

# Fidelity Advantage Portfolio Fund

Explanatory Memorandum

**Fidelity Advantage Portfolio Fund**  
**Please note:**

- The Fidelity Advantage Portfolio Fund is an umbrella fund with a number of sub-funds with different investment objectives and risk profiles. These sub-funds are primarily funds of funds or feeder funds and may gain exposure to equities, debt, money market securities and/or other instruments, including derivatives through the underlying funds in which they invest.
- Some sub-funds may have exposure to emerging market securities which may be more volatile than securities in more developed markets. There may be a greater risk of a suspension of redemptions in such sub-funds due to political and economic factors.
- Some sub-funds may have exposure to one single or a limited number of geographical market(s) or industry sector(s). The investment focus of such sub-funds gives rise to concentrated market risk when compared to a more diversified fund.
- The value of investments will vary with market movements and under extreme circumstances, may experience substantial reduction. For further information on the risks involved, please refer to the Risk Factors section of this Explanatory Memorandum.
- The investment decision is yours. You should not invest in the product unless the intermediary who sells it to you has explained to you that the product is suitable for you having regard to your financial situation, investment experience and investment objectives.

If you are an individual retail investor who is not a Professional Investor or current or former member of an ORSO or MPF retirement scheme wishing to invest your accrued benefits and want to invest in Fidelity managed funds, please contact your distributor or Fidelity for further details about which specific investment funds are available to the general investing public.

*This statement provides you with key information about this product.  
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### Quick facts

**Investment Manager:** FIL Investment Management (Hong Kong) Limited

**Trustee and Custodian:** HSBC Institutional Trust Services (Asia) Limited

**Dealing frequency:** Daily

**Base currency:** USD

**Ongoing charges over a year<sup>^</sup>:**

Ordinary Units:	0.89%
Administration Units:	1.34%
Savings Units:	1.39%

<sup>^</sup> The ongoing charge figure for each class of units is based on ongoing expenses chargeable to the relevant class for the year ended 31 December 2021 expressed as a percentage of the average net asset value of the relevant class for the same period. This figure may vary from year to year.

**Dividend policy:** No dividends will be paid. All interest and other income earned on the investment will be retained in the fund.

**Financial year end of this fund:** 31 December

<b>Minimum investment:</b>	<u>Initial Investment</u>	<u>Subsequent Investment</u>
Ordinary Units	USD 500,000	Nil
Administration Units	USD 500,000	Nil
Savings Units	Nil	USD 1,000

The Manager has discretion to accept subscriptions for lower amounts than specified above.

### What is this product?

Fidelity Advantage Portfolio Fund is a unit trust constituted by the Trust Deed and governed by Hong Kong law. The fund is a fund of funds that invests in the funds managed by the Fidelity Organisation.

### Objectives and Investment Policy

- The fund aims to achieve long-term capital growth in US dollar terms for investors including savings plans and retirement benefits schemes.
- The fund will be exposed primarily to global equity and bond markets with a bias towards Hong Kong.
- The fund will be mainly invested in equity funds, with a geographical bias towards Hong Kong with the aim of maximising long-term returns.
- The fund (via its investments in the underlying funds) will invest around 90% of its latest available net asset value in equities, 7% in bonds and 3% in cash.\*
- As the fund may invest globally, it may be exposed to countries/regions considered to be emerging markets.
- The fund is a fund of funds and may invest up to 45% of its latest available net asset value in the Fidelity Global Investment Fund - Hong Kong Equity Fund. The Fidelity Global Investment Fund - Hong Kong Equity Fund aims to produce returns that are related to those achieved on the major stock market indices of Hong Kong by focusing investment (i.e. at least 70% of its net asset value) into the equity market of Hong Kong, namely equities of companies listed in Hong Kong or companies which have their head office or exercise a predominant part of their activity in Hong Kong (including companies which are listed outside Hong Kong). Investing in these companies may result in exposure to countries/regions such as Mainland China which are considered to be emerging markets. Save as aforesaid, the value of the fund's holding of interests in any one fund would not exceed 30% of its net asset value.

\* Investors should note that this is an indicative portfolio distribution as at the date hereof only, and the actual asset allocations will at times vary considerably as market, political, structural, economic and other conditions change and subject to the views of the Investment Manager.

## Use of derivatives

The fund's net derivative exposure may be up to 50% of the fund's net asset value.

## What are the key risks?

**Investment involves risks. Please refer to the Explanatory Memorandum for details including the risk factors. Where applicable, reference to the fund in this section includes reference to the underlying funds.**

### Risk to Capital and Income (Investment Risk)

- The assets of the fund are subject to fluctuations (increase or decrease) in value. There is no guarantee of repayment of principal and you may not get back the original amount invested. Past performance is no guarantee of future performance.

### Risks of investing in other collective investment schemes/funds

The fund by investing in other funds is subject to the following risks associated with the underlying funds:

- The fund does not have control of the investments of the underlying funds and there is no assurance that the investment objective and strategy of the underlying funds will be successfully achieved. This may have a negative impact to the net asset value of the fund.
- There may be additional costs involved when investing into the underlying funds. There is also no guarantee that the underlying funds will always have sufficient liquidity to meet the fund's redemption requests as and when made.

### Asset Allocation – Dynamic Risk

- The fund may periodically change its allocation across asset classes and therefore may incur greater transaction costs than a fund with static allocation strategy. It may not achieve the desired results under all circumstances and market conditions.

### Foreign Currency Risk

- The fund's assets may be denominated in currencies other than the base currency of the fund. Fluctuations in the exchange rates between these currencies and the base currency as well as changes in exchange rate controls may adversely affect the fund's net asset value.

