannot be offset against a profit of other income source and vice versa.

- g) In the light of current legal practice it seems that a switch of Shares from one sub-fund to another is generally treated as a taxable event, irrespective of the fact that the switch is made within the Fund.

- h) It should be noted that the above mentioned analysis of tax consequences is based on current tax legislation and practices. The tax law and practices, and the levels of taxation, are subject to future alteration. Investors should seek their own professional advice as to the tax consequences before investing in Shares in the Fund.



## GUERNSEY

The circulation of this Prospectus and the offering of Shares has been authorised by the Guernsey Financial Services Commission under the provisions of the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended. In giving this authorisation, the Commission does not vouch for the financial soundness of the scheme or for the correctness of any of the statements made or opinions expressed with regard to it.

## HONG KONG

It should be noted that a Partial Prospectus for investors in Hong Kong exists. Such Partial Prospectus includes the country-specific information for Hong Kong.

## IRELAND

### Registration and Supervision

While the Fund has fulfilled the notification requirements of the Central Bank of Ireland to market its Shares to the public in Ireland, the Fund is not supervised or authorised in Ireland by the Central Bank of Ireland. It is incorporated in Luxembourg and subject to the laws and regulations of Luxembourg.

The information below describes the facilities available to investors and the procedures which apply to dealing in Shares in the Fund. This information must be read in conjunction with the current Prospectus of the Fund, the most recent annual report and, if published thereafter, the most recent semi-annual report. Terms defined in the Prospectus have the same meaning in the following information.

### Facilities Agent in Ireland

FIL Fund Management (Ireland) Limited, First Floor, Marconi House, Digges Lane, Dublin 2, Ireland is appointed as the Fund's Facilities Agent in Ireland. Orders for the redemption of Shares may be placed through the Facilities Agent. Complaints concerning the Fund, the Management Company or the Distributor may also be lodged with the Facilities Agent for forwarding to the relevant company.

### Dealing Procedures

Investors may place dealing instructions with any of the Distributors listed in the Prospectus or alternatively may deal directly with the Fund.

FIL Investments International is the Distributor for Ireland. All instructions can be addressed to the Distributor:

FIL Investments International  
Oakhill House, 130 Tonbridge Road  
Hildenborough  
Tonbridge, Kent TN11 9DZ  
United Kingdom  
(Authorised and regulated in the UK by the Financial Services Authority)  
Telephone: (44) 1732 777377  
Fax: (44) 1732 777262

Investors must ensure that subscriptions for Shares or dealing instructions are provided to the Distributor in writing, in the form prescribed by the Distributor. Application forms are available from any Distributor on request.

Purchases of Shares may be made in any major freely convertible currency. Where the investor purchases in a currency which differs from the principal dealing currency of the relevant fund, the purchase amount will be converted into the principal dealing currency prior to investment as set out in the Prospectus. Similarly, sales proceeds may be received by the investor in any major freely convertible currency.

Contract notes will be issued, usually within 24 hours of the determination of the relevant prices and foreign exchange rates. Applications are normally processed on receipt of cleared funds. Full details are set out on the application form and in the Prospectus.

### Publication of Prices

Details of the most recent dealing prices of Shares in the Fund may be obtained from any Distributor or the Facilities Agent. The Net Asset Values of the appropriate funds are published in such manner as decided from time to time by the Directors.

### Taxation

The Directors intend to conduct the affairs of the Fund so that it does not become resident in Ireland for taxation purposes. Accordingly, provided the Fund does not exercise a trade within Ireland or carry on a trade in Ireland through a branch or agency, the Fund will not be subject to Irish tax on its income and gains other than on certain Irish source income and gains.

### Irish pension funds within the meaning of Section 774, 784 and 785 of the Taxes Consolidation Act, 1997

On the basis that the pension funds are wholly approved under the aforementioned sections, they are exempt from Irish income tax in respect of income derived from their investments or deposits. Similarly, all gains arising to these approved Irish pension funds are exempt from capital gains tax in Ireland under Section 608(2) of the Taxes Consolidation Act, 1997 (as amended).

### Other Irish Shareholders

Subject to personal circumstances, Shareholders resident in Ireland for taxation purposes will be liable to Irish income tax or corporation tax in respect of any income distributions of the Fund (whether distributed or reinvested in new Shares).

The attention of individuals resident or ordinarily resident in Ireland for tax purposes is drawn to Chapter 1 of Part 33 of the Taxes Consolidation Act 1997 (as amended), which may render them liable to income tax in respect of undistributed income or profits of the Fund. These provisions are aimed at preventing the avoidance of income tax by individuals through a transaction resulting in the transfer of assets or income to persons (including companies) resident or domiciled abroad and may render them liable to income or corporation tax in respect of undistributed income or profits of the Fund on an annual basis.

The attention of persons resident or ordinarily resident in Ireland (and who, if they are individuals, are domiciled in Ireland) is drawn to the fact that the provisions of Chapter 4 (Section 590) of Part 19 of the Taxes Consolidation Act, 1997 (as amended) could be material to any person who holds 5% or more of the Shares in the Fund if, at the same time, the Fund is controlled in such a manner as to render it a company that would, were it to have been resident in Ireland, be a 'close' company for Irish taxation purposes. These provisions could, if applied, result in a person being treated, for the purposes of the Irish taxation of

chargeable gains, as if part of any gain accruing to the Fund (such as on a disposal of its investments that constitute a chargeable gain for those purposes) had accrued to that person directly; that part being equal to the proportion of the assets of the Fund to which that person would be entitled to on the winding up of the Fund at the time when the chargeable gain accrued to the Fund.

The Shares in the Fund will constitute a 'material interest' in an offshore fund located in a qualifying location for the purposes of Chapter 4 (Sections 747B to 747E) of Part 27 of the Taxes Consolidation Act, 1997 (as amended). This Chapter provides that if an investor resident or ordinarily resident in Ireland for taxation purposes holds a 'material interest' in an offshore fund and that fund is located in a 'qualifying location' (including a Member State of the European Communities, a Member State of the European Economic Area or a member of the OECD with which Ireland has a double taxation treaty) then, dividends or other distributions made annually or more frequently by the Fund to such investor that is not a company will be taxed currently at the rate of 30%. Any other dividends or distributions or any gain (calculated without the benefit of indexation relief) accruing to the investor upon the sale or on the disposal of the interest will be charged to tax at the rate of 33%. These rates will only apply if certain details relating to the disposal of and the receipt of income from such investment are included in the tax return(s) made on time by the investor. Failure of a non-corporate investor to meet the necessary requirements under Chapter 4 will result in the income and gains arising from the investment being taxed at the investor's marginal income tax rate currently up to 52% (inclusive of social insurance and universal social charge). Dividends or other distributions by the Fund to an investor that is a company that is resident in Ireland or any gain (calculated without the benefit of indexation relief) accruing to such investor upon the sale or on the disposal of their interest in the Fund will be taxed at the rate of 25%, where the payments are not taken into account in computing the profits or gains of a trade carried on by the company. Where any computation would produce a loss the gain shall be treated as nil and no loss shall be treated as occurring on such disposal. An Irish resident corporate investor whose shares are held in connection with a trade will be taxable on any income or gains as part of that trade.

