

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

15 January 2016

Dear Shareholder,

**Important Changes to Fidelity Funds  
Changes to the Investment Objectives, Portfolio Information and Investment Restrictions of Certain  
Sub-Funds of Fidelity Funds**

The Board of Directors of Fidelity Funds (the “**Directors**”) regularly reviews the range of funds offered with the aim of providing choice, diversity and value for its investors. We are writing to let you know that, as part of this ongoing process, the Directors have approved changes to the investment objectives and related disclosures under the portfolio information section of the sub-funds listed below:

- **Fidelity Funds – Pacific Fund**
- **Fidelity Funds – Emerging Market Debt Fund**
- **Fidelity Funds – Emerging Market Corporate Debt Fund**
- **Fidelity Funds – Global Income Fund**
- **Fidelity Funds – Global Strategic Bond Fund**
- **Fidelity Funds – International Bond Fund**

(the “**Sub-Funds**”)

The changes described below are designed to allow the Investment Manager greater flexibility to invest in the stock and bond markets of Mainland China and to broaden the opportunity set for investing in Asia in general. It is important to emphasise that the new investment objectives and portfolio information of the Sub-Funds do not entail any material change in the manner in which they are managed.

In the case of equity funds, having the flexibility to invest directly in China A shares provides access to a wider range of industries and individual companies compared to Chinese shares listed outside Mainland China. There are over 2,400 companies listed on the combined Shanghai and Shenzhen stock markets, many times the number of Chinese companies listed on the Hong Kong Stock Exchange. The China onshore market also offers a more diversified sector distribution compared to the overseas-listed China market which is concentrated in the financial, energy and telecom sectors.

Similarly, in the case of fixed income funds, having the flexibility to invest in the onshore Chinese bond market provides access to a larger volume and variety of RMB denominated fixed income instruments than are available within the offshore RMB bond market in terms of issuer type, sectors and credit quality.

Foreign investment in the China domestic securities market is available to those entities that have obtained qualified foreign institutional investor (“**QFII**”) status, amongst other permissible means. This comprises two elements: a QFII holder must have received (i) a securities investment business license (“**QFII License**”) from the China Securities Regulatory Commission (“**CSRC**”) and (ii) a foreign exchange registration certification (“**QFII Certificate**”) from the State Administration of Foreign Exchange. The QFII License is essentially the permission from the CSRC to invest in the China securities market while the QFII Certificate provides a maximum investment quota for investment purposes in China. The Directors confirm that the Sub-Funds have been allocated with the sufficient level of quota under the QFII scheme for the Sub-Funds to invest directly in China A shares or onshore China fixed income securities listed or traded on any “**Eligible Market in China**” (which are the Shanghai Stock Exchange, the Shenzhen Stock Exchange or the mainland China interbank bond market). In addition, the QFII License, QFII Certificate and all other necessary approvals in accordance with all applicable laws and regulations have been obtained.

Full details of the changes to the investment objectives, portfolio information sections and investment restrictions for the Sub-Funds to be introduced in the Hong Kong Prospectus of Fidelity Funds (the “**Prospectus**”) are shown in the Appendix to this letter. The changes will become effective on 26 February 2016 (the “**Effective Date**”).

From the Effective Date, the investment objectives of Fidelity Funds – Emerging Market Debt Fund, Fidelity Funds – Emerging Market Corporate Debt Fund, Fidelity Funds – Global Income Fund, Fidelity Funds – Global Strategic Bond Fund and Fidelity Funds – International Bond Fund (the “**Bond Sub-Funds**”) will specifically allow the Bond Sub-Funds to make direct investments in onshore China fixed income securities listed or traded on any Eligible Market in China. From the Effective Date, the investment objective of Fidelity Funds – Pacific Fund (the “**Equity Sub-Fund**”) will specifically allow the Equity Sub-Fund to make direct investments in the China A and B Share markets.