### Equities

- The fund's investment in equities securities may fluctuate, sometimes dramatically, in response to the activities and results of individual companies or because of general market and economic conditions or other events including changes in investment sentiment, political and economic conditions and issuer-specific factors.

### Risk relating to Multi-Asset Investment

- Multi-asset fund is subject to the risks inherent in individual asset classes to a degree that depends on the exposure over time, the overall risk also depends on the correlation of returns between each asset class and hence could be adversely affected by a change in those correlations which could result in higher volatility and/or lower diversification.

### Valuation Risk

- Valuation of the fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the net asset value calculation of the fund.

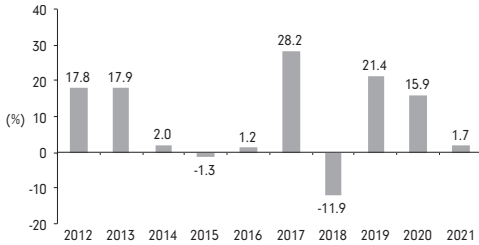
### Emerging Markets Risks

- The fund invests in emerging market securities which may involve increased risks and special considerations not typically associated with the investment in securities in more developed markets. The price of these securities may be more volatile and/or less liquid than those of securities in more developed markets.
- This volatility or lack of liquidity may stem from political, economic, legal, taxation, settlement, transfer of securities, custody and currency/currency control factors.
- Although care is taken to understand and manage these risks, the fund and accordingly the unitholders in the fund will ultimately bear the risks associated with investing in these markets.

### Financial Derivative Instruments

- Although the fund will not use derivatives for investment purposes, the use of derivatives may give rise to liquidity risk, counterparty credit risk, volatility risk, valuations risks and over-the-counter transaction risk at times. Exposure to financial derivative instruments may lead to a high risk of significant loss by the fund.

**How has the fund performed?**



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividend reinvested.
- These figures show by how much the Ordinary Units increased or decreased in value during the calendar year being shown. Performance data has been calculated in USD including ongoing charges and excluding any subscription fees and realisation fees you might have to pay.
- Fund launch date: 1995
- Ordinary Units launch date: 1995
- The Investment Manager views Ordinary Units, having the longest track record and denominated in the fund's base currency, as the most appropriate representative unit class.

**Is there any guarantee?**

This fund does not have any guarantees. You may not get back the full amount of money you invested.

**What are the fees and charges?**

**Charges which may be payable by you**

You have to pay the following fees when dealing in units of the fund.

Classes of Units	Subscription Fee	Switching Fee	Realisation Fee
Ordinary	Currently waived	5.0% of issue price of Unit in New Sub-Fund	N/A
Administration	Currently waived	5.0% of issue price of Unit in New Sub-Fund	N/A
Savings	Currently waived	Nil	N/A

**Ongoing fees payable by the fund**

The following expenses will have to be paid out of the fund. They affect you because they reduce the return you get on your investments.

Classes of Units	Investment Management Fee	Trustee Fee	Performance Fee	Administration Fee
Ordinary	0.75% p.a. of net asset value	Currently waived	N/A	N/A
Administration	0.75% p.a. of net asset value	Currently waived	N/A	0.45% p.a. of net asset value attributable to Administration Units
Savings	0.75% p.a. of net asset value	Currently waived	N/A	0.50% p.a. of net asset value attributable to Savings Units

**Other Fees**

You may have to pay other fees when dealing in units of the fund. Any other fees and charges are described in the Explanatory Memorandum. You should note that some fees may be increased, up to a specified permitted maximum, by giving Unitholders at least three months' prior notice. For details, please refer to the Explanatory Memorandum.

**Additional Information**

- You generally buy, redeem or switch units at the fund's next-determined net asset value after your request is received in good order at or before 12.00 noon (Hong Kong time) on a dealing day, being the fund's dealing cut-off time.
- The net asset value of this fund is calculated and the price of units is published each business day. Unit prices of the fund will be published on [www.fidelity.com.hk](http://www.fidelity.com.hk).<sup>1</sup>
- For further information on the past performance of other unit classes offered to Hong Kong investors, please refer to [www.fidelity.com.hk](http://www.fidelity.com.hk).<sup>1</sup>
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Savings Units:	1.39%

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**Dividend policy:** No dividends will be paid. All interest and other income earned on the investment will be retained in the fund.

**Financial year end of this fund:** 31 December

<b>Minimum investment:</b>	<u>Initial Investment</u>	<u>Subsequent Investment</u>
Ordinary Units	USD 500,000	Nil
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### Objectives and Investment Policy

- The fund aims to achieve long-term capital growth in US dollar terms for investors including savings plans and retirement benefits schemes.
- The fund will be exposed primarily to global equity and bond markets with a bias towards Hong Kong.
- The fund will normally maintain a balanced, global portfolio of bond funds and equity funds with the aim of achieving a consistent overall return higher than Hong Kong inflation but with lower risk and volatility than the Fidelity Advantage Portfolio Fund – Growth Fund.
- The fund (via its investments in the underlying funds) will invest around 70% of its latest available net asset value in equities, 25% in bonds and 5% in cash.<sup>#</sup>
- As the fund may invest globally, it may be exposed to countries/regions considered to be emerging markets.
- The fund is a fund of funds and may invest up to 40% of its latest available net asset value in the Fidelity Global Investment Fund - Global Bond Fund and up to 35% of its latest available net asset value in the Fidelity Global Investment Fund - Hong Kong Equity Fund. The Fidelity Global Investment Fund - Global Bond Fund aims to produce returns that are related to those achieved on the major bond market indices by focusing investment (i.e. at least 70% of its net asset value) in debt securities (including but are not limited to convertible bonds, corporate bonds and government bonds) globally (including emerging markets). The Fidelity Global Investment Fund - Hong Kong Equity Fund aims to produce returns that are related to those achieved on the major stock market indices of Hong Kong by focusing investment (i.e. at least 70% of its net asset value) into the equity market of Hong Kong, namely equities of companies listed in Hong Kong or companies which have their head office or exercise a predominant part of their activity in Hong Kong (including companies which are listed outside Hong Kong). Investing in these companies may result in exposure to countries/regions such as Mainland China which are considered to be emerging markets. Save as aforesaid, the value of the fund's holding of interests in any one fund would not exceed 30% of its net asset value.