Following legislative changes in the Finance Act 2006, the holding of shares at the end of a period of 8 years from acquisition (and thereafter on each 8 year anniversary) will constitute a deemed disposal and reacquisition at market value by the Shareholder of the relevant Shares. This shall apply to Shares acquired on or after 1 January 2001. The tax payable on the deemed disposal will be equivalent to that of a disposal of a 'material interest' in an offshore fund (i.e. the appropriate gain is subject to tax currently at the rate of 33%). To the extent that any tax arises on such a deemed disposal, such tax will be taken into account to ensure that any tax payable on the subsequent encashment, redemption, cancellation or transfer of the relevant Shares does not exceed the tax that would have been payable had the deemed disposal not taken place.

The Finance Act 2007 introduced new provisions regarding the taxation of Irish Resident individuals or individuals Ordinarily Resident in Ireland who hold Shares in certain offshore funds. The new provisions introduce the concept of a personal portfolio investment undertaking ("PPIU"). Essentially, an offshore fund will be considered a PPIU in relation to a specific investor where that investor has influence over the selection of some or all of the property held by the offshore fund, either directly or through persons acting on behalf of or connected with the investor. Any gain arising on a chargeable event in relation to an offshore fund which is a PPIU in respect of an individual will be taxed at the standard rate of income tax plus 33% (currently 53%). Higher rate taxes may apply where the individual fails to meet the necessary filing requirements under Chapter 4. Specific exemptions apply where the property invested has been clearly identified in the offshore fund's marketing and promotional literature and the investment is widely marketed to the public. Further restrictions may be required in the case of investments in land or unquoted shares deriving their value from land.

For the purposes of Irish taxation a conversion of Shares in the Fund from one class of shares to another class of Shares will not constitute a disposal. The replacement Shares shall be treated as if they had been acquired at the same time for the same amount as the holding of Shares to which they relate. There are special rules relating to situations where additional consideration is paid in respect of the conversion of Shares, or if a Shareholder receives consideration other than the replacement Shares in a fund. Special rules may also apply when a fund operates equalisation arrangements.

Attention is drawn to the fact that the above rules may not be relevant to particular types of Shareholders (such as financial institutions), which may be subject to special rules. Investors should seek their own professional advice as to the tax consequences before investing in Shares in the Fund. Taxation law and practice, and the levels of taxation may change from time to time.

#### **Documents available for inspection**

The following documents are available for inspection free of charge during normal business hours on weekdays (Saturdays and public holiday excepted) at the office of the Facilities Agent:

- i) Articles of Incorporation of the Fund;
- ii) The material contracts (referred to in the main body of the Prospectus);
- iii) The audited Annual Report and Accounts of the Fund and unaudited Semi-Annual Reports incorporation financial statements;
- iv) The latest full Prospectus; and
- v) The latest KIIDS.

Copies of the Articles of Incorporation of the Fund, the Prospectus and the KIIDS (each as amended from time to time) and the latest financial reports of the Fund, as appropriate, may be obtained, free of charge, upon request at the office of the Distributor.

## **JERSEY**

#### **Registration and Supervision**

The consent of the Jersey Financial Services Commission (the "Commission") under the Control of Borrowing (Jersey) Order, 1958 (as amended) has been obtained to the circulation of the Prospectus. It must be distinctly understood that in giving such consent the Commission does not take any responsibility for the financial soundness of any schemes or for the correctness of any statements made or opinions expressed with regard to them. The Commission is protected by the Control of Borrowing (Jersey) Law, 1947 (as amended) against liability arising from the discharge of its functions under that law.

## **THE NETHERLANDS**

#### **Registration and Supervision**

The information below describes the facilities available to investors who are resident in The Netherlands and the procedures which apply to dealing in Shares in the Fund. This information must be read in conjunction with the current Prospectus of the Fund, the most recent annual report and, if published thereafter, the most recent semi-annual report. Terms defined in the Prospectus have the same meaning in the following information.

### Dealing Procedures

Dutch investors may only place dealing instructions (either directly, or through their bank or intermediary) with FIL (Luxembourg) S.A. at the following address, or, alternatively, with the Fund at its registered address.

2a, Rue Albert Borschette  
BP 2174  
L-1021 Luxembourg  
Telephone: (352) 250 404 1  
Fax: (352) 26 38 39 38.

FIL (Luxembourg) S.A. is the Distributor for The Netherlands and acts as agent for the General Distributor, FIL Distributors. Investors should note that applications for the purchase of and subscription for Shares or dealing instructions are provided to the Distributor in writing, in the form prescribed by the Distributor. Application forms are available from the Distributor on request.

Investors may purchase Shares in any major freely convertible currency as set out in the Prospectus. Where the investor subscribes in a currency which differs from the principal dealing currency of the relevant fund, the investment amount will be converted into the principal dealing currency prior to investment. Similarly, sales proceeds may be received by the investor in any major freely convertible currency.

### Taxation

The Directors of the Fund are informed of the following tax consequences for investors resident in the Netherlands.

- a) Corporate Shareholders resident in the Netherlands which are subject to Dutch corporate income tax will in principle be liable to Dutch corporate income tax in respect of income derived from the Shares in the Fund at a rate of 25%, with a step up rate of 20% on the first Euro 200,000 of taxable income. This income includes dividends and other profit distributions received from the Fund, capital gains realised on the disposal or redemption of the Shares in the Fund as well as the income resulting from any change in the fair market value of the Shares in the Fund.
- b) Certain institutional investors resident in the Netherlands (such as qualifying pension funds, charities, family foundations and tax exempt investment institution ("VBI")) are in principle fully exempt from Dutch corporate income tax in respect of the dividends and other profit distributions received from the Shares in the Fund and capital gains realised on the disposal or redemption of Shares in the Fund.
- c) Dutch investment institutions ("FBI") are subject to 0% Dutch corporate income tax and are obligated to value the Shares in the Fund at fair market value.

