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Important changes to information in the Fidelity Funds Prospectus

Key Facts

- We intend to enhance the level of information provided in the Fidelity Funds Hong Kong Prospectus (the “Prospectus”) to make it clearer where and how derivatives are used.
- This requires the following changes to the investment policies and objectives of the funds that will take effect from 20 February 2017:
 - Amendments to the definition of “primarily” or “principally” to clarify that investments may also be achieved indirectly through derivatives or other instruments;
 - Enhanced description of the types of derivatives and the purposes for which they are used; and
 - Clarification regarding the use of derivatives for investment purposes on a non-extensive basis.
- The above changes are not expected to change the current extent or usage of derivatives by, or change the existing risk profile of the funds.

30 November 2016

Dear Shareholder,

I am writing to notify you of a decision taken by the Board of Directors of Fidelity Funds (the “**Directors**”) to amend certain disclosures in the Prospectus with respect to the use of financial derivative instruments. This decision has been taken to help investors more clearly understand the use of various investment instruments and techniques within the funds of Fidelity Funds so that they, in turn, are better informed about the potential suitability of the funds to their needs.

The investment objectives of all funds of Fidelity Funds using the definition “primarily” or “principally” will be amended to clarify the use of derivative instruments. Where the objectives state that portfolios should be “primarily” or “principally” invested in specific asset classes, it will be made clear that this may be achieved through physical assets, derivatives or other such investment instruments. Please refer to Appendix 2 for further details on the amendments.

The following enhancements will also apply to funds within all categories in Fidelity Funds except for the Cash Funds and the Systematic Multi Asset Risk Targeted Funds. The improvements will be implemented by amending the general investment policies of the relevant fund ranges as follows:

- 1) Introducing an enhanced description of the types of derivative instruments used and the purpose for which they are used.
- 2) Where the use of derivatives is currently permitted for the “generation of additional capital or income”, it will be clarified that this also includes the use of derivatives “for investment purposes on a non-extensive basis”. This means that derivatives may be used to gain or increase exposure to an underlying asset (as distinct from hedging or risk reduction) but in such a way that it does not increase the level of risk that a fund can take in line with its investment objective.

Please refer to Appendix 1 for the full text of the above enhancements.

These changes will come into effect on 20 February 2017 or such later date as may be decided by the Directors (the “**Effective Date**”).

Upon the changes taking effect, exposure to the primary or principal investments of the relevant funds may be obtained through means that are both direct and indirect e.g. using derivatives to obtain exposure to the underlying assets. None of the amendments described above will change the existing risk profiles of the funds as described in the Prospectus or change the manner in which the funds are currently being managed.

It is expected that the relevant funds will not use derivatives extensively for investment purposes as a result of the proposed changes as the current extent / usage of derivatives by such funds are expected to remain unchanged.

Furthermore, there will be no change to the current fee structure of the funds as a result of the changes described here.

Any costs in connection with the proposed changes (e.g. costs associated with shareholder mailings) will be borne by the management company of Fidelity Funds.

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

If you have any questions relating to these changes, or if you would like to request a copy of the Prospectus, the Product Key Facts Statement of any of the funds, the Articles of Incorporation, the latest audited annual report and accounts and unaudited semi-annual report and accounts (which is also available at www.fidelity.com.hk) or other material agreements relating to Fidelity Funds, please contact your usual financial adviser or the Fidelity Investor Hotline[^] 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,

A handwritten signature in black ink, appearing to read 'Marc Wathelet', is written over a horizontal line. The signature is enclosed within a rectangular box.

Marc Wathelet

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

* This website has not been reviewed by the Hong Kong Securities and Futures Commission.

[^] 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 1 – Changes to Investment Policies

The derivatives-related enhancements to the investment policy for each fund category as described in (1) and (2) of this letter will apply to the following fund ranges offered in Hong Kong. For further information on specific funds within each fund range, please refer to the Prospectus:

Equity Funds

Balanced Funds

Bond Funds

Fidelity Lifestyle Funds

Institutional Reserved Funds

EQUITY FUNDS

The aim of the Equity funds is to provide investors with long-term capital growth from diversified and actively managed portfolios of securities, or related instruments, including financial derivative instruments. Unless otherwise specified in the investment objective, the income from these funds is expected to be low. The Equity funds will invest primarily (at least 70% in value) and principally (at least 70% and normally 75% in value) in, or achieve exposure to equities in the markets and sectors reflected in the name of each individual fund and in companies established outside those markets but which derive a significant proportion of their earnings from those markets. For any remaining assets, the Investment Manager has the freedom to invest outside the fund's principal geographies, market sectors, currency or asset classes.