Such investments by the Sub-Funds may be made via the QFII quota of FIL Investment Management (Hong Kong) Limited or through any permissible means available to the funds under prevailing laws and regulations (including, in respect of China A Share investments by the Equity Sub-Fund, via the Stock Connect or any other eligible means). The Bond Sub-Funds can also indirectly access onshore China fixed income securities through financial instruments that invest in or are linked to the performance such onshore China fixed income securities, e.g. via participation notes and credit-linked notes. The Equity Sub-Fund can also indirectly access China A Shares through financial instruments that invest in or are linked to the performance of China A Shares, e.g. via equity-linked notes.

As will be disclosed in the investment objectives of the Bond Sub-Funds, the Bond Sub-Funds will not invest more than 10% of their Net Asset Value directly in onshore China fixed income securities listed or traded on any Eligible Market in China with aggregate exposures to such investments (including direct and indirect investments) limited to 30% of the assets of the relevant Bond Sub-Fund (in accordance with the investment restrictions listed in the Prospectus, as set out in the Appendix to this letter). As will be disclosed in the investment objective of the Equity Sub-Fund, the Equity Sub-Fund will not invest more than 10% of its Net Asset Value directly in the China A Share and B Share markets, with aggregate exposures to such investments (including direct and indirect investments) limited to 30% of the assets of the Equity Sub-Fund (in accordance with the investment restrictions listed in the Prospectus, as set out in the Appendix to this letter).

Please refer to the “China Assets”, “QFII”, “Stock Connect”, “Risks associated with investments in China fixed income instruments” and “Equity linked Notes and Credit linked Notes (Structured Notes)” Risk Factors in section 1.2 of the Prospectus and also the paragraph headed “Taxation of Chinese Assets” in section 3.3 of the Prospectus for further details on the specific risks relating to these investments.

The Directors believe that the changes to the investment objectives, portfolio information sections and investment restrictions of the Sub-Funds are in the best interests of shareholders (the “**Shareholders**” or “**you**”).

### **Costs**

All expenses incurred as a result of the above changes, including any legal, audit, regulatory and mailing charges (amounting to approximately USD 12,000) will be borne by FIL Fund Management Limited as Investment Manager of Fidelity Funds. There are no changes to the fees charged in relation to the Sub-Funds.

### **Next Steps**

The changes will become effective on 26 February 2016 and if you agree with the proposed changes, there is no need for you to take any action. The Prospectus and the Product Key Facts Statement of the Sub Funds will be updated accordingly.

However, if you are not in agreement with these changes and do not want to continue to invest in any of the Sub-Funds once the investment objectives and investment restrictions have been changed, you may switch into another fund offered by Fidelity as available to you, or redeem your holdings, free of charge.

Redemptions or switches free of charge can be instructed on any Valuation Date until 4.00 pm Hong Kong time on 25 February 2016, and will normally be dealt with at the next calculated Net Asset Value. Please note that different procedures may apply if dealing in Shares is made through distributors or other intermediaries. Please note that some distributors or other intermediaries may charge additional fees (such as switching or transaction fees) or expenses at their own discretion. For further information on these, please contact your financial adviser or your usual contact at the distributor/ intermediary whom you transact with.

In relation to redemptions, payment of proceeds will normally be made within three business days of receipt of completed redemption/sale documentation. Unless such payment or proceeds are subject to legal or regulatory hurdles which render payment impracticable, the maximum interval between the receipt of completed redemption/sale documentation and the payment of proceeds may not exceed one calendar month.

For more details regarding switching and redemption, please refer to the "Dealing Procedures" section in the "Appendix: Important Information for Investors in Hong Kong" section of the Prospectus.

Please note, the redemption or switching of your holding may be deemed as a disposal for tax purposes. Generally, investors will not be subject to any Hong Kong tax on capital gains realised on the redemption or switching of any Shares. However, if any acquisition, switching or redemption of Shares is or forms part of a trade, profession or business carried on in Hong Kong, gains realised may attract Hong Kong profits tax. If you have any concerns about your tax position, we recommend that you seek independent tax advice.

The Directors accept full responsibility for the accuracy of the information contained in this letter and confirm, having made all reasonable enquiries that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

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

If you have any questions related to these changes or if you want to request a copy of the Prospectus (which is also available at [www.fidelity.com.hk](http://www.fidelity.com.hk)), please contact your financial adviser or call the Fidelity Investor Hotline^ +852 2629-2629, or you can write to the Hong Kong Representative at Level 21, Two Pacific Place, 88 Queensway, Admiralty, Hong Kong.

Yours sincerely,



**Marc Wathelet**  
Director, FIL ( Luxembourg ) S.A.  
Corporate Director, Fidelity Funds

\* This website is not authorised by the Securities and Futures Commission in Hong Kong.

^ 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. Service may not be available for certain mobile carriers. The "+" sign represents the International Access Prefix. China Toll-free Number: 4001 200632. The Fidelity Investor Hotline is available from 9am to 6pm, Monday to Friday (except Hong Kong public holidays).

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## Appendix – Changes to the Sub-Funds

### A. List of current and new investment objectives and updated portfolio information in sections 1.3.1 and 1.3.4 of the Prospectus

#### **1. Fidelity Funds – Pacific Fund**

The information in the section “Investment Objective” will be **amended** as follows:

From: Invests principally in an actively managed portfolio of equities in the Asia Pacific region. The Asia Pacific region comprises countries including, but not limited to, Japan, Australia, China, Hong Kong, India, Indonesia, Korea, Malaysia, New Zealand, Philippines, Singapore, Taiwan and Thailand.

To: Invests principally in an actively managed portfolio of equities in the Asia Pacific region. The Asia Pacific region comprises countries including, but not limited to, Japan, Australia, China, Hong Kong, India, Indonesia, Korea, Malaysia, New Zealand, Philippines, Singapore, Taiwan and Thailand. **The fund may invest its net assets directly in China A and B Shares.**

The information in the section “Notes” of the above fund will be **amended** to include the following sentence:

**“From 26 February 2016, or such later date as decided by the Board, the fund can directly invest in China A Shares through the QFII quota of FIL Investment Management (Hong Kong) Limited. The fund may invest up to 10% of its net assets directly in China A and B Shares (with aggregate exposure including direct and indirect investments up to 30% of its assets).”**

#### **2. Fidelity Funds – Emerging Market Debt Fund**

The information in the section “Investment Objective” will be **amended** as follows:

From: The fund aims to achieve income and capital appreciation through primarily investing in global emerging-markets debt securities. The fund may also invest in other types of securities, including local market debt instruments, fixed income, equity securities and corporate bonds of emerging market issuers, and lower quality debt securities. Investments will be made within, although not limited to, Latin America, South East Asia, Africa, Eastern Europe (including Russia) and the Middle East.

To: The fund aims to achieve income and capital appreciation through primarily investing in global emerging-markets debt securities. The fund may also invest in other types of securities, including local market debt instruments, fixed income, equity securities and corporate bonds of emerging market issuers, and lower quality debt securities. Investments will be made within, although not limited to, Latin America, South East Asia, Africa, Eastern Europe (including Russia) and the Middle East. **The fund may invest its net assets directly in onshore China fixed income securities listed or traded on any Eligible Market in China.**

##### **Portfolio Information:**

**Onshore China fixed income securities are listed or traded on any Eligible Market in China, and are issued by a variety of issuers such as government, quasi-government, banks, financial institutions or other corporate entities established or incorporated in China or corporate entities with commercial activities in China.**

The information in the section “Notes” of the above fund will be **amended** to include the following sentence:

**“From 26 February 2016, or such later date as decided by the Board, the fund can directly invest in onshore China fixed income securities listed or traded on any Eligible Market in China through the QFII quota of FIL Investment Management (Hong Kong) Limited. The fund may invest up to 10% of its net assets directly in onshore China fixed income securities (with aggregate exposure including direct and indirect investments up to 30% of its assets).**

**“Eligible Market in China” refers to the Shanghai Stock Exchange, the Shenzhen Stock Exchange or the mainland China interbank bond market, as the case may be.”**

### **3. Fidelity Funds – Emerging Market Corporate Debt Fund**

The information in the section “Investment Objective” will be **amended** as follows:

From: The fund aims to achieve income and capital appreciation through primarily investing in investment grade and sub investment grade global emerging market corporate debt securities denominated in globally traded major currencies (“hard currencies”). The fund may also invest in global emerging market debt instruments denominated in local currency. Up to 25% of the assets of the fund may be invested in sovereign bonds of emerging market issuers. Investments will be made within, although not limited to, Latin America, South East Asia, Africa, Eastern Europe (including Russia) and the Middle East.

To: The fund aims to achieve income and capital appreciation through primarily investing in investment grade and sub investment grade global emerging market corporate debt securities denominated in globally traded major currencies (“hard currencies”). The fund may also invest in global emerging market debt instruments denominated in local currency. Up to 25% of the assets of the fund may be invested in sovereign bonds of emerging market issuers. Investments will be made within, although not limited to, Latin America, South East Asia, Africa, Eastern Europe (including Russia) and the Middle East. **The fund may invest its net assets directly in onshore China fixed income securities listed or traded on any Eligible Market in China.**

#### **Portfolio Information:**

**Onshore China fixed income securities are listed or traded on any Eligible Market in China, and are issued by a variety of issuers such as government, quasi-government, banks, financial institutions or other corporate entities established or incorporated in China or corporate entities with commercial activities in China.**

The information in the section “Notes” of the above fund will be **amended** to include the following sentence:

**“From 26 February 2016, or such later date as decided by the Board, the fund can directly invest in onshore China fixed income securities listed or traded on any Eligible Market in China through the QFII quota of FIL Investment Management (Hong Kong) Limited. The fund may invest up to 10% of its net assets directly in onshore China fixed income securities (with aggregate exposure including direct and indirect investments up to 30% of its assets).**

**“Eligible Market in China” refers to the Shanghai Stock Exchange, the Shenzhen Stock Exchange or the mainland China interbank bond market, as the case may be.”**

### **4. Fidelity Funds – Global Income Fund**

The information in the section “Investment Objective” will be **amended** as follows:

From: This fund seeks a high level of current income and the potential for capital appreciation by primarily investing in a portfolio of global fixed income securities, including, but not limited to, investment grade corporate bonds and government bonds of varying maturities, and high yield bonds and emerging market debt denominated in various currencies. Emerging market debt may include investments within, although not limited to, Latin America, South East Asia, Africa, Eastern Europe (including Russia) and the Middle East.

#### **Portfolio information:**

At least 50% of the portfolio will be invested in investment grade fixed income securities, with the balance invested in, but not limited to, high yielding debt securities, which normally carry sub-investment grade ratings and emerging market debt.

The manager is not restricted in his choice of companies either by region or country, and will choose bonds largely determined by the availability of attractive investment opportunities.

To: This fund seeks a high level of current income and the potential for capital appreciation by primarily investing in a portfolio of global fixed income securities, including, but not limited to, investment grade corporate bonds and government bonds of varying maturities, and high yield bonds and emerging market debt denominated in various currencies. Emerging market debt may include investments within, although not limited to, Latin America, South East Asia, Africa, Eastern Europe (including Russia) and the Middle East. **The fund may invest its net assets directly in onshore China fixed income securities listed or traded on any Eligible Market in China.**

Portfolio information:

At least 50% of the portfolio will be invested in investment grade fixed income securities, with the balance invested in, but not limited to, high yielding debt securities, which normally carry sub-investment grade ratings and emerging market debt.

The manager is not restricted in his choice of companies either by region or country, and will choose bonds largely determined by the availability of attractive investment opportunities.

**Onshore China fixed income securities are listed or traded on any Eligible Market in China, and are issued by a variety of issuers such as government, quasi-government, banks, financial institutions or other corporate entities established or incorporated in China or corporate entities with commercial activities in China.**

The information in the section “Notes” of the above fund will be **amended** to include the following sentence:

**“From 26 February 2016, or such later date as decided by the Board, the fund can directly invest in onshore China fixed income securities listed or traded on any Eligible Market in China through the QFII quota of FIL Investment Management (Hong Kong) Limited. The fund may invest up to 10% of its net assets directly in onshore China fixed income securities (with aggregate exposure including direct and indirect investments up to 30% of its assets).”**

**“Eligible Market in China” refers to the Shanghai Stock Exchange, the Shenzhen Stock Exchange or the mainland China interbank bond market, as the case may be.”**

#### **5. Fidelity Funds – Global Strategic Bond Fund**

The information in the section “Investment Objective” will be **amended** as follows:

From: The fund seeks to maximise return through capital appreciation and income by primarily investing in a broad range of fixed income instruments of issuers globally. The fund will adopt an active asset allocation approach, which may include investment into high yield instruments and emerging markets. Investments will not be required to meet minimum rating standards. The fund may also invest in UCITS and UCIs.

To: The fund seeks to maximise return through capital appreciation and income by primarily investing in a broad range of fixed income instruments of issuers globally. The fund will adopt an active asset allocation approach, which may include investment into high yield instruments and emerging markets. Investments will not be required to meet minimum rating standards. The fund may also invest in UCITS and UCIs. **The fund may invest its net assets directly in onshore China fixed income securities listed or traded on any Eligible Market in China.**

**Portfolio Information:**

**The Investment Manager is not restricted in his choice of investments either by region or country, market sector or industry, and will choose investments largely determined by the availability of attractive investment opportunities.**

**Onshore China fixed income securities are listed or traded on any Eligible Market in China, and are issued by a variety of issuers such as government, quasi-government, banks, financial institutions or other corporate entities established or incorporated in China or corporate entities with commercial activities in China.**

The information in the section “Notes” of the above fund will be **amended** to include the following sentence:

**“From 26 February 2016, or such later date as decided by the Board, the fund can directly invest in onshore China fixed income securities listed or traded on any Eligible Market in China through the QFII quota of FIL Investment Management (Hong Kong) Limited. The fund may invest up to 10% of its net assets directly in onshore China fixed income securities (with aggregate exposure including direct and indirect investments up to 30% of its assets).”**

**“Eligible Market in China” refers to the Shanghai Stock Exchange, the Shenzhen Stock Exchange or the mainland China interbank bond market, as the case may be.”**

## **6. Fidelity Funds – International Bond Fund**

The information in the section “Investment Objective” will be **amended** as follows:

From: Invests in international markets to maximise performance measured in US Dollars.

To: Invests in international markets to maximise performance measured in US Dollars. **The fund may invest its net assets directly in onshore China fixed income securities listed or traded on any Eligible Market in China.**

### **Portfolio Information:**

**Onshore China fixed income securities are listed or traded on any Eligible Market in China, and are issued by a variety of issuers such as government, quasi-government, banks, financial institutions or other corporate entities established or incorporated in China or corporate entities with commercial activities in China.**

The information in the section “Notes” of the above fund will be **amended** to include the following sentence:

**“From 26 February 2016, or such later date as decided by the Board, the fund can directly invest in onshore China fixed income securities listed or traded on any Eligible Market in China through the QFII quota of FIL Investment Management (Hong Kong) Limited. The fund may invest up to 10% of its net assets directly in onshore China fixed income securities (with aggregate exposure including direct and indirect investments up to 30% of its assets).**

**“Eligible Market in China” refers to the Shanghai Stock Exchange, the Shenzhen Stock Exchange or the mainland China interbank bond market, as the case may be.”**

## **B. Investment Restrictions**

The following changes shall be made to paragraphs 4 and 5 of “**Section 5. INVESTMENT RESTRICTIONS, 5.2.3. Additional information and investment restrictions applying to funds registered in Hong Kong and Macau**” of the Prospectus, and paragraphs 6, 7 and 8 of the same section shall be re-numbered as paragraphs 5, 6 and 7:

- Paragraphs 4 and 5 shall be amended as follows:

### **From:**

4. With the exception of Fidelity Funds – China Focus Fund, Fidelity Funds – South East Asia Fund, Fidelity Funds – China Consumer Fund, Fidelity Funds – Asian Special Situations Fund, Fidelity Funds – Greater China Fund, Fidelity Funds – Emerging Asia Fund, Fidelity Funds – Emerging Markets Fund, Fidelity Funds – Institutional Emerging Markets Equity Fund and Fidelity Funds - Asian Aggressive Fund, the Fund currently intends that each of its funds will not directly or indirectly invest more than 10% of its Net Asset Value in securities listed in the China A Share and B Share markets. Should this investment policy change in the future, the Fund’s Prospectus will be updated and at least one month’s prior notification will be given to the Fund’s Shareholders. This will be disclosed in the investment objectives of the relevant funds.

5. It is currently intended that each of Fidelity Funds – China Focus Fund, Fidelity Funds – South East Asia Fund, Fidelity Funds – China Consumer Fund, Fidelity Funds – Asian Special Situations Fund, Fidelity Funds – Greater China Fund, Fidelity Funds – Emerging Asia Fund, Fidelity Funds – Emerging Markets Fund, Fidelity Funds – Institutional Emerging Markets Equity Fund and Fidelity Funds - Asian Aggressive Fund, will not directly invest more than 10% of its Net Asset Value in securities listed in the China A Share and B Share markets (with aggregate exposure including direct and indirect investments up to 30% of its assets). Fidelity Funds – Asian High Yield Fund, will not directly invest more than 10% of its Net Asset Value in onshore China fixed income securities listed or traded on exchanges in China (with aggregate exposure including direct and indirect investments up to 30% of its assets).

### **To:**

4. (i) For funds that have stated clearly in the investment objectives that they may have direct access to the China A Share and B Share markets, or to onshore China fixed income securities listed or traded on any Eligible Market in China, it is currently intended that each such fund will not directly invest more than 10% of its Net Asset Value in securities

listed in the China A Share and B Share markets, or in onshore China fixed income securities listed or traded on any Eligible Market in China respectively (with aggregate exposure to such assets, including direct and indirect investments, up to 30% of its assets respectively). "Eligible Market in China" refers to the Shanghai Stock Exchange, the Shenzhen Stock Exchange or the mainland China interbank bond market with respect to the Bond funds, as the case may be.

- (ii) For funds that have not stated in their investment objectives that they may have direct access to the China A Share and B Share markets, it is currently intended that each such fund will not directly or indirectly invest more than 10% of its Net Asset Value in securities listed in the China A Share and B Share markets.
- (iii) Should the investment policy in sub-paragraphs (i) and (ii) above change in the future, the Fund's Prospectus will be updated and at least one month's prior notification will be given to the Fund's Shareholders. This will also be disclosed in the investment objectives of the relevant funds.
- (iv) Any direct access to China A Shares or onshore China fixed income securities may be obtained via the QFII quota of FIL Investment Management (Hong Kong) Limited or through any permissible means available to the funds under prevailing laws and regulations (including, in respect of China A Shares, via the Stock Connect or any other eligible means). Any indirect access to China A Shares or onshore China fixed income securities may be obtained through financial instruments that invest in or are linked to the performance of China A Shares or onshore China fixed income securities, e.g. via equity-linked notes, participation notes and/or credit-linked notes.