Unless the situations mentioned under (e) and (f) apply, the Shares in the Fund held by an individual Shareholder resident in the Netherlands will be deemed to generate an income of 4% of the fair market value of the Shares in the Fund at the beginning of the calendar year. This deemed income will be taxed at a rate of 30%. Actual income from the Shares in the Fund, such as dividends and capital gains, will as such not be subject to Dutch individual income tax.

- d) As an exception to the tax treatment described under d) above, individual Shareholders who own (alone or together with their partner as defined in the Dutch Income Tax Act 2001) Shares in the Fund which represent 5% or more of the issued and outstanding capital of (i) the Fund, (ii) a fund, or (iii) a separate class of Shares of a fund (a so called 'substantial interest') will be liable to tax at a rate of 25% in respect of dividends and other profit distributions received from the Fund and capital gains realised upon disposal or redemption of the Shares in the Fund. Additionally, owners of a substantial interest in the Fund are deemed to generate an income of 4% of the fair market value of the Shares in the Fund (at the beginning of the calendar year), which will be taxed at a rate of 25%. Capital gains realised upon disposal or redemption of the Shares in the Fund will be reduced with any deemed income that was taxed previously. Investors owning a 'substantial interest' in the Fund are advised to seek professional advice as to the tax consequences related to their shareholding in the Fund.
- e) As an exception to the tax treatment described under (d) and (e) above, individual Shareholders resident in the Netherlands who carry on an enterprise or an independent activity to which the Shares in the Fund are attributable, will in principle, be liable to Dutch individual income tax at progressive rates of up to 52% in respect of dividends and other profit distributions made by the Fund, capital gains realised upon disposal or redemption of the Shares in the Fund, as well as the income resulting from any change in the fair market value of the Shares in the Fund.
- f) Investors should also read the taxation section of the Prospectus that describes additional tax consequences for investors. Investors should seek their own professional advice as to the tax consequences before investing in Shares in the Fund.

It should be noted that this information does not constitute legal or tax advice and investors and prospective investors are urged to seek professional advice as regards tax legislation applicable to the acquisition, holding and disposal of Shares as well as that applicable to distributions made by the Fund. The tax treatment as described in this section refers to the current law and practice as valid at the date of the Prospectus. Both, taxation law and practice, and the levels of taxation, are subject to future alteration, with or without retro-active effect.

### Publication of Prices

Details of the most recent dealing prices of Shares in the Fund may be obtained from the Distributor.

### General

Further information about the Fund and the relevant dealing procedures may be obtained from Fidelity Funds II, 2a, Rue Albert Borschette, BP 2174, L-1021 Luxembourg.

## NORWAY

### Registration and Supervision

The Directive 2009/65/EC for marketing in certain Member States of the European Union has been implemented in Norway by the Act LOV-2011-11-25-44 of 25 November 2011 and the Provision FOR 2011-12-21-1467 of 5 January 2012. The Fund has been registered, and the circulation of this Prospectus has been authorised, by the Financial Supervisory Authority of Norway (Finanstilsynet).

The information below describes the facilities available to investors in Norway, and the procedures which apply to dealing in Shares in the Fund. Further information is also provided as to consequences of purchasing or holding and disposing of Shares. This information must be read in conjunction with the current Prospectus of the Fund. Terms defined in the Prospectus have the same meaning in the following information.

**Representative**

The Fund has appointed FIL (Luxembourg) S.A. at the address below as a Distributor of Shares and as Representative of the Fund:

2a, Rue Albert Borschette  
 BP 2174  
 L-1021 Luxembourg  
 Telephone: (352) 250 404 1  
 Fax: (352) 26 38 39 38.

A list of Norwegian Sales Representatives can be obtained by calling toll-free number: +47 800 11 507.

**Dealing Procedures**

Application forms are available on request from the representative in the UK, the Fund or any other Distributor listed in the Prospectus.

Further information about the Fund and the relevant dealing procedures may be obtained from any Distributor, the Representative of the Fund or the Sales Representatives.

**Publication of Prices**

Details of the most recent prices of Shares in the Fund may be obtained from the representative in the United Kingdom. The Net Asset Value of the appropriate funds will also generally be published twice a month in the financial newspaper *Dagens Næringsliv*.

**Taxation**

The information given below does not constitute legal or tax advice and is not exhaustive. Existing or prospective investors should consult their own professional advisers as to the implications of their subscribing for acquisition, on holding, switching, redemption or disposal of shares under the laws of the jurisdiction in which they may be subject to tax. Furthermore, taxation laws and practices as well as the level of taxation are subject to future alteration.

The Directors of the Fund are informed of the following taxation consequences for individuals ("individuals") and companies ("companies") resident in Norway.

On condition that the Fund is regarded as tax resident in Luxembourg, investments in the Fund should be comprised by the Norwegian tax exemption rules. Each Norwegian investor should however seek to find out whether or not the investment will be subject to Norwegian tax.

