

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

16 November 2020

Dear Shareholder,

We are writing to you as a holder of Shares in one or more funds of Fidelity Funds (each a “**Fund**” and collectively, the “**Funds**”).

As part of the ongoing process whereby Fidelity International (“**FIL**”) regularly reviews its range of funds, we are hereby notifying you of the following amendments to the Fidelity Prospectus for Hong Kong investors (the “**Prospectus**”).

Any terms not defined herein shall have the same meaning as in the Prospectus.

**Description of the Changes**

For full details of the changes below, including the dates on when these changes will be effective, your options and associated dealing timelines, please refer to Appendix I: Details of Changes to Fidelity Funds (“**Appendix I**”) which will also be available on FIL’s website (<https://www.fidelity.com.hk/en/insights-and-updates/fund-announcements><sup>1</sup>). This letter and Appendix I are collectively referred to as the “**Notice**”.

**I. Repurpose of certain Funds**

The changes are designed to evolve FIL’s product line up to meet changing client needs and aim to provide clients with superior outcomes.

The main characteristics of the following Funds (the “**Repurposed Funds**”) will be changed, generally also leading to a new name of the Repurposed Fund:

| <b>Current name</b>                         | <b>New name</b>                                     |
|---|---|
| Fidelity Funds – Asia Focus Fund            | Fidelity Funds – Sustainable Asia Equity Fund       |
| Fidelity Funds – China Opportunities Fund   | Fidelity Funds – China Innovation Fund              |
| Fidelity Funds – International Fund         | Fidelity Funds – Global Thematic Opportunities Fund |
| Fidelity Funds – Japan Fund                 | Fidelity Funds – Sustainable Japan Equity Fund      |
| Fidelity Funds – Global Infrastructure Fund | Fidelity Funds – Global Dividend Plus Fund          |
| Fidelity Funds – SMART Global Moderate Fund | Fidelity Funds – Global Multi Asset Dynamic Fund    |

The changes will vary for each individual Fund, but may include the Fund name, investment objective, fund risk profile or other relevant fund characteristics. Please refer to Appendix I for further details of the changes.

The reference currency for the Fidelity Funds - Global Infrastructure Fund will be changed.

Save and except for the changes disclosed in this Notice, there will be no other change in the operation and/or manner in which the Repurposed Funds are being managed in practice.

Further, there will be no change in the fee level of the Repurposed Funds following the implementation of these changes.

In certain cases, a period of time after the effective date may be required to align the portfolio to the updated investment objective of the Repurposed Fund (the “**Rebalancing Period**”). The transaction costs (brokerage fees, stamp duties, taxes, custodian commission and charges paid to stock exchanges) which may arise in relation to the repurpose exercise during the Rebalancing Period (as disclosed in Appendix I) will be borne by each of the Repurposed Funds and will be capped at 0.2% of the relevant Repurpose Fund’s Net Asset Value. If the actual transaction costs of a Repurposed Fund during the Rebalancing Period exceed 0.2% of its Net Asset Value, such excess will be borne by FIL Fund Management Limited, the Investment Manager of Fidelity Funds (and/or any of its affiliates within FIL Group). For further details, please refer to Appendix I.

<sup>1</sup> This website has not been reviewed by the Securities and Futures Commission (“**SFC**”) in Hong Kong.

## II. Amendments to the investment objectives regarding investment in hybrids and contingent convertible bonds ("CoCos") for certain Funds

The investment objective of each of the following Funds will be updated in relation to investments in hybrids and CoCos.

|  |   |
|--|---|
| Fidelity Funds – Asia Pacific Strategic Income Fund  | Fidelity Funds – European High Yield Fund                       |
| Fidelity Funds – Asian Bond Fund                     | Fidelity Funds – European Multi Asset Income Fund               |
| Fidelity Funds – Asian High Yield Fund               | Fidelity Funds – Flexible Bond Fund                             |
| Fidelity Funds – China High Yield Fund               | Fidelity Funds – Global Income Fund                             |
| Fidelity Funds – Emerging Market Corporate Debt Fund | Fidelity Funds – Global Multi Asset Income Fund                 |
| Fidelity Funds – Emerging Market Debt Fund           | Fidelity Funds – Greater China Multi Asset Growth & Income Fund |
| Fidelity Funds – Euro Bond Fund                      | Fidelity Funds – Growth & Income Fund                           |
| Fidelity Funds – Euro Corporate Bond Fund            | (to be renamed Fidelity Funds – Multi Asset Income Fund)        |
| Fidelity Funds – Euro Short Term Bond Fund           |   |

## III. Amendment to the limits related to onshore China investments for certain Funds

The notes to the investment objective of each of the following Funds will be updated to reflect amended restrictions applicable to investment in Onshore Chinese Securities in order to meet changing client needs and aim to provide clients with superior outcomes.