<sup>#</sup> Investors should note that this is an indicative portfolio distribution as at the date hereof only, and the actual asset allocations will at times vary considerably as market, political, structural, economic and other conditions change and subject to the views of the Investment Manager.

## Use of derivatives

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## What are the key risks?

**Investment involves risks. Please refer to the Explanatory Memorandum for details including the risk factors. Where applicable, reference to the fund in this section includes reference to the underlying funds.**

### Risk to Capital and Income (Investment Risk)

- The assets of the fund are subject to fluctuations (increase or decrease) in value. There is no guarantee of repayment of principal and you may not get back the original amount invested. Past performance is no guarantee of future performance.

### Risks of investing in other collective investment schemes/funds

The fund by investing in other funds is subject to the following risks associated with the underlying funds:

- The fund does not have control of the investments of the underlying funds and there is no assurance that the investment objective and strategy of the underlying funds will be successfully achieved. This may have a negative impact to the net asset value of the fund.
- There may be additional costs involved when investing into the underlying funds. There is also no guarantee that the underlying funds will always have sufficient liquidity to meet the fund's redemption requests as and when made.

### Asset Allocation – Dynamic Risk

- The fund may periodically change its allocation across asset classes and therefore may incur greater transaction costs than a fund with static allocation strategy. It may not achieve the desired results under all circumstances and market conditions.

### Foreign Currency Risk

- The fund's assets may be denominated in currencies other than the base currency of the fund. Fluctuations in the exchange rates between these currencies and the base currency as well as changes in exchange rate controls may adversely affect the fund's net asset value.

### Equities

- The fund's investment in equities securities may fluctuate, sometimes dramatically, in response to the activities and results of individual companies or because of general market and economic conditions or other events including changes in investment sentiment, political and economic conditions and issuer-specific factors.

### Bonds and other Debt Instruments

- The value of bonds or other debt instruments will fluctuate depending on e.g. market interest rates, the credit quality of the issuer, the currency of the investment (when it is different from the base currency of the fund) and liquidity considerations. In general, the prices of debt instruments rise when interest rates fall, whilst their prices fall when interest rates rise.

#### *Downgrading risk*

- The credit rating of a debt instrument or its issuer may subsequently be downgraded. In the event of such downgrading, the value of the fund may be adversely affected. The investment manager of the underlying funds may or may not be able to dispose of the debt instruments that are being downgraded.

#### *Credit/Default risk*

- Investments may be adversely affected if any of the institutions with which money is deposited suffers insolvency or are otherwise unable to pay interest or principal (default). Credit risk also arises from the uncertainty about the ultimate repayment of principal and interest from bond or other debt instrument investments by the issuers of such securities. 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.

#### *Credit rating risk*

- Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.

### Sovereign Debt Risk

- The fund's investments in securities issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/or interest when due or may request the fund to participate in restructuring such debts. The fund may suffer significant losses when there is a default of sovereign debt issuers.

### Risk relating to Multi-Asset Investment

- Multi-asset fund is subject to the risks inherent in individual asset classes to a degree that depends on the exposure over time, the overall risk also depends on the correlation of returns between each asset class and hence could be adversely affected by a change in those correlations which could result in higher volatility and/or lower diversification.



## Fidelity Advantage Portfolio Fund – Balanced Fund

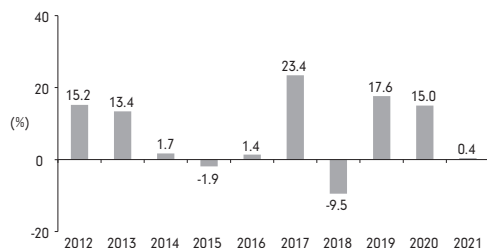
### Valuation Risk

- Valuation of the fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the net asset value calculation of the fund.

### Financial Derivative Instruments

- Although the fund will not use derivatives for investment purposes, the use of derivatives may give rise to liquidity risk, counterparty credit risk, volatility risk, valuations risks and over-the-counter transaction risk at times. Exposure to financial derivative instruments may lead to a high risk of significant loss by the fund.

### How has the fund performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividend reinvested.
- These figures show by how much the Ordinary Units increased or decreased in value during the calendar year being shown. Performance data has been calculated in USD including ongoing charges and excluding any subscription fees and realisation fees you might have to pay.
- Fund launch date: 1995
- Ordinary Units launch date: 1995
- The Investment Manager views Ordinary Units, having the longest track record and denominated in the fund's base currency, as the most appropriate representative unit class.

### Is there any guarantee?

This fund does not have any guarantees. You may not get back the full amount of money you invested.

### What are the fees and charges?

#### Charges which may be payable by you

You have to pay the following fees when dealing in units of the fund.