- a) Capital gains made by Norwegian resident corporate shareholders (defined as limited liability companies, savings banks and other self owned finance enterprises, mutual insurance companies, cooperatives, equity funds, associations, foundations, certain bankrupt estates and estates under administration, municipalities, county municipalities, intermunicipal companies, companies 100% owned by the Government, SE-companies and SE-co-operatives) on disposal, conversion or redemption of shares should be comprised by the Norwegian tax exemption method. Shares etc. covered by the tax exemption method are shares in Norwegian limited liability companies, savings banks, mutual insurance companies, co-operatives, equity funds and intermunicipal companies as well as shares in similar foreign companies. Thus, shares in bond funds and currency funds are for instance not covered by the tax exemption rules. Such income is taxed at 28%. Capital gains on shares in companies resident in the EEA are comprised by the tax exemption if the company is not regarded as resident in a low-tax country. If the company is resident in a low-tax country, it would still qualify for the tax exemption if the foreign company invested into is actually established in an EEA State and carries out genuine economic business activity there. The requirements mentioned must be documented.
- b) Corporate shareholders as defined under (a) will not be allowed a deduction for losses if capital gains are exempt.
- c) Capital gains on shares in companies resident in low tax countries outside the EEA, including (but not limited to) NOKUS companies (i.e. CFC companies) are, however, not covered by the tax rules mentioned under (a) and are therefore taxable (tax rate is 28%). Consequently, any losses on such shares will be deductible. The same applies for capital gains, and losses, on portfolio investments in companies outside the EEA. For capital gains, a portfolio investment exists if the taxpayer has not continuously in the last two years owned 10% or more of the capital and 10% or more of the voting rights at the General Meeting. For losses, a portfolio investment exists if the taxpayer alone or together with any closely related persons has not owned 10% or more of the capital or 10% or more of the voting rights at the General Meeting during the last two years.
- d) Capital gains for other corporate bodies than defined under a), if taxable, are calculated as the difference between the cost price of the shares, (including costs related to the acquisition of the shares), and the sales price (tax rate is 28%).
- e) Capital gains for individuals on disposal, conversion or redemption of shares (including shares in equity funds) are taxable (tax rate is 28%).
- f) For individuals tax resident in Norway, the taxable capital gain will be the difference between the cost price of the shares (including costs related to the acquisition of the shares) and the sales price. Any unused shield deduction (calculated as the arithmetic average interest on Norwegian three months exchequer bills, after tax and explained in more detail under k) below will be deductible when calculating the taxable gain. Any unused shield deduction cannot be used to create or increase a taxable loss. The taxable gain/tax deductible loss is calculated on a share-by-share basis.
- g) Individuals, and any entity not covered by the tax exemption rules mentioned under a), suffering a net loss from capital, e.g. as a result of a capital loss upon sale, switch, redemption etc. of shares, may claim a deduction in ordinary income (which is taxed at the rate of 28%), but not for gross tax purposes (gross tax applies only to individuals on income classified as salary).
- h) An exchange of shares from one sub-fund/class of shares to another should be tax exempt if the transaction is covered by the tax exemption rules mentioned under a) above. Otherwise, such transfer will most likely be regarded as a taxable disposal (tax rate of 28%).
- i) If a capital gain is taxable, the applicable tax rate is 28% and relates to all taxable persons (i.e. all types of companies and individuals).
- j) Lawful dividends on shares (as defined under a) above) received by Norwegian resident corporate shareholders from Norwegian resident entities (as referred to under a) above) are 97% tax exempt. All portfolio management expenses, etc. related to exempt income from shares are fully tax deductible. In order to limit the benefit of these deductions, the tax exemption method is limited to 97% of the dividend income, with the remaining 3% taxable for Norwegian corporate shareholders (0.84% effective tax rate). An exemption from the 3% rule applies for dividends distributed within a tax group

- (i.e. where a parent company owns more than 90% of the shares and the voting rights, directly or indirectly, in the company and is actually established in an EEA State and carries out genuine economic business activity). For investments in EEA companies the 97% tax exemption for lawful dividends on shares will only apply if the foreign company invested into is not resident in a low-tax country. However, if the company is resident in a low-tax country, the 97% tax exemption will still apply if the Company is actually established in an EEA State and carries out genuine economic business activity there. The requirements mentioned must be documented. However, dividends on shares paid by Norwegian companies to taxpayers resident outside the EEA or taxpayers resident within the EEA not comprised by the tax exemption method, are subject to 25% withholding tax (WHT) if not exempted or reduced under an applicable Tax Treaty. If not covered by the tax exemption rules mentioned under a), dividends from a foreign company to Norwegian resident corporate shareholders would be taxable at the rate of 28%. Dividends on shares as mentioned under c) to Norwegian corporate shareholders will consequently be taxable in Norway. Dividends received by Norwegian resident corporate shareholders on shares in NOKUS companies are not subject to taxation as long as the dividends paid fall within the relevant NOKUS company's already taxed income, see under m) below for further details.
- k) For individuals resident in Norway, only dividends received in excess of a calculated "shield deduction" (equal to the arithmetic average interest on Norwegian three months exchequer bills, after tax) multiplied with the cost price of the shares, previous years unused "shield deduction" included, will be taxable at a tax rate of 28%. It is a condition for deduction of shield deduction that the dividends are paid out in accordance with the rules and regulations of the applicable corporate and accounting laws/regulations. The shield deduction is tied to the individual share. A distribution from a bond fund does not entitle the shareholder to a shield deduction.
- l) Most Norwegian institutional investors are taxed as corporate shareholders (see above) with respect to dividends and capital gains on the disposal of shares. Some institutional and governmental investors are tax-exempt. In addition to be comprised by the Norwegian tax exemption method, Norwegian equity funds are also comprised by a special tax rule whereby all capital gains on shares in non-EEA companies are tax exempt. Norwegian equity funds do not have the right to deduct losses on disposal of shares in companies resident in countries outside the EEA.
- m) Each Norwegian investor should seek to find out whether the investment will be subject to Norwegian NOKUS taxation (CFC taxation). Norwegian residents (individual or company) will be taxed directly for their part in the foreign Company's/Fund's income if the company is located in a low-tax country, irrespective of whether any funds etc are distributed to the investor. A low-tax country in this respect is a country where the assessed income tax on the company's profits is less than two-thirds of assessed taxes calculated according to Norwegian tax rules as if the company had been located (resident) in Norway. A condition for such taxation is that 50% or more of the foreign company's shares or capital are owned or controlled, directly or indirectly, by Norwegian taxpayers (alone or together), based on ownership status at the beginning and end of the income year. Furthermore, if Norwegian taxpayers own or control more than 60 per cent of the shares or capital at the end of the income year, Norwegian control exists irrespective of the level of control at the beginning of the year. Norwegian control ceases to exist if Norwegian taxpayers own or control less than 50% of the shares or capital at both the beginning and end of the income year, or less than 40% of the shares or capital at the end of the income year. In relation to umbrella funds it should be noted that the ownership requirement is calculated based on ownership at the level of the different sub-funds. On condition that Norway has signed a Tax Treaty with the country involved and the entity in question is covered by that Tax Treaty, the NOKUS rules will only be applicable if the income of the company in question is mainly of a passive nature. Furthermore, NOKUS taxation is prohibited if the company in question is actually established and actually carrying out business activity in an EEA State. The Norwegian rules in this respect are more or less in accordance with the "wholly artificial arrangement" statement of the ECJ's judgment in the Cadbury Schweppes case.
- n) Individuals (and estates of deceased persons) will have to pay net wealth tax based on their ownership in the Fund. The maximum tax rate is 1.1% (i.e. 0.4% state tax and 0.7% municipal tax). There is no net wealth tax for limited liability companies, securities funds, state-owned enterprises according to the state-owned enterprise act, intermunicipal companies and companies in which somebody owns a part in or receives income from, when the responsibility for the companies' liabilities are limited to the companies' capital. Some institutional investors such as mutual insurance companies, savings banks, cooperatives, taxable pension funds, self-owned finance institutions and mortgage credit associations pay 0.3% net wealth tax. Otherwise the maximum net wealth tax rate for a corporate body is 1.0%. Shares in limited liability companies and equity funds are valued at 100% of quoted value for net wealth tax purposes as of 1 January of the year after the relevant income year. If quoted both on Norwegian and foreign stock exchanges, the Norwegian quoted value will be applicable. If not quoted, the basis for taxation is the company's net assets for wealth tax purposes as per 1 January of the income year in question. The basis for taxation of not quoted shares in foreign companies is as a starting point the shares assumed market value as per 1 January of the assessment year.
- o) Investors should also read the taxation section in Part II of this Prospectus, which describes additional tax consequences for the Fund and its investors.

#### Documents Available for Inspection

The following documents are available for inspection free of charge during normal business hours on weekdays (Saturdays, Sundays and other public holiday excepted) at the registered office of the Fund. These documents, together with a translation of the Law of 2010, may also be inspected, free of charge, at the offices of the Distributors.

- a) Articles of Incorporation of the Fund
- b) Management Company Services Agreement
- c) Depositary Agreement
- d) Distributors' Agreements
- e) Investment Management Agreement
- f) Services Agreement
- g) Paying Agency Agreement
- h) Hong Kong Representative's Agreement
- i) Liquidation Agreements
- j) KIIDs

The Agreements listed above may be amended from time to time by agreement between the parties thereto. Any such agreement on behalf of the Fund will be made by its Directors, except as noted in Appendix B under Management and Administration, Termination or Amendment.

The Articles of Incorporation (as amended from time to time) may also be inspected at the Sales Representatives.

Copies of the Prospectus, the latest KIIDs and the latest financial reports of the Fund may be obtained, free of charge, upon request at the registered office of the Fund and the offices of the Distributors and the Sales Representatives.

## SWEDEN

### Registration and Supervision

The Fund is an open-ended investment company domiciled in Luxembourg since 31 July 2000.

By virtue of a ruling of the Swedish Financial Supervisory Authority (Finansinspektionen), the Fund is authorised to sell its Shares to members of the public in Sweden.

The information below describes the facilities available to investors resident in Sweden and the procedures which apply to dealing in Shares in the Fund. This information must be read in conjunction with the current Prospectus of the Fund, the most recent annual report and, if published thereafter, the most recent semi-annual report. Amendments to the Prospectus, the Fund's regulations or to the statutes, or any other information will be held available at the offices of the Representative. Material amendments to the Prospectus, the Fund's regulations or to the Statutes will be filed with the Swedish Financial Supervisory Authority.

### Representative

The management of the Fund has appointed Svenska Handelsbanken, Blasieholmstorg 12, S-106 70 Stockholm, Sweden, as the Representative for the Fund in Sweden. The Paying Agency, the place of performance and court of law have been substantiated at the Representative's registered office as regards the Shares distributed in Sweden.

### Dealing Procedures

Investors may give instructions (directly, or through their bank or other financial representative) to any of the Distributors listed in the Prospectus, or to the head office of the Fund. Investors may also apply to redeem Shares and obtain payment through the Representative.

FIL (Luxembourg) S.A. is the Distributor for Sweden and acts as agent for the General Distributor, FIL Distributors. All instructions can be addressed to the Representative or to FIL (Luxembourg) S.A. at the address given below:

FIL (Luxembourg) S.A.  
2a, Rue Albert Borschette  
BP 2174  
L-1021 Luxembourg  
Telephone: (352) 251 351 2230  
Fax: (352) 26 38 39 38

Investors should bear in mind that applications for the acquisition of Shares or instructions to change from one category of Share to another should be delivered in writing to the Representative or Distributor and in the form prescribed by the Representative or Distributor.

Application forms may be obtained in Sweden on request from the Representative or the Distributor. Investors may apply for Shares in any major freely convertible currency. Where the investor deals in a currency which differs from the principal dealing currency of the relevant fund, the investment amount will be converted into the principal dealing currency prior to purchase. Similarly, sales proceeds may be received by the investor in other major freely convertible currency as set out in the Prospectus.

### Publication of prices

Prices for Shares of the Fund may be obtained from any Distributor or from the Representative in Sweden. Shares are listed on the Luxembourg Stock Exchange. The Net Asset Values of the appropriate funds will generally be published with the mention "plus charges" in the Dagens Industri at least twice a month.

### Taxation

The Directors of the Fund are informed of the following summary of certain Swedish tax consequences related to the holding of Shares for individuals and limited liability companies resident in Sweden for tax purposes. The summary is intended to provide general information only. The summary does not cover income tax issues in cases where the Shares are held as current assets in business operations or by a partnership. The tax treatment for investors depends in part on their particular situation. Before investing in Shares of the Fund, each investor should consult a professional tax advisor as to the tax consequences relating to their particular circumstances resulting from holding the Shares.

- a) For individuals, dividends declared in respect of Shares and such capital gains as are made upon the disposal, conversion or redemption of Shares are classified as capital income and are taxed at a rate of 30%. It should be noted that the switch of Shares in one fund into Shares in another fund is treated as a disposal of Shares.
- b) For individuals, capital losses on listed securities that are taxed as stock may as a general rule be fully deducted from capital gains on all listed securities that are taxed as stock and from capital gains on unlisted stock. 70% of a loss in excess of such gains may be deducted from other capital income. If a net loss should arise in the capital income category in a given year, such net loss may reduce the tax on income from employment and business operations as well as property tax. This tax reduction is granted at 30% of the net loss that does not exceed SEK 100,000 and at 21% of the net loss for any remaining part. Net losses not absorbed by these tax reductions cannot be carried forward to future tax years.
- c) For limited liability companies, all income is attributable to the category of business operations and is taxed at a rate of 26.3%. Please see a) above regarding taxable events.
- d) For limited liability companies, capital losses on Shares, which are held as capital investments, may only be deducted from capital gains on securities that are taxed as stock. Capital losses not deducted from such gains may be carried forward to reduce such capital gains in future tax periods without limitations in time.

- e) Individual as well as corporate investors have to include a notional income in their tax returns based on the value of their fund investments. The notional income is 0.4% of the value of the fund units at the beginning of the calendar year. The notional income will be taxed at the investment income rate of 30% for individuals and 26.3% for corporate
- f) An elective regime for taxation of capital gains and dividend distributions of individuals may be applied. For assets deposited in an investment savings account (“investeringssparkonto”) there is no taxation of gains and dividends. Instead, the account holder has to declare a notional income based on the average value of the account during the year. The notional income is tied to the interest rate on government bonds at the end of November in the previous year. For 2012 the notional income is 1.65%. The notional income is taxed at the investment income rate of 30%.  
For individuals who elect to apply this regime items a) and b) above will not apply. Further, they will not declare the notional income described in e) above.
- g) Specific tax consequences may be applicable to certain categories of companies, e.g. investment companies.
- h) Investors should also read the taxation section in Part II of the Prospectus, which describes additional tax consequences for investors. Investors should seek their own professional advice as to the tax consequences before investing in Shares in the Fund. Taxation law and practices, and the levels of taxation, are subject to future alteration.

#### **New corporate income tax rate from January 2013**

On 21 November 2012 the Swedish Parliament approved a reduction of the corporate tax rate to 22% for fiscal years commencing after 2012.

#### **Documents Available for Inspection**

The Articles of Incorporation (as amended from time to time) may be inspected at the registered office of the Fund, the offices of the Distributors and the Representative in Sweden. Copies of the Prospectus, the latest KIIDs and the latest financial reports of the Fund may be obtained, free of charge, upon request at the registered office of the Fund and the offices of the Distributors and of the Representative in Sweden.

## **SWITZERLAND**

#### **Representative**

The representative of the Fund in Switzerland (the “Representative”) is BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, CH-8002 Zurich.

#### **Paying Agent**

The paying agent of the Fund in Switzerland is BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, CH-8002 Zurich.

#### **Place where the relevant documents may be obtained**

The Prospectus and KIIDs, the articles of association as well as the annual and semi-annual reports of the Fund may be obtained free of charge from the Representative.

#### **Publications**

Publications in respect of the Fund must be made in Switzerland in the Swiss Official Gazette of Commerce (“SOGC”) and on the electronic platform [www.swissfunddata.ch](http://www.swissfunddata.ch).

The issue and the redemption prices, respectively the Net Asset Value together with a footnote stating “excluding commissions” of all relevant Share classes will be published daily on the electronic platform [www.swissfunddata.ch](http://www.swissfunddata.ch).

#### **Payment of remunerations and distribution remuneration**

In connection with distribution in Switzerland, the FIL Group may pay reimbursements to the following qualified investors who, from the commercial perspective, hold the units of collective investment schemes for third parties:

- life insurance companies
- pension funds and other retirement provision institutions
- investment foundations
- Swiss fund management companies
- foreign fund management companies and providers
- investment companies.

In connection with distribution in Switzerland, the FIL Group may pay distribution remunerations to the following distributors and sales partners:

- distributors subject to the duty to obtain authorisation pursuant to Art. 19.1 CISA.
- distributors exempt from the duty to obtain authorisation pursuant to Art. 19.4 CISA and Art. 8 CISO.
- sales partners who place the units of collective investment schemes exclusively with institutional investors with professional treasury facilities.
- sales partners who place the units of collective investment schemes exclusively on the basis of a written asset management mandate.

#### **Place of performance and jurisdiction**

In respect of the Shares distributed in and from Switzerland, the place of performance and jurisdiction is at the registered office of the Representative.

## UNITED KINGDOM

### Registration and Supervision

The Fund is recognised under the provisions of Section 264 of the Financial Services and Markets Act 2000. Investors should note that transactions in or a holding of Shares in the Fund, will not be covered by the provisions of the Financial Services Compensation Scheme, nor by any similar scheme in Luxembourg.

The Prospectus must be read in conjunction with the relevant KIID. Together these constitute a direct offer financial promotion and a UK investor applying for Shares in response only to these documents will not have any right to cancel or withdraw that application under the provisions dealing with cancellation and withdrawal set out in the New Conduct of Business Sourcebook issued by the UK Financial Services Authority if such an application is accepted by the UK Representative. No rights of cancellation arise when dealing direct with the Fund or with any other Distributor. Cancellation Rights are granted in accordance with FSA Rules for applications made through regulated intermediaries.

The Prospectus, the KIIDs and this information sheet have been approved for issue in the United Kingdom by FIL Investments International, authorised and regulated by the Financial Services Authority.

### Representative in the UK

The Fund has appointed FIL Investments International as the UK Representative of the Fund. The UK Representative's details appear below under "Dealing Procedures". The Articles of Incorporation of the Fund together with other documents listed in Appendix C, General Information, in Part II of the Prospectus may be inspected, free of charge, at the representative's office and copies obtained at a reasonable charge. Further copies of the Prospectus or copies of the annual and semi-annual reports of the Fund may also be obtained, free of charge, from the UK Representative. Complaints concerning the Fund may be lodged with the UK Representative for forwarding to the Fund. The UK Representative is authorised and regulated by the Financial Services Authority in the conduct of its investment business.

### Dealing Procedures

Investors may place dealing instructions (either directly or through an authorised intermediary) with any of the Distributors listed in the Prospectus, or alternatively direct with the Fund.

The Fund has appointed FIL Investments International as Distributor of Shares of the Fund within the UK (address shown below).

Applications to subscribe for, redeem or switch Shares may be placed with the UK Representative either in writing or (subject to the restriction that the investor's first subscription must be made on an application form) by telephone at the following address. An investor may also place instructions using facsimile, where an appropriate authority (contained on the application form) has been received.

FIL Investments International  
 Oakhill House, 130 Tonbridge Road  
 Hildenborough, Kent TN11 9DZ  
 (Authorised and regulated in the UK by the Financial Services Authority ("FSA"))  
 Telephone: 0800 414161 (Private Investors)  
                   0800 414181 (Professional Advisors)  
 Fax: 01732 777262

Application forms are available on request from any Distributor, the UK Representative or the Fund.

A description of how an investor may purchase, switch or sell Shares in the Fund and the relevant settlement procedures is contained in Part II of the Prospectus. All dealing in Shares will be on a forward pricing basis. That is, subject to any temporary suspension of dealing in Shares, applications to subscribe for, switch or redeem Shares received by the UK Representative on a day that they are open for business before the applicable cut-off time on a Valuation Date will be effected that day using the prices at the next calculated Net Asset Value (together with the appropriate sales or switch fee).

Investors may place orders for Shares in Pounds Sterling or in any other major freely convertible currency as set out in the Prospectus. Where the investor deals in a currency which differs from the principal dealing currency of the relevant class, the investment amount will be converted into the currency of the principal dealing currency prior to purchase. Similarly, redemption proceeds may be received by the investor in pounds sterling or another major freely convertible currency.

Foreign exchange transactions in respect of such deals will normally be placed at the beginning of the UK Business Day following receipt of the instructions.