Following such update, the direct and/or aggregate direct and indirect exposures to Onshore Chinese Securities of the Funds listed in the table below will change (further details as disclosed in Appendix I).

### (a) Funds which will remove the limit of their direct exposure to Onshore Chinese Securities, but their aggregate direct and indirect exposure will remain unchanged:

|  |   |
|--|---|
| Fidelity Funds – Asia Pacific Opportunities Fund     | Fidelity Funds – FIRST All Country World Fund               |
| Fidelity Funds – Emerging Market Corporate Debt Fund | Fidelity Funds – Institutional Emerging Markets Equity Fund |
| Fidelity Funds – Emerging Markets Focus Fund         |   |

### (b) Funds which will increase their direct exposure to Onshore Chinese Securities, but their aggregate direct and indirect exposure will remain unchanged:

|  |  |
|--|--|
| Fidelity Funds – Asian High Yield Fund         | Fidelity Funds – Global Bond Fund                  |
| Fidelity Funds – Asian Special Situations Fund | Fidelity Funds – Global Income Fund                |
| Fidelity Funds – Emerging Asia Fund            | Fidelity Funds – Global Short Duration Income Fund |
| Fidelity Funds – Emerging Market Debt Fund     | Fidelity Funds – Pacific Fund                      |
| Fidelity Funds – Emerging Markets Fund         | Fidelity Funds – Sustainable Strategic Bond Fund   |

### (c) Funds which will remove their limit on direct exposure and increase their aggregate direct and indirect exposure to Onshore Chinese Securities:

|  |  |
|--|--|
| Fidelity Funds – Asia Pacific Strategic Income Fund* | Fidelity Funds – Greater China Multi Asset Growth & Income Fund* |
| Fidelity Funds – China High Yield Fund*              |  |

### (d) Funds which will increase their direct exposure and their aggregate direct and indirect exposure to Onshore Chinese Securities:

|                                       |                                      |
|---------------------------------------|--------------------------------------|
| Fidelity Funds – China Consumer Fund* | Fidelity Funds – Greater China Fund* |
| Fidelity Funds – China Focus Fund*    |                                      |

\* The aggregate maximum exposure (including direct and indirect exposure) of these Funds in Onshore Chinese Securities will increase.

Save and except the changes disclosed in this Notice, there will be no other change in the operation and/or manner in which the Funds are being managed in practice.

Further, there will be no change in the fee level in managing the Funds following the implementation of the changes.

## IV. Amendment to the global exposure calculation method for certain Funds

The global exposure calculation methodology of Fidelity Funds – Flexible Bond Fund and Fidelity Funds – Sustainable Strategic Bond Fund will change from the commitment approach to the absolute value-at-risk approach. As a consequence, the net derivative exposure of these two Funds will be changed from "up to 100% of the Fund's Net Asset Value" to "may be more than 100% of the Funds' Net Asset Value". The two Funds will be subject to an additional risk factor, namely High Leverage, and higher risks relating to the use derivatives. Please refer to Appendix I for further details.

## V. Capital Investment Entrant Scheme ("CIES") deregistration

Currently, Fidelity Funds – China Opportunities Fund is registered as an eligible collective investment scheme ("CIS") under the CIES by the Immigration Department of Hong Kong ("Immigration Department"). Pursuant to the repurpose of Fidelity Funds – China Opportunities Fund into Fidelity Funds – China Innovation Fund, an application has been submitted to the Immigration Department to remove Fidelity Funds – China Opportunities Fund from the list of eligible CISs under the CIES.

## VI. Change of name of a Fund

Fidelity Funds – Growth & Income Fund will be renamed Fidelity Funds – Multi Asset Income Fund.

## VII. Inclusion of and changes to benchmarks

The investment objectives of certain Funds will be enhanced to include a benchmark index.