Classes of Units	Subscription Fee	Switching Fee	Realisation Fee
Ordinary	Currently waived	5.0% of issue price of Unit in New Sub-Fund	N/A
Administration	Currently waived	5.0% of issue price of Unit in New Sub-Fund	N/A
Savings	Currently waived	Nil	N/A

#### Ongoing fees payable by the fund

The following expenses will have to be paid out of the fund. They affect you because they reduce the return you get on your investments.

Classes of Units	Investment Management Fee	Trustee Fee	Performance Fee	Administration Fee
Ordinary	0.75% p.a. of net asset value	Currently waived	N/A	N/A
Administration	0.75% p.a. of net asset value	Currently waived	N/A	0.45% p.a. of net asset value attributable to Administration Units
Savings	0.75% p.a. of net asset value	Currently waived	N/A	0.50% p.a. of net asset value attributable to Savings Units

#### Other Fees

You may have to pay other fees when dealing in units of the fund. Any other fees and charges are described in the Explanatory Memorandum. You should note that some fees may be increased, up to a specified permitted maximum, by giving Unitholders at least three months' prior notice. For details, please refer to the Explanatory Memorandum.

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Administration Units:	1.35%
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- The fund will be exposed primarily to global equity and bond markets with a bias towards Hong Kong
- The fund will invest in a global portfolio of bond funds, cash funds and equity funds, with a lower weighting in equities than the Fidelity Advantage Portfolio Fund - Balanced Fund, with the aim of achieving a consistent overall return higher than Hong Kong inflation.
- The fund (via its investments in the underlying funds) will invest around 50% of its latest available net asset value in equities, 45% in bonds and 5% in cash.<sup>#</sup>
- As the fund may invest globally, it may be exposed to countries/regions considered to be emerging markets.
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#### *Downgrading risk*

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#### *Credit/Default risk*

- Investments may be adversely affected if any of the institutions with which money is deposited suffers insolvency or are otherwise unable to pay interest or principal (default). Credit risk also arises from the uncertainty about the ultimate repayment of principal and interest from bond or other debt instrument investments by the issuers of such securities. 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.

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## Fidelity Advantage Portfolio Fund – Stable Growth Fund

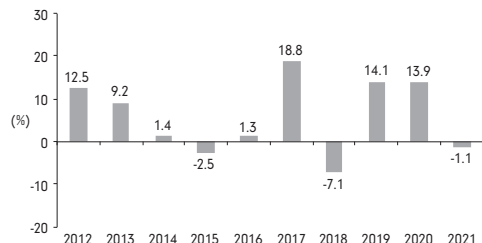
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## Fidelity Advantage Portfolio Fund – Stable Growth Fund

### Other Fees

You may have to pay other fees when dealing in units of the fund. Any other fees and charges are described in the Explanatory Memorandum. You should note that some fees may be increased, up to a specified permitted maximum, by giving Unitholders at least three months' prior notice. For details, please refer to the Explanatory Memorandum.

### Additional Information

- You generally buy, redeem or switch units at the fund's next-determined net asset value after your request is received in good order at or before 12.00 noon (Hong Kong time) on a dealing day, being the fund's dealing cut-off time.
- The net asset value of this fund is calculated and the price of units is published each business day. Unit prices of the fund will be published on [www.fidelity.com.hk](http://www.fidelity.com.hk).<sup>1</sup>
- For further information on the past performance of other unit classes offered to Hong Kong investors, please refer to [www.fidelity.com.hk](http://www.fidelity.com.hk).<sup>1</sup>
- Investors may obtain information from Fidelity Investor Hotline at (852) 2629 2629.

<sup>1</sup> Please note that the website has not been reviewed by the SFC.

### Important

If you are in doubt, you should seek professional advice. The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

*This statement provides you with key information about this product.  
This statement is part of the Explanatory Memorandum.  
You should not invest in this product based on this statement alone.*

### Quick facts

**Investment Manager:** FIL Investment Management (Hong Kong) Limited

**Trustee and Custodian:** HSBC Institutional Trust Services (Asia) Limited

**Dealing frequency:** Daily

**Base currency:** USD

**Ongoing charges over a year<sup>^</sup>:**

Ordinary Units:	0.90%
Administration Units:	1.35%
Savings Units:	1.40%

<sup>^</sup> The ongoing charge figure for each class of units is based on ongoing expenses chargeable to the relevant class for the year ended 31 December 2021 expressed as a percentage of the average net asset value of the relevant class for the same period. This figure may vary from year to year.

**Dividend policy:** No dividends will be paid. All interest and other income earned on the investment will be retained in the fund.

**Financial year end of this fund:** 31 December

<b>Minimum investment:</b>	<u>Initial Investment</u>	<u>Subsequent Investment</u>
Ordinary Units	USD 500,000	Nil
Administration Units	USD 500,000	Nil
Savings Units	Nil	USD 1,000

The Manager has discretion to accept subscriptions for lower amounts than specified above.

### What is this product?

Fidelity Advantage Portfolio Fund is a unit trust constituted by the Trust Deed and governed by Hong Kong law. The fund is a fund of funds that invests in the funds managed by the Fidelity Organisation.

### Objectives and Investment Policy

- The fund aims to achieve long-term capital growth in US dollar terms for investors including savings plans and retirement benefits schemes.
- The fund will be exposed primarily to global equity and bond markets with a bias towards Hong Kong.
- The fund will invest primarily in money market funds and global bond funds with the aim of achieving a stable level of return, minimising volatility whilst achieving some capital appreciation at low risk.
- The fund (via its investments in the underlying funds) will invest around 30% of its latest available net asset value in equities, 60% in bonds and 10% in cash.<sup>#</sup>
- As the fund may invest globally, it may be exposed to countries/regions considered to be emerging markets.
- The fund is a fund of funds and may invest up to 75% of its latest available net asset value in the Fidelity Global Investment Fund – Global Bond Fund. The Fidelity Global Investment Fund – Global Bond Fund aims to produce returns that are related to those achieved on the major bond market indices by focusing investment (i.e. at least 70% of its net asset value) in debt securities (including but are not limited to convertible bonds, corporate bonds and government bonds) globally (including emerging markets). Save as aforesaid, the value of the fund's holding of interests in any one fund would not exceed 30% of its net asset value.