Contract notes will be issued, usually within 24 hours of the determination of the relevant prices and foreign exchange rates.

Further information about the Fund and the relevant dealing procedures may be obtained from the UK Representative.

### Publication of Prices

Details of the most recent prices of Shares in the Fund may be obtained from the UK Representative. The Net Asset Values of the appropriate funds are published in such manner as decided from time to time by the Directors.

### Taxation

The summary below is intended only as a general guide for potential investors and does not constitute tax advice. Intending investors are strongly advised to seek independent professional advice concerning possible taxation or other considerations that may be relevant to their particular circumstances.

Potential investors should note that the following information relates only to United Kingdom taxation and is based on advice received by the Directors regarding current law and practice. It is therefore subject to any subsequent changes.

The Directors of the Fund are informed of the following general taxation consequences for investors resident in the UK and subject to UK tax:

- a) The Offshore Funds (Tax) Regulations 2009 ("the Regulations") provide that if an investor resident or ordinarily resident in the UK for taxation purposes holds an interest in an offshore fund, and the fund does not obtain certification as a 'reporting fund' for the entire period in which the investor holds that interest, any gain (calculated without the benefit of indexation) accruing to the investor upon sale or other disposal of the interest (including a disposal pursuant to a switch transaction) will be taxed as income and not as a capital gain. Please note that this is subject to any individual elections made by UK resident investors (see below). Please note also that the UK Government is currently undertaking a consultation to reform and simplify the definition of UK tax residence. Therefore, the scope of persons subject to these rules may change in the future.



- b) Section 355 TIOPA (Taxation (International and Other Provisions) Act 2010) defines the term “offshore fund” for the purposes of applying the Regulations. For these purposes, each of the constituent sub-funds and Share classes of the Fund will be regarded as a separate offshore fund. All sub-funds and Share classes of the Fund have been certified as ‘UK reporting funds’ by HM Revenue & Customs for the accounting period commencing on 1 February 2012. Once reporting fund status has been obtained from HMRC for each sub-fund / Share class, it will remain in place for all subsequent periods provided that the annual reporting requirements set out in the Offshore Funds (Tax) Regulations 2009 are satisfied. The Directors undertake to operate the Fund in a manner that will enable the relevant sub-funds / Share classes to comply with the annual requirements under the UK reporting fund regime.
- c) Under the Regulations, all ‘reporting funds’ are required to disclose annually to investors and HMRC the ‘total reportable income’ arising in each certified sub-fund / Share class in order to maintain ‘reporting fund’ status. This requirement applies to all sub-funds / Share classes of the Fund registered as ‘reporting funds’ with HMRC. UK resident Shareholders who hold their interests at the end of the reporting period to which the reported income relates will be subject to income tax or corporation tax on the reported amount for the relevant funds or Share classes held. Please note that the tax point for investors in relation to the reportable income is 6 months following the end of the accounting period.
- d) Shareholders who have held interests in sub-funds / Share classes of the Fund, which have not been certified as ‘reporting funds’ for all periods corresponding to their own period of ownership, will be regarded as holding interests in ‘non-reporting offshore funds’ for the purposes of applying the Regulations and, as such, will be subject to income tax or corporation tax on any gain subsequently arising on disposal of those interests, notwithstanding that the relevant sub-funds / Share classes have been certified as ‘reporting funds’ with effect from 1 February 2012.
- e) Shareholders may however elect under regulation 48(2) of the Offshore Funds (Tax) Regulations 2009 to make a deemed disposal and immediate reacquisition of their interest in any such sub-fund / Share class on the first day of the first accounting period for which that sub-fund / Share class has been certified as a ‘reporting fund’ for UK tax purposes (i.e. 1 February 2012). The Shareholder will then be subject to income tax or corporation tax on the offshore income gain arising at that point (the election is only necessary if the realisation of the investment would result in a gain) – any future gain on the relevant interest will be treated as a capital gain for UK tax purposes provided the relevant sub-fund / Share class maintains its status as a reporting fund. This election must be included in a return made for the tax year (or for corporate investors the accounting period) which includes the final day of the last period before the fund became a Reporting Fund.
- f) Subject to paragraph (a) above, capital gains arising on a disposal of Shares by individuals will be liable to capital gains tax if together with other net gains, they exceed the annual exemption, which is GBP 10,600 for the fiscal year ended 5 April 2012 and 2013. The applicable rate of capital gains tax for non corporate investors is currently a flat rate of 18% for basic rate taxpayers and 28% for higher / additional rate income tax payers. In the case of companies generally, gains arising on a disposal of Shares (after indexation allowance, where applicable), will be liable to corporation tax. The mainstream rate of corporation tax is currently 24%, falling to 23% with effect from 1 April 2013. Tax rates may be different for subsequent financial years.
- g) The attention of corporate Shareholders is drawn to Chapter 3 of Part 6, of the Corporation Tax Act 2009, whereby relevant interests of companies in offshore funds may be deemed to constitute a loan relationship with the consequence that all profits and losses on such relevant interests are chargeable to corporation tax in accordance with a fair value basis of accounting. The relevant provisions apply where the market value of interest bearing securities and other qualifying investments of a fund comprises more than 60% of the value of all the investments of that fund at any time during an accounting period. As the Fund is a money market fund, these rules are expected to apply for UK resident corporate Shareholders.
- h) Income equalisation arrangements operate in respect of all Shares classes and for all funds. As a result, except where noted, it is expected that for reported income received from 1 February 2012 Shareholders resident in the United Kingdom for taxation purposes should not be liable to tax on reported income allocated to them after the issue of Shares, to the extent that there is any equalisation amount reported to them which represents income accrued at the date of subscription.
- i) Individual Shareholders resident or ordinarily resident in the UK should note the provisions of Chapter 2 of Part 13 of the Income Tax Act 2007. These provisions are directed to the prevention of avoidance of income tax through transactions resulting in the transfer of assets or income to persons (including companies) resident or domiciled outside the UK and may render them liable to taxation in respect of any undistributed income and profits of the Fund on an annual basis. In view of the proposed income distribution and reporting policy, it is not anticipated that these provisions will have any material effect on UK resident individual Shareholders. This legislation is not directed towards the taxation of capital gains.
- j) The attention of investors resident or ordinarily resident in the UK (and who, if individuals, are also domiciled in the UK for those purposes) is also drawn to the provisions of Section 13 of Taxation of Chargeable Gains Act 1992 (“Section 13”). Under these provisions, where a chargeable gain accrues to a company that is not resident in the UK, but which would be a close company if it were resident in the UK, a person may be treated as though a proportional part of that chargeable gain, calculated by reference to their interest in the company, has accrued to them. No liability under Section 13 can be incurred by such a person, however, where such proportion does not exceed one-tenth of the gain. Please note that anti-avoidance provisions in Section 13 are currently subject to consultation by HM Treasury and that significant reform of this area of UK taxation is expected in Finance Bill 2013 (on the basis that the existing rules have been challenged as being incompatible with EU law).
- k) Corporate Shareholders resident in the UK for taxation purposes should note that “controlled foreign companies” legislation contained in Part 9A of TIOPA 2010 could apply to any UK resident company which is, either alone or together with persons connected or associated with it for taxation purposes, deemed to be interested in 25 per cent or more of any chargeable profits of a non-UK resident company, where that non-UK resident company is controlled by residents of the UK and meets certain other criteria (broadly that it is resident in a low tax jurisdiction). “Control” is defined in Chapter 18, Part 9A of TIOPA 2010. A non-UK resident company is controlled by persons (whether companies, individuals or others) who are resident in the UK for taxation purposes or is controlled by two persons taken together, one of whom is resident in the UK for tax purposes and has at least 40 per cent of the interests, rights and powers by which those persons control the non-UK resident company, and the other of whom has at least 40 per cent and not more than 55 per cent of such interests, rights and powers. The effect of these provisions could be to render such Shareholders liable to UK corporation tax in respect of the income of the Fund. Investors who are insurance companies within the charge to United Kingdom corporation taxation holding their Shares in the Fund for the purposes of their long-term business (other than pension business) will be deemed to dispose of and immediately reacquire those Shares at the end of each accounting period.

- l) Investors should also read the taxation section in Part II of the Prospectus, which describes additional tax consequences for investors. Investors should seek their own professional advice as to the tax consequences before investing in Shares in the Fund. Taxation law and practice, and the levels of taxation, are subject to future alteration.

**Documents Available for Inspection**

The Articles of Incorporation of the Fund (as amended from time to time), together with other documents listed in Appendix C, Section 7 in this Prospectus may be inspected free of charge on weekdays during normal business hours at the registered office of the Fund, and at the offices of the UK Representative and the Distributors. Further copies of this Prospectus, the latest KIIDs and the latest financial reports of the Fund may be obtained, free of charge, upon request at the registered office of the Fund and the offices of the Distributors.

**Commissions/Charges**

The price of Shares in the Fund (whether acquired through a Share Distributor or the Fund) will consist of the Net Asset Value of the Shares for the relevant fund plus a sales charge of 0% for Currency funds. No switching fees will be applied.

Further information about the Fund and the relevant dealing procedures may be obtained from the UK representative.

The Prospectus and the above information have been approved for issue in the UK by FIL Investments International, authorised and regulated by the Financial Services Authority.

## DIRECTORY

### REGISTERED OFFICE

Fidelity Funds II  
(société d'investissement à capital variable)  
2a, Rue Albert Borschette  
BP 2174  
L-1021 Luxembourg

### DIRECTORS

Nishith Gandhi  
Charles Hutchinson  
Mike Nikou  
FIL (Luxembourg) S.A.

### SUPERVISORY OFFICERS

Nishith Gandhi  
Charles Hutchinson  
Stephan von Bismarck

### MANAGEMENT COMPANY, REGISTRAR, TRANSFER AGENT, ADMINISTRATIVE SERVICE AGENT AND DOMICILIARY AGENT

FIL Investment Management (Luxembourg) S.A.  
2a, Rue Albert Borschette  
BP 2174  
L-1021 Luxembourg

### INVESTMENT MANAGER

FIL Fund Management Limited  
Pembroke Hall  
42 Crow Lane  
Pembroke HM19  
Bermuda

### GENERAL DISTRIBUTOR

FIL Distributors  
Pembroke Hall  
42 Crow Lane  
Pembroke HM19  
Bermuda

### DEPOSITARY

Brown Brothers Harriman (Luxembourg) S.C.A.  
2-8, avenue Charles de Gaulle  
L-1653 Luxembourg

### SHARE DISTRIBUTORS

FIL Investments International  
Oakhill House  
130 Tonbridge Road  
Hildenborough  
Kent TN11 9DZ  
United Kingdom  
(Regulated by the Financial Services Authority)  
Telephone: (44) 1732 777 377  
Fax: (44) 1732 777 262

### FIL (Luxembourg) S.A.

2a, Rue Albert Borschette  
BP 2174  
L-1021 Luxembourg  
Telephone: (352) 250404 1  
Fax: (352) 26 38 39 38

### FIL Investment Services GmbH

Kastanienhöhe 1  
D-61476 Kronberg im Taunus  
Telephone: (49) 6173 509 0  
Fax: (49) 6173 509 4199

### FIL Investissements (FIL Gestion as from 1<sup>st</sup> January 2013)

Washington Plaza  
29 rue de Berri  
F-75008 Paris  
Telephone: (33) 1 7304 3000

### FIL Investment Management (Hong Kong) Limited

Level 21, Two Pacific Place  
88 Queensway  
Admiralty, Hong Kong Telephone: (852) 2629 2629  
Fax: (852) 2629 6088

### FIL Distributors International Limited

PO Box HM670  
Hamilton HMCX  
Bermuda  
Telephone: (1) 441 297 7267  
Fax: (1) 441 295 4493

### FIL Pensions Management

Oakhill House  
130 Tonbridge Road  
Hildenborough  
Tonbridge  
Kent TN11 9DZ  
United Kingdom  
Telephone: (44) 1732 777377  
Fax: (44) 1732 777262

### Financial Administration Services Limited

Oakhill House  
130 Tonbridge Road  
Hildenborough  
Tonbridge  
Kent TN11 9DZ  
United Kingdom  
Telephone: (44) 1732 777377  
Fax: (44) 1732 777262

### HONG KONG REPRESENTATIVE

FIL Investment Management (Hong Kong) Limited  
17th Floor  
One International Finance Centre  
1 Harbour View Street  
Central Hong Kong

### SWISS REPRESENTATIVE

BNP Paribas Securities Services, Paris  
Succursale de Zurich  
Selnaustrasse 16  
CH-8002 Zurich

### IRISH REPRESENTATIVE

FIL Fund Management (Ireland) Limited  
First Floor, Marconi House  
Digges Lane  
Dublin 2  
Ireland

### INDEPENDENT AUDITORS

PricewaterhouseCoopers, Société Coopérative  
400, Route d'Esch, BP 1443  
L-1014 Luxembourg



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