Fidelity Funds - US Dollar Bond Fund will change its index as follows:

| From   | To  |
|--|---|
| ICE BofAML US Large Cap Corporate & Government Index | ICE BofA Q4AR Custom Index<br>(a custom USD Aggregate Bond index) |

## VIII. Enhancement of disclosures relating to the collateral requirements for securities lending on bonds

The Prospectus will be enhanced to disclose that in respect to securities lending transactions, bonds (in addition to equity stocks) can be subject to securities lending transactions.

## IX. Delegation to Geode Capital Management, LLC (“Geode”)

In addition to the Funds listed in Part IV of the Prospectus, Geode will be appointed to manage some of the assets of two more Funds as set out in Appendix I.

## X. Changes in exposure to securities lending and repurchase and reverse repurchase agreements

### (i) Expected exposure to securities lending transactions

The expected percentages of the total net assets (“TNA”) of the Funds under Fidelity Funds (other than Fidelity Funds – Australian Dollar Cash Fund, Fidelity Funds – Euro Cash Fund, Fidelity Funds – Sterling Cash Fund and Fidelity Funds – US Dollar Cash Fund) which can be used for securities lending transactions as disclosed in the Prospectus will be amended.

### (ii) Fidelity Funds – Flexible Bond Fund and Fidelity Funds – Sustainable Strategic Bond Fund

In respect of Fidelity Funds – Flexible Bond Fund and Fidelity Funds – Sustainable Strategic Bond Fund, the expected percentages of TNA which can be used for securities lending transactions and repurchase and reverse repurchase agreements will be amended.

## XI. Use of derivatives: removal of the reference to an “extensive” use of derivatives

In respect of all the Funds which investment policy previously referred to an “extensive” use of derivatives, the Prospectus will be amended such that the investment policy describes each Fund’s use of financial derivative instruments without reference to such extensiveness.

Please note that this amendment does not entail any change in the portfolio management of the relevant Fund and is merely driven by updates to the Hong Kong disclosure requirements.

## XII. Investments in Loans: removal of possibility to directly invest in loans

In respect of all the Funds which allow direct investments in loans, the Prospectus will be amended such that this investment flexibility will be removed, in accordance with the provisions of the CSSF FAQ concerning the Luxembourg Law of 17 December 2010 relating to undertakings for collective investment (version 9, last updated on 7 August 2020).

Please note that all Funds with residual direct exposure to loans will be clearly marked in the Prospectus. Such disclosures will be updated or removed in due course once those exposures have been disposed of.

## XIII. Addition of “Sustainable Investment Approach” section in the Prospectus

The Prospectus will be enhanced to include a new Section 1.3 “Sustainable Investment Approach”. All subsequent sections in the Prospectus will be re-numbered and cross-references updated accordingly.

## XIV. Miscellaneous updates / amendments

Other miscellaneous updates and amendments will be made to the Prospectus. Details of such updates and amendments are set out in Appendix I.

\*\*\*\*

The effective date of each of the changes in Sections I to VI and the change of index of Fidelity Funds – US Dollar Bond Fund above is set out in Appendix I and both this letter and Appendix I are available on Fidelity’s website ([www.fidelity.com.hk](http://www.fidelity.com.hk)<sup>2</sup>). Please also refer to Appendix I for full details on the choices which are available to you as a Shareholder.

\* \* \*

<sup>2</sup> This website has not been reviewed by the SFC.

### Impact

The existing Shareholders' rights or interests will not be materially prejudiced as a result of the changes outlined in this Notice. The Board believes that the changes are in the best interests of the Shareholders.

### Costs

The administrative expenses triggered by the above-mentioned changes, including any legal, audit, mailing and regulatory charges, will be borne by FIL Fund Management Limited, the Investment Manager of Fidelity Funds (and/or any of its affiliates within FIL Group).

### Shareholder Choices

The options available to **you** as a Shareholder in respect of each particular change set out above are set out in Appendix I.

The Board accepts full responsibility for the accuracy of the content of this Notice and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

The changes outlined above will be reflected in the next update to the Prospectus and the Product Key Facts Statement ("KFS") of the Funds.

We would like to thank you for your investment, and we look forward to helping you with future requests.

If you have any questions related to the changes above, or if you would like to request for a copy of the current Prospectus, the KFS, 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 Fidelity Funds (which is also available at [www.fidelity.com.hk](http://www.fidelity.com.hk)<sup>3</sup>) or other material agreements relating to Fidelity Funds, please contact your usual Financial Adviser or the Fidelity Investor Hotline<sup>4</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

<sup>3</sup> This website has not been reviewed by the SFC.

<sup>4</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).

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