<sup>#</sup> Investors should note that this is an indicative portfolio distribution as at the date hereof only, and the actual asset allocations will at times vary considerably as market, political, structural, economic and other conditions change and subject to the views of the Investment Manager.

## Use of derivatives

The fund's net derivative exposure may be up to 50% of the fund's net asset value.

## What are the key risks?

**Investment involves risks. Please refer to the Explanatory Memorandum for details including the risk factors. Where applicable, reference to the fund in this section includes reference to the underlying funds.**

### Risk to Capital and Income (Investment Risk)

- The assets of the fund are subject to fluctuations (increase or decrease) in value. There is no guarantee of repayment of principal and you may not get back the original amount invested. Past performance is no guarantee of future performance.

### Risks of investing in other collective investment schemes/funds

The fund by investing in other funds is subject to the following risks associated with the underlying funds:

- The fund does not have control of the investments of the underlying funds and there is no assurance that the investment objective and strategy of the underlying funds will be successfully achieved. This may have a negative impact to the net asset value of the fund.
- There may be additional costs involved when investing into the underlying funds. There is also no guarantee that the underlying funds will always have sufficient liquidity to meet the fund's redemption requests as and when made.

### Asset Allocation – Dynamic Risk

- The fund may periodically change its allocation across asset classes and therefore may incur greater transaction costs than a fund with static allocation strategy. It may not achieve the desired results under all circumstances and market conditions.

### Foreign Currency Risk

- The fund's assets may be denominated in currencies other than the base currency of the fund. Fluctuations in the exchange rates between these currencies and the base currency as well as changes in exchange rate controls may adversely affect the fund's net asset value.

### Equities

- The fund's investment in equities securities may fluctuate, sometimes dramatically, in response to the activities and results of individual companies or because of general market and economic conditions or other events including changes in investment sentiment, political and economic conditions and issuer-specific factors.

### Bonds and Other Debt Instruments

- The value of bonds or other debt instruments will fluctuate depending on e.g. market interest rates, the credit quality of the issuer, the currency of the investment (when it is different from the base currency of the fund) and liquidity considerations. In general, the prices of debt instruments rise when interest rates fall, whilst their prices fall when interest rates rise.

#### *Downgrading risk*

- The credit rating of a debt instrument or its issuer may subsequently be downgraded. In the event of such downgrading, the value of the fund may be adversely affected. The investment manager of the underlying funds may or may not be able to dispose of the debt instruments that are being downgraded.

#### *Credit/Default risk*

- Investments may be adversely affected if any of the institutions with which money is deposited suffers insolvency or are otherwise unable to pay interest or principal (default). Credit risk also arises from the uncertainty about the ultimate repayment of principal and interest from bond or other debt instrument investments by the issuers of such securities. 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.

#### *Credit rating risk*

- Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.

### Sovereign Debt Risk

- The fund's investment in securities issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/or interest when due or may request the fund to participate in restructuring such debts. The fund may suffer significant losses when there is a default of sovereign debt issuers.

### Risk relating to Multi-Asset Investment

- Multi-asset fund is subject to the risks inherent in individual asset classes to a degree that depends on the exposure over time, the overall risk also depends on the correlation of returns between each asset class and hence could be adversely affected by a change in those correlations which could result in higher volatility and/or lower diversification.



## Fidelity Advantage Portfolio Fund – Capital Stable Fund

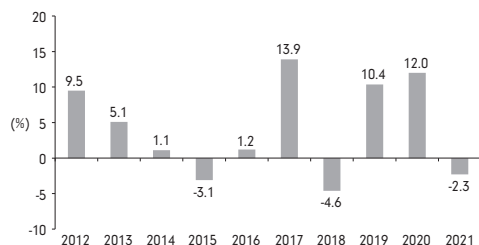
### Valuation Risk

- Valuation of the fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the net asset value calculation of the fund.

### Financial Derivative Instruments

- Although the fund will not use derivatives for investment purposes, the use of derivatives may give rise to liquidity risk, counterparty credit risk, volatility risk, valuations risks and over-the-counter transaction risk at times. Exposure to financial derivative instruments may lead to a high risk of significant loss by the fund.

### How has the fund performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividend reinvested.
- These figures show by how much the Ordinary Units increased or decreased in value during the calendar year being shown. Performance data has been calculated in USD including ongoing charges and excluding any subscription fees and realisation fees you might have to pay.
- Fund launch date: 1995
- Ordinary Units launch date: 1995
- The Investment Manager views Ordinary Units, having the longest track record and denominated in the fund's base currency, as the most appropriate representative unit class.

### Is there any guarantee?

This fund does not have any guarantees. You may not get back the full amount of money you invested.

### What are the fees and charges?

#### Charges which may be payable by you

You have to pay the following fees when dealing in units of the fund.

Classes of Units	Subscription Fee	Switching Fee	Realisation Fee
Ordinary	Currently waived	5.0% of issue price of Unit in New Sub-Fund	N/A
Administration	Currently waived	5.0% of issue price of Unit in New Sub-Fund	N/A
Savings	Currently waived	Nil	N/A

#### Ongoing fees payable by the fund

The following expenses will have to be paid out of the fund. They affect you because they reduce the return you get on your investments.

Classes of Units	Investment Management Fee	Trustee Fee	Performance Fee	Administration Fee
Ordinary	0.75% p.a. of net asset value	Currently waived	N/A	N/A
Administration	0.75% p.a. of net asset value	Currently waived	N/A	0.45% p.a. of net asset value attributable to Administration Units
Savings	0.75% p.a. of net asset value	Currently waived	N/A	0.50% p.a. of net asset value attributable to Savings Units

## Fidelity Advantage Portfolio Fund – Capital Stable Fund

### Other Fees

You may have to pay other fees when dealing in units of the fund. Any other fees and charges are described in the Explanatory Memorandum. You should note that some fees may be increased, up to a specified permitted maximum, by giving Unitholders at least three months' prior notice. For details, please refer to the Explanatory Memorandum.

### Additional Information

- You generally buy, redeem or switch units at the fund's next-determined net asset value after your request is received in good order at or before 12.00 noon (Hong Kong time) on a dealing day, being the fund's dealing cut-off time.
- The net asset value of this fund is calculated and the price of units is published each business day. Unit prices of the fund will be published on [www.fidelity.com.hk](http://www.fidelity.com.hk).<sup>1</sup>
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### Quick facts

**Investment Manager:** FIL Investment Management (Hong Kong) Limited

**Trustee and Custodian:** HSBC Institutional Trust Services (Asia) Limited

**Dealing frequency:** Daily

**Base currency:** HKD

**Ongoing charges over a year<sup>^</sup>:**

Ordinary Units:	0.87%
Administration Units:	1.32%
Savings Units:	1.37%

<sup>^</sup> The ongoing charge figure for each class of units is based on ongoing expenses chargeable to the relevant class for the year ended 31 December 2021 expressed as a percentage of the average net asset value of the relevant class for the same period. This figure may vary from year to year.

**Dividend policy:** No dividends will be paid. All interest and other income earned on the investment will be retained in the fund.

**Financial year end of this fund:** 31 December

<b>Minimum investment:</b>	<u>Initial Investment</u>	<u>Subsequent Investment</u>
Ordinary Units	USD 500,000	Nil
Administration Units	USD 500,000	Nil
Savings Units	Nil	HKD 8,000

The Manager has discretion to accept subscriptions for lower amounts than specified above.

### What is this product?

Fidelity Advantage Portfolio Fund is a unit trust constituted by the Trust Deed and governed by Hong Kong law. The fund is a feeder fund that invests in the Fidelity Global Investment Fund – Hong Kong Equity Fund.

### Objectives and Investment Policy

- The fund aims to achieve long-term capital growth in HK dollar terms for investors including savings plans and retirement benefits schemes.
- The objective of the fund is to produce returns related to those achieved on the major stock market indices of Hong Kong.
- The fund is a feeder fund that invests in the Fidelity Global Investment Fund – Hong Kong Equity Fund (the “**Underlying Fund**”). The Underlying Fund focuses investment (i.e. at least 70% of its net asset value) into the equity market of Hong Kong, namely equities of companies listed in Hong Kong or companies which have their head office or exercise a predominant part of their activity in Hong Kong (including companies which are listed outside Hong Kong). Investing in these companies may result in exposure to countries/regions such as Mainland China which are considered to be emerging markets.
- The largest ten holdings/securities to which the Underlying Fund may have exposure may account for 50% or more of its net asset value, resulting in a reasonably concentrated portfolio.

### Use of derivatives

The fund’s net derivative exposure may be up to 50% of the fund’s net asset value.

### **What are the key risks?**

**Investment involves risks. Please refer to the Explanatory Memorandum for details including the risk factors. Where applicable, reference to the fund in this section includes reference to the Underlying Fund.**

#### **Risk to Capital and Income (Investment Risk)**

- The assets of the fund are subject to fluctuations (increase or decrease) in value. There is no guarantee of repayment of principal and you may not get back the original amount invested. Past performance is no guarantee of future performance.

#### **Risks of investing in other collective investment schemes/funds**

The fund by investing solely in the Underlying Fund is subject to the following risks associated with the Underlying Fund:

- The fund does not have control of the investments of the Underlying Fund and there is no assurance that the investment objective and strategy of the Underlying Fund will be successfully achieved. This may have a negative impact to the net asset value of the fund.
- There may be additional costs involved when investing into the Underlying Fund. There is also no guarantee that the Underlying Fund will always have sufficient liquidity to meet the fund's redemption requests as and when made.

#### **Equities**

- The fund's investment in equities securities may fluctuate, sometimes dramatically, in response to the activities and results of individual companies or because of general market and economic conditions or other events including changes in investment sentiment, political and economic conditions and issuer-specific factors.

#### **Valuation Risk**

- Valuation of the fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the net asset value calculation of the fund.

#### **Investment Concentration**

- At times, the fund will invest in a relatively small number of investments or issuers and may experience a more volatile net asset value as a result of this concentration of holdings relative to a fund that diversifies across a larger number of investments or issuers.

#### **Geographical Concentration**

- The fund's investments are concentrated in a single or small number of countries/localities and may have greater exposures to the market, political, policy, foreign exchange, liquidity, tax, legal, regulatory, economic and social risks of those countries/localities, and the value of the fund may be more volatile than a fund which diversifies across a larger number of countries/localities.

#### **Emerging Markets Risks**

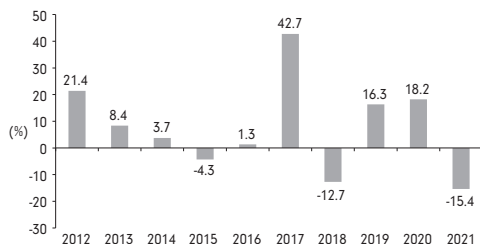
- The fund invests in emerging market securities which may involve increased risks and special considerations not typically associated with the investment in securities in more developed markets. The price of these securities may be more volatile and/or less liquid than those of securities in more developed markets.
- This volatility or lack of liquidity may stem from political, economic, legal, taxation, settlement, transfer of securities, custody and currency/currency control factors.
- Although care is taken to understand and manage these risks, the fund and accordingly the unitholders in the fund will ultimately bear the risks associated with investing in these markets.

#### **Financial Derivative Instruments**

- Although the fund will not use derivatives for investment purposes, the use of derivatives may give rise to liquidity risk, counterparty credit risk, volatility risk, valuations risks and over-the-counter transaction risk at times. Exposure to financial derivative instruments may lead to a high risk of significant loss by the fund.

## Fidelity Advantage Portfolio Fund – Hong Kong Equity Fund

### How has the fund performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividend reinvested.
- These figures show by how much the Ordinary Units increased or decreased in value during the calendar year being shown. Performance data has been calculated in HKD including ongoing charges and excluding any subscription fees and realisation fees you might have to pay.
- Fund launch date: 2003
- Ordinary Units launch date: 2003
- The Investment Manager views Ordinary Units, having the longest track record and denominated in the fund's base currency, as the most appropriate representative unit class.

### Is there any guarantee?

This fund does not have any guarantees. You may not get back the full amount of money you invested.

### What are the fees and charges?

#### Charges which may be payable by you

You have to pay the following fees when dealing in units of the fund.

Classes of Units	Subscription Fee	Switching Fee	Realisation Fee
Ordinary	Currently waived	5.0% of issue price of Unit in New Sub-Fund	N/A
Administration	Currently waived	5.0% of issue price of Unit in New Sub-Fund	N/A
Savings	Currently waived	Nil	N/A

#### Ongoing fees payable by the fund

The following expenses will have to be paid out of the fund. They affect you because they reduce the return you get on your investments.

Classes of Units	Investment Management Fee	Trustee Fee	Performance Fee	Administration Fee
Ordinary	0.75% p.a. of net asset value	Currently waived	N/A	N/A
Administration	0.75% p.a. of net asset value	Currently waived	N/A	0.45% p.a. of net asset value attributable to Administration Units
Savings	0.75% p.a. of net asset value	Currently waived	N/A	0.50% p.a. of net asset value attributable to Savings Units

#### Other Fees

You may have to pay other fees when dealing in units of the fund. Any other fees and charges are described in the Explanatory Memorandum. You should note that some fees may be increased, up to a specified permitted maximum, by giving Unitholders at least three months' prior notice. For details, please refer to the Explanatory Memorandum.

## Fidelity Advantage Portfolio Fund – Hong Kong Equity Fund

### Additional Information

- You generally buy, redeem or switch units at the fund's next-determined net asset value after your request is received in good order at or before 12.00 noon (Hong Kong time) on a dealing day, being the fund's dealing cut-off time.
- The net asset value of this fund is calculated and the price of units is published each business day. Unit prices of the fund will be published on [www.fidelity.com.hk](http://www.fidelity.com.hk).<sup>1</sup>
- For further information on the past performance of other unit classes offered to Hong Kong investors, please refer to [www.fidelity.com.hk](http://www.fidelity.com.hk).<sup>1</sup>
- Investors may obtain information from Fidelity Investor Hotline at (852) 2629 2629.

<sup>1</sup> Please note that the website has not been reviewed by the SFC.

### Important

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FIL Investment Management (Hong Kong) Limited (as Investment Manager)

April 2022

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 You should not invest in this product based on this statement alone.*

**Quick facts**
**Investment Manager:** FIL Investment Management (Hong Kong) Limited

**Trustee and Custodian:** HSBC Institutional Trust Services (Asia) Limited

**Dealing frequency:** Daily

**Base currency:** USD

**Ongoing charges over a year<sup>^</sup>:** Ordinary Units: 0.90%

Administration Units: 1.35%

Savings Units: 1.40%

<sup>^</sup> The ongoing charge figure for each class of units is based on ongoing expenses chargeable to the relevant class for the year ended 31 December 2021 expressed as a percentage of the average net asset value of the relevant class for the same period. This figure may vary from year to year.

**Dividend policy:** No dividends will be paid. All interest and other income earned on the investment will be retained in the fund.

**Financial year end of this fund:** 31 December

<b>Minimum investment:</b>	<u>Initial Investment</u>	<u>Subsequent Investment</u>
Ordinary Units	USD 500,000	Nil
Administration Units	USD 500,000	Nil
Savings Units	Nil	USD 1,000

The Manager has discretion to accept subscriptions for lower amounts than specified above.

**What is this product?**

Fidelity Advantage Portfolio Fund is a unit trust constituted by the Trust Deed and governed by Hong Kong law. The fund is a feeder fund that invests in the Fidelity Global Investment Fund – Asia Pacific Equity Fund.

**Objectives and Investment Policy**

- The fund aims to achieve long-term capital growth in US dollar terms for investors including savings plans and retirement benefits schemes.
- The objective of the fund is to produce returns related to those achieved on the major stock market indices of Asia Pacific.
- The fund is a feeder fund that invests in the Fidelity Global Investment Fund – Asia Pacific Equity Fund (the “**Underlying Fund**”). The Underlying Fund focuses investment (i.e. at least 70% of its net asset value) into the equity markets of Asia Pacific, namely equities of companies listed, have their head office or exercise a predominant part of their activity in Asia Pacific. Asia Pacific comprises countries and regions including, but not limited to, Australia, Mainland China, Hong Kong, India, Indonesia, Korea, Malaysia, New Zealand, Philippines, Singapore, Taiwan and Thailand, certain of which are considered to be emerging markets.
- The Underlying Fund intends to manage the volatility of returns in the short term.

**Use of derivatives**

The fund’s net derivative exposure may be up to 50% of the fund’s net asset value.

## What are the key risks?

Investment involves risks. Please refer to the Explanatory Memorandum for details including the risk factors. Where applicable, reference to the fund in this section includes reference to the Underlying Fund.

### Risk to Capital and Income (Investment Risk)

- The assets of the fund are subject to fluctuations (increase or decrease) in value. There is no guarantee of repayment of principal and you may not get back the original amount invested. Past performance is no guarantee of future performance.

### Risks of investing in other collective investment schemes/funds

The fund by investing solely in the Underlying Fund is subject to the following risks associated with the Underlying Fund:

- The fund does not have control of the investments of the Underlying Fund and there is no assurance that the investment objective and strategy of the Underlying Fund will be successfully achieved. This may have a negative impact to the net asset value of the fund.
- There may be additional costs involved when investing into the Underlying Fund. There is also no guarantee that the Underlying Fund will always have sufficient liquidity to meet the fund's redemption requests as and when made.

### Foreign Currency Risk

- The fund's assets may be denominated in currencies other than the base currency of the fund. Fluctuations in the exchange rates between these currencies and the base currency as well as changes in exchange rate controls may adversely affect the fund's net asset value.

### Equities

- The fund's investment in equities securities may fluctuate, sometimes dramatically, in response to the activities and results of individual companies or because of general market and economic conditions or other events including changes in investment sentiment, political and economic conditions and issuer-specific factors.

### Valuation Risk

- Valuation of the fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the net asset value calculation of the fund.

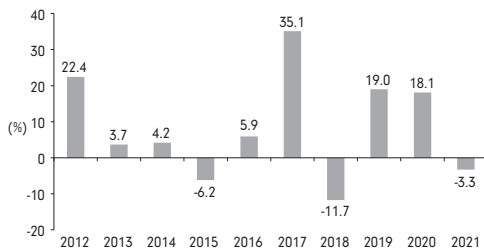
### Emerging Markets Risks

- The fund invests in emerging market securities which may involve increased risks and special considerations not typically associated with the investment in securities in more developed markets. The price of these securities may be more volatile and/or less liquid than those of securities in more developed markets.
- This volatility or lack of liquidity may stem from political, economic, legal, taxation, settlement, transfer of securities, custody and currency/currency control factors.
- Although care is taken to understand and manage these risks, the fund and accordingly the unitholders in the fund will ultimately bear the risks associated with investing in these markets.

### Financial Derivative Instruments

- Although the fund will not use derivatives for investment purposes, the use of derivatives may give rise to liquidity risk, counterparty credit risk, volatility risk, valuations risks and over-the-counter transaction risk at times. Exposure to financial derivative instruments may lead to a high risk of significant loss by the fund.

## How has the fund performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividend reinvested.
- These figures show by how much the Ordinary Units increased or decreased in value during the calendar year being shown. Performance data has been calculated in USD including ongoing charges and excluding any subscription fees and realisation fees you might have to pay.
- Fund launch date: 2006
- Ordinary Units launch date: 2006
- The Investment Manager views Ordinary Units, having the longest track record and denominated in the fund's base currency, as the most appropriate representative unit class.



## Fidelity Advantage Portfolio Fund – Asia Pacific Equity Fund

### Is there any guarantee?

This fund does not have any guarantees. You may not get back the full amount of money you invested.

### What are the fees and charges?

#### Charges which may be payable by you

You have to pay the following fees when dealing in units of the fund.

Classes of Units	Subscription Fee	Switching Fee	Realisation Fee
Ordinary	Currently waived	5.0% of issue price of Unit in New Sub-Fund	N/A
Administration	Currently waived	5.0% of issue price of Unit in New Sub-Fund	N/A
Savings	Currently waived	Nil	N/A

#### Ongoing fees payable by the fund

The following expenses will have to be paid out of the fund. They affect you because they reduce the return you get on your investments.

Classes of Units	Investment Management Fee	Trustee Fee	Performance Fee	Administration Fee
Ordinary	0.75% p.a. of net asset value	Currently waived	N/A	N/A
Administration	0.75% p.a. of net asset value	Currently waived	N/A	0.45% p.a. of net asset value attributable to Administration Units
Savings	0.75% p.a. of net asset value	Currently waived	N/A	0.50% p.a. of net asset value attributable to Savings Units

#### Other Fees

You may have to pay other fees when dealing in units of the fund. Any other fees and charges are described in the Explanatory Memorandum. You should note that some fees may be increased, up to a specified permitted maximum, by giving Unitholders at least three months' prior notice. For details, please refer to the Explanatory Memorandum.

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### Quick facts

**Investment Manager:** FIL Investment Management (Hong Kong) Limited

**Trustee and Custodian:** HSBC Institutional Trust Services (Asia) Limited

**Dealing frequency:** Daily

**Base currency:** USD

**Ongoing charges over a year<sup>^</sup>:**

Ordinary Units:	0.90%
Administration Units:	1.35%
Savings Units:	1.40%

<sup>^</sup> The ongoing charge figure for each class of units is based on ongoing expenses chargeable to the relevant class for the year ended 31 December 2021 expressed as a percