

**THIS LETTER IS IMPORTANT AND REQUIRES YOUR ATTENTION.  
IF IN DOUBT, PLEASE SEEK PROFESSIONAL ADVICE.**

**Important Changes relating to Fidelity Funds**

**Extension of the temporary change to Price Adjustment Policy (the 'Swing Pricing policy')  
of the Fund by lifting the 2% price adjustment limit.**

*This notice is for information only. You do not need to take any action as this change has  
automatically entered into effect on 1 February 2023.*

31 January 2023

Dear Shareholder,

We are writing to notify you (the "**Shareholder**") of the decision taken by the Board of Directors of Fidelity Funds (the "**Board**") to extend the temporary revision of the current Swing Pricing policy for all share classes of the following sub-funds (the "**Sub-Funds**") of Fidelity Funds (the "**Fund**") in line with the provisions of the Fund's prospectus for Hong Kong investors (the "**Prospectus**") which enable the maximum price adjustment factor to be increased in exceptional circumstances in order to protect the interests of investors:

**Fidelity Funds - China High Yield Fund**

**Fidelity Funds - Asian High Yield Fund**

This action has been taken due to the continued effect of recent and unprecedented stock market volatility and related liquidity impairment in all asset classes following market events that created a weak backdrop for market liquidity. In January, the war in Ukraine reached its eleventh month, inflation continues to impact global economies, there has been political instability in major markets such as the United Kingdom and central banks continue to raise interest rates. Quantitative tightening is impacting the outlook for risk assets with impaired liquidity in multiple asset classes. Liquidity indicators for major government bonds have recently deteriorated to levels last seen in the Eurozone crisis of 2011. China property has seen an extended decline with many offshore bonds trading at low cash prices, alongside a higher rate of default. The ability to meet redemptions is assessed on an intraday basis to anticipate issues and challenges as early as possible.

Given the decline in cash prices for many Asian high yield bonds, particularly the Chinese property issuers and liquidity conditions of these low cash price bonds, the cost of transacting is higher than would typically be experienced in normal market conditions.

In the present market environment, the current price adjustment limit of 2% continues to be insufficient to protect existing investors from the dilution impact of flow-related transaction costs. Accordingly, the Board of the Fund has decided to continue to increase the maximum price adjustment limit, temporarily, from 2% to 3.5% for the Sub-Funds. Please note that the revised price adjustment limit is expressed as a maximum, and each Sub-Fund may apply a lower amount based on regular analysis of transactions costs.

This temporary increase in the price adjustment limit is intended to be in force until 30 April 2023.

The Board considers that the abovementioned exceptional changes are in the best interests of the shareholders of the Sub-Funds.

If you have any questions related to the above, or if you would like to request for a copy of the current Prospectus, the Product Key Facts Statements of the Sub-Funds, the Articles of Incorporation (available for inspection free of charge at all times during normal office hours), the latest audited annual report and accounts and unaudited semi-annual report and accounts of the Fund (which is also available at [www.fidelity.com.hk](http://www.fidelity.com.hk)<sup>1</sup>) or other material agreements relating to the Fund, please contact your usual Financial Adviser or the Fidelity Investor Hotline<sup>2</sup> at +852 2629 2629, or you can write to the Hong Kong Representative at Level 21, Two Pacific Place, 88 Queensway, Admiralty, Hong Kong.

Yours faithfully,



**Nishith Gandhi**

Permanent Representative of FIL (Luxembourg) S.A.  
Corporate Director, Fidelity Funds

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<sup>1</sup> This website has not been reviewed by the SFC.

<sup>2</sup> International Toll-free Number +800 2323 1122, available to calls from Australia, Canada, Japan, South Korea, Malaysia, New Zealand, the Philippines, Singapore, Taiwan, Thailand and USA. The “+” sign represents the International Access Prefix. China Toll-free Number: 4001 200632. Service may not be available for certain mobile carriers; call may incur charges imposed by the service providers. The Fidelity Investor Hotline is available from 9am to 6pm, Monday to Friday (except Hong Kong public holidays).