In selecting securities for the funds, several factors are considered in the investment process; for example, consideration may include, but is not limited to, a company's financials, including revenue and profit growth, return on capital, cash flows and other financial measures. In addition, company management, industry and economic environment, and other factors may be considered in the investment process.

All Equity funds may use financial derivative instruments provided (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 (i) reduction of risk, (ii) reduction of cost and, (iii) generation of additional capital or income for the Equity funds (including for investment purposes on a non-extensive basis) with a level of risk which is consistent with the risk profile of the relevant Equity fund(s) and the risk diversification rules laid down in Part V. (5.1, A. III) of the Prospectus; and (c) their risks are adequately captured by the risk management process of the Fund*.

Financial derivative instruments such as futures, contracts for difference and equity swaps may include be used to synthetically replicate the performance of a single stock, basket or index of equity securities. Options such as puts, calls and warrants may be used to afford funds the right or obligation to buy or sell equity at a predetermined value and thereby either generate capital growth, income, or reduce risk. Forwards, non-deliverable forwards and currency swaps may also be used to manage currency exposures within a fund. Financial derivative instruments may be over-the-counter ("OTC") and/or exchange traded options, equity index and single stock futures, contracts for difference, forward contracts or a combination thereof instruments.

Certain Equity funds may in addition make extensive use of financial derivative instruments or use complex derivative instruments or strategies to meet the investment objectives of the funds. When an Equity fund has such extended derivative powers this will be mentioned in the investment objective of the relevant fund.

Unless otherwise specified in the notes to a fund under the title "Global Exposure", the method used to calculate the global exposure relating to financial derivative instruments is the commitment approach (please refer to Part V, 5.1., D. of the Prospectus for further details).

While the judicious use of financial derivative instruments may be beneficial, financial derivative instruments also involve risks different from, and, in certain cases greater than the risks presented by more traditional investments. The use of financial derivative instruments may cause the Share price to be more volatile. For a further description of risks relating to the use of financial derivative instruments please refer to "Risk Factors", Part I (1.2) of the Prospectus. Certain Equity funds will be referred herein as "Equity Income funds". While pursuing the same investment policy, these funds will intend to provide higher income than the other Equity funds.

For the funds that are specifically allowed by their investment objective to make direct investments in China A Shares, such investments may, in addition to the QFII quota, be made through any permissible means available to the funds under prevailing laws and regulations (including through the Stock Connect or any other eligible means).

Investor Profile

Equity funds may be suitable for investors who wish to participate in equity markets while being prepared to accept the risks described for each Equity fund under "Risk Factors", Part I (1.2) of the Prospectus. Investment in an Equity fund should be regarded as a long-term investment.

* ~~The use of financial derivative instruments in line with these criteria is referred to as Efficient Portfolio Management under the Regulation of 2008.~~

BALANCED FUNDS

Balanced funds are the most conservative form of growth investment and invest in a diversified portfolio of equities, ~~bonds and ancillary cash~~, or related instruments (including derivatives), ~~bonds, ancillary cash and other assets (such as property or commodities)~~, as described in their investment objective and portfolio information. Balanced funds aim to pay current income and achieve long-term growth of both capital and income.

The Balanced funds may invest in ~~bonds or debt instruments which~~, or achieve exposure to bonds, debt instruments or elements of their return (such as credit, interest rate or foreign exchange elements). Such bonds or debt instruments can, among others, be issued by governments, agencies, supra-nationals, private or publicly quoted companies, special purpose or investment vehicles, or trusts. They may pay fixed or variable coupons, whereby the variable element may be derived from prevailing market interest rates or the performance of other assets (e.g. asset-backed securities). Unless otherwise specified, asset-backed securities and mortgage-backed securities will not exceed 20% of the net assets of each fund, provided that such limit will not apply to investments in such securities issued or guaranteed by the United States government or United States government sponsored entities. The repayment of a bond may have a fixed date or may be subject to some issuer discretion (e.g. some mortgage bonds). Bonds can have conversion or subscription rights to other assets attached to them (e.g. convertible bonds). Not all bonds or debt instruments will have been rated by one or several rating agencies; some may have a below investment grade rating.

The Balanced funds may have non-material exposure to loans that comply with the criteria applicable to Money Market Instruments for the purposes of the Law of 2010. Some Balanced funds may have a higher exposure to such instruments as further detailed in the notes to the relevant funds.

All Balanced funds may use financial derivative instruments provided (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 (i) reduction of risk, (ii) reduction of cost and (iii) generation of additional capital or income for the Balanced funds with a level of risk which is consistent with the risk profile of the relevant Balanced fund(s) (including for investment purposes on a non-extensive basis) and the risk diversification rules laid down in Part V. (5.1, A. III) of the Prospectus, and (c) their risks are adequately captured by the risk management process of the Fund*.

Balanced funds may use financial derivative instruments to manage risks, generate income or capital growth associated with the asset classes in which they invest. Financial derivative instruments may include ~~be~~ over-the-counter ("OTC") and/or exchange traded ~~options, equity index, single stock, interest rate, and bond futures, contracts for difference, swaps (such as interest rate and inflation index swaps), forward contracts, derivatives on indices or a combination thereof~~ instruments.

Financial derivative instruments referencing underlying equity assets, such as futures, contracts for difference and equity swaps may be used to synthetically replicate the performance of a single stock, basket or index of equity securities. Options such as put, calls and warrants may be used to afford funds the right to buy or sell equity at a predetermined value and thereby either generate income, capital growth or reduce risk.

Financial derivative instruments referencing underlying fixed income assets or components thereof may be used by Balanced funds to (i) increase or reduce exposure to interest rate risk (including inflation) through the use of interest rate or bond futures, options and interest rate, total return or inflation swaps (ii) buy or sell part or all of the credit risk relating to single issuer, or multiple issuers referenced in a basket or index through the use of bonds futures, options, credit default and total return swaps and (iii) to hedge, reduce or increase exposure to currencies through the use of forwards, including non-deliverable forwards and currency swaps.

Financial derivative instruments may also be used to replicate the performance of a security or asset class (e.g. commodity indexes or property). Other strategies may include positions that benefit from a decline in value or that give exposure to certain elements of returns of a particular issuer or asset in order to provide returns that are unrelated to those of the general market, or positions that would not have been available without the use of financial derivative instruments.

Certain Balanced funds may in addition make extensive use of financial derivative instruments or use complex derivative instruments or strategies to meet the investment objectives of the funds. When a Balanced fund has such extended derivative powers this will be mentioned in the investment objective of the relevant fund.

Unless otherwise specified in the notes to a fund under the title "Global Exposure", the method used to calculate the global exposure relating to financial derivative instruments is the commitment approach (please refer to Part V, 5.1., D. of the Prospectus for further details).

While the judicious use of financial derivative instruments may be beneficial, financial derivative instruments also involve risks different from, and, in certain cases greater than the risks presented by more traditional investments. The use of financial derivative instruments may cause the Share price to be more volatile. For a further description of risks relating to the use of financial derivative instruments please refer to "Risk Factors", Part I (1.2) of in the Prospectus.

Investor Profile

Balanced funds may be suitable for investors who wish to participate in capital markets while being prepared to accept the risks described for each Balanced fund under "Risk Factors", Part I (1.2) of the Prospectus. Investment in a Balanced fund should be regarded as a long-term investment.

* The use of financial derivative instruments in line with these criteria is referred to as Efficient Portfolio Management under the Regulation of 2008.

BOND FUNDS

The aim of the Bond funds is to provide investors with relatively high income with the possibility of capital gains. They may invest in ~~bonds or debt instruments which~~, or achieve exposure to, bonds, debt instruments or elements of their return (such as credit, interest rate or foreign exchange elements). Such bonds or debt instruments can, among others, be issued by governments, agencies, supra-nationals, private or publicly quoted companies, special purpose or investment vehicles, or trusts, which are linked to the geographies, sectors, credit quality, currency and asset classes reflected in the investment objective of each individual fund. Power is reserved to invest up to 100% of the assets of any fund in securities issued or guaranteed by certain government and other public bodies as described more fully in Part V, section A of the Prospectus. For any remaining assets, the Investment Manager has the freedom to invest outside the fund's principal geographies, market sectors, credit quality, currency or asset classes (which may include, but are not limited to, securitized or structured debt instruments and loans).

The Bond funds may pay fixed or variable coupons, whereby the variable element may be derived from prevailing market interest rates or the performance of other assets (e.g. asset-backed securities). Unless otherwise specified, asset-backed securities and mortgage-backed securities will not exceed 20% of the net assets of each fund, provided that such limit will not apply to investments in such securities issued or guaranteed by the United States government or United States government sponsored entities. The repayment of a bond may have a fixed date or may be subject to some issuer discretion (e.g. some mortgage bonds). Bonds can have conversion or subscription rights to other assets attached to them (e.g. convertible bonds). Not all bonds or debt instruments will have been rated by one or several rating agencies; some may have a below investment grade rating.

Any reference in this section to investment grade securities shall mean securities with a rating of BBB- or higher from Standard & Poor's or equivalent rating from an internationally recognised rating agency.

Any reference in this section to sub investment grade securities shall mean securities with a rating of BB+ or less from Standard & Poor's or equivalent rating from an internationally recognised rating agency.

In selecting bond securities, several factors are considered in the investment process; for example, consideration may include, but is not limited to, a company's financials, including revenue and profit growth, balance sheet health and positioning, cash flows, and other financial measures. In addition, company management, industry and economic environment, and other factors may be considered in the investment process.

Occasionally, investments for all Bond funds may be made in bonds issued in currencies other than the fund's Reference Currency. The Investment Manager may choose to hedge currency exposures through the use of instruments such as forward foreign exchange contracts.

With due consideration given to the restrictions on investments required by applicable law and regulations and on an ancillary basis, the Bond funds may further hold cash and cash equivalents (including Money Market Instruments and time deposits) up to 49% of their net assets. This percentage may exceptionally be exceeded if the Directors consider this to be in the best interests of the Shareholders.

The Bond funds may have non-material exposure to loans that comply with the criteria applicable to Money Market Instruments for the purposes of the Law of 2010. Some Bond funds may have a higher exposure to such instruments as further detailed in the notes to the relevant funds.

All Bond funds may use financial derivative instruments provided (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 (i) reduction of risk, (ii) reduction of cost and (iii) generation of additional capital or income for the Bond funds (including for investment purposes on a non-extensive basis) with a level of risk which is consistent with the risk profile of the relevant Bond fund(s) and the risk diversification rules laid down in Part V. (5.1, A. III) of the Prospectus, and (c) their risks are adequately captured by the risk management process of the Fund*.

Financial derivative instruments may ~~include over-the-counter and/or exchange traded options~~, be used to (i) increase or reduce exposure to interest rate risk (including inflation) through the use of interest rate or bond futures, options, swaptions and interest rate, total return or inflation swaps (ii) buy or sell part or all of the credit risk relating to single issuer, or multiple issuers referenced in a basket or index through the use of options, credit default and total return swaps (single name and baskets), inflation index and (iii) to hedge, reduce or increase exposure to currencies through the use of forwards, including non-deliverable forwards and currency swaps, ~~forward contract or a combination thereof~~.

Financial derivative instruments may also be used to replicate the performance of physically held securities. Other fixed income strategies may include positions that benefit from a decline in value or that give exposure to certain elements of returns of a particular issuer or asset in order to provide returns that are unrelated to those of the general market, or positions that would not have been available without the use of financial derivative instruments. Financial derivative instruments may be over-the-counter ("OTC") and/or exchange traded instruments on underlying assets.

Certain Bond funds may in addition make extensive use of financial derivative instruments or use complex derivative instruments or strategies to meet the investment objectives of the funds. When a Bond fund has such extended derivative powers this will be mentioned in the investment objective of the relevant fund.

Unless otherwise specified in the notes to a fund under the title "Global Exposure", the method used to calculate the global exposure relating to financial derivative instruments is the commitment approach (please refer to Part V, 5.1., D. of the Prospectus for further details).

While the judicious use of financial derivative instruments may be beneficial, financial derivative instruments also involve risks different from, and, in certain cases greater than the risks presented by more traditional investments. The use of financial derivative instruments may cause the Share price to be more volatile. For a further description of risks relating to the use of financial derivative instruments please refer to "Risk Factors", Part I (1.2) of in the Prospectus.

For the funds that are specifically allowed by their investment objective to make direct investments in onshore China fixed income securities, such investments may, in addition to the QFII quota, be made through any permissible means available to the funds under prevailing laws and regulations.

Investor Profile

Bond funds may be suitable for investors who wish to participate in debt markets while being prepared to accept the risks described for each Bond fund under "Risk Factors", Part I (1.2) of the Prospectus. Investment in a Bond fund should be regarded as a long-term investment.

* The use of financial derivative instruments in line with these criteria is referred to as Efficient Portfolio Management under the Regulation of 2008.

FIDELITY LIFESTYLE FUNDS

The aim of the Fidelity Lifestyle Funds is to provide investors with a range of funds that will be managed using a lifecycle approach, designed to maximise total investment return by holding a diversified portfolio. This should be achieved by co-managing assets and by changing the asset allocation over time. Where initially the funds may be heavily invested in, ~~or achieve exposure to~~, equities, they may also be invested in, ~~or achieve exposure to~~, a more conservative portfolio of bonds, interest bearing debt securities ~~and~~, money market securities ~~or elements of their return (such as credit, interest rate or foreign exchange elements)~~, throughout the world. The percentage weightings will vary over time as the fund approaches, reaches and passes its target date in accordance with the investment objective and individual market developments. ~~The Fidelity Lifestyle Funds may invest in bonds~~ Bonds or debt instruments ~~which~~ can, among others, be issued by governments, agencies, supra-nationals, private or publicly quoted companies, special purpose or investment vehicles, or trusts. They may pay fixed or variable coupons, whereby the variable element may be derived from prevailing market interest rates or the performance of other assets (e.g. asset-backed securities). Unless otherwise specified, asset-backed securities and mortgage-backed securities will not exceed 20% of the net assets of each fund, provided that such limit will not apply to investments in such securities issued or guaranteed by the United States government or United States government sponsored entities. The repayment of a bond may have a fixed date or may be subject to some issuer discretion (e.g. some mortgage bonds). Bonds can have conversion or subscription rights to other assets attached to them (e.g. convertible bonds). Not all bonds or debt instruments will have been rated by one or several rating agencies; some may have a below investment grade rating.

Investments for the Euro denominated Fidelity Lifestyle Funds may be made in transferable securities and/or debt instruments issued in currencies other than the fund's Reference Currency. The Investment Manager may choose to hedge currency exposures through the use of instruments such as forward foreign exchange contracts.

The Board may from time to time introduce additional funds to complement the funds detailed below.

The Fidelity Lifestyle Funds may have non-material exposure to loans that comply with the criteria applicable to Money Market Instruments for the purposes of the Law of 2010.

All Fidelity Lifestyle Funds may use financial derivative instruments provided (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 (i) reduction of risk, (ii) reduction of cost and (iii) generation of additional capital or income for the Fidelity Lifestyle Funds ~~(including for investment purposes on a non-extensive basis)~~ with a level of risk which is consistent with the risk profile of the relevant Fidelity Lifestyle Fund(s) and the risk diversification rules laid down in Part V. (5.1, A. III) of the Prospectus, and (c) their risks are adequately captured by the risk management process of the Fund*. ~~Financial derivative instruments may include over-the-counter and/or exchange traded options, equity index, single stock, interest rate and bond futures, contracts for difference, swaps (such as interest rate swaps), forward contracts, derivatives on indices or a combination thereof.~~

Financial derivative instruments may be used to replicate the performance of physically held securities. Financial derivative instruments such as futures, contracts for difference and equity swaps may be used to synthetically replicate the performance of a single stock, basket or index of equity securities. Options such as puts, calls and warrants may be used to afford funds the right or obligation to buy or sell equity at a predetermined value and thereby either generate capital growth, income, or reduce risk. Also, financial derivative instruments may be used to (i) increase or reduce exposure to interest rate risk (including inflation) through the use of interest rate or bond futures, options, swaptions and interest rate, total return or inflation swaps (ii) buy or sell part or all of the credit risk relating to single issuer, or multiple issuers referenced in a basket or index through the use of options, credit default and total return swaps and (iii) to hedge, reduce or increase exposure to currencies through the use of forwards, including non-deliverable forwards and currency swaps.

Other fixed income strategies may include positions that benefit from a decline in value or that give exposure to certain elements of returns of a particular issuer or asset in order to provide returns that are unrelated to those of the general market, or positions that would not have been available without the use of financial derivative instruments. Financial derivative instruments may be over-the-counter ("OTC") and/or exchange traded instruments on underlying assets.

Certain Fidelity Lifestyle Funds may in addition make extensive use of financial derivative instruments or use complex derivative instruments or strategies to meet the investment objectives of the funds. When a Fidelity Lifestyle Fund has such extended derivative powers this will be mentioned in the investment objective of the relevant fund.

Unless otherwise specified in the notes to a fund under the title "Global Exposure", the method used to calculate the global exposure relating to ~~financial~~ derivative instruments is the commitment approach (please refer to Part V, 5.1., D. of the Prospectus for further details). While the judicious use of financial derivative instruments may be beneficial, financial derivative instruments also involve risks different from, and, in certain cases greater than the risks presented by more traditional investments. The use of financial derivative instruments may cause the Share price to be more volatile. For a further description of risks relating to the use of financial derivative instruments please refer to "Risk Factors", Part I (1.2) of the Prospectus.

Investor Profile

Fidelity Lifestyle Funds ~~funds~~ may be suitable for investors who wish to participate in capital markets while being prepared to accept the risks described for each Fidelity Lifestyle Fund ~~fund~~ under "Risk Factors", Part I (1.2) of the Prospectus. Investment in a Fidelity Lifestyle Fund ~~fund~~ should be regarded as a long-term investment.

* The use of financial derivative instruments in line with these criteria is referred to as Efficient Portfolio Management under the Regulation of 2008.

INSTITUTIONAL RESERVED EQUITY FUNDS

The aim of all Equity funds is to provide investors with long-term capital growth from diversified and actively managed portfolios of securities or related instruments, including financial derivative instruments. The income from these funds is expected to be low. Equity funds will invest primarily (at least 70% in value) and principally (at least 70% and normally 75% in value) in, or achieve exposure to, equities in the markets and sectors reflected in the name of each individual fund and in companies established outside those markets but which derive a significant proportion of their earnings from those markets. For any remaining assets, the Investment Manager has the freedom to invest outside the fund's principal geographies, market sectors, currency or asset classes.

All Equity funds may use financial derivative instruments provided (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 (i) reduction of risk, (ii) reduction of cost and (iii) generation of additional capital or income for the Equity funds (including for investment purposes on a non-extensive basis) with a level of risk which is consistent with the risk profile of the relevant Equity fund(s) and the risk diversification rules laid down in Part V. (5.1, A. III) of the Prospectus, and (c) their risks are adequately captured by the risk management process of the Fund*. ~~Financial derivative instruments may include over-the-counter and/or exchange traded options, equity index and single stock futures, contracts for difference, swaps, forward contract or a combination thereof.~~

Financial derivative instruments such as futures, contracts for difference and equity swaps may be used to synthetically replicate the performance of a single stock, basket or index of equity securities. Options such as puts, calls and warrants may be used to afford funds the right or obligation to buy or sell equity at a predetermined value and thereby either generate capital growth, income, or reduce risk. Forwards, non-deliverable forwards and currency swaps may also be used to manage currency exposures within a fund. Financial derivative instruments may be over-the-counter ("OTC") and/or exchange traded instruments.

Certain Equity funds may in addition make extensive use of financial derivative instruments or use complex derivative instruments or strategies to meet the investment objectives of the funds. When an Equity fund has such extended derivative powers this will be mentioned in the investment objective of the relevant fund.

Unless otherwise specified in the notes to a fund under the title "Global Exposure", the method used to calculate the global exposure relating to financial derivative instruments is the commitment approach (please refer to Part V, 5.1., D. of the Prospectus for further details).

While the judicious use of financial derivative instruments may be beneficial, financial derivative instruments also involve risks different from, and, in certain cases greater than the risks presented by more traditional investments. The use of financial derivative instruments may cause the Share price to be more volatile. For a further description of risks relating to the use of financial derivative instruments please refer to "Risk Factors", Part I (1.2) of the Prospectus.

For the funds that are specifically allowed by their investment objective to make direct investments in China A Shares, such investments may, in addition to the QFII quota, be made through any permissible means available to the funds under prevailing laws and regulations (including through the Stock Connect or any other eligible means).

Investor Profile

Institutional Reserved Equity funds may be suitable for investors who wish to participate in equity markets while being prepared to accept the risks described for each Institutional Reserved Equity fund under "Risk Factors", Part I (1.2) of the Prospectus. Investment in an Institutional Reserved Equity fund should be regarded as a long-term investment.

* ~~The use of financial derivative instruments in line with these criteria is referred to as Efficient Portfolio Management under the Regulation of 2008.~~

Appendix 2 – Change to Definitions

The definition of “**primarily**” will change as follows:

primarily	Each time this word is used in the description of a fund or a class of Shares or 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 or indirectly as specifically provided for in the relevant investment objective, invested in the currency, the country, the type of security or other material element set out in the name of the fund, the fund's investment objective and the investment policy of the relevant fund's range.
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The definition of “**principally**” will change as follows:

principally	Each time this word is used in the description of a fund or a class of Shares or a type of fund or class of Shares of the Fund, this means that at least 70% (and normally 75%) of the assets of the relevant fund are directly or indirectly as specifically provided for in the relevant investment objective, invested in the currency, the country, the type of security or other material element set out in the name of the fund, the fund's investment objective and the investment policy of the relevant fund's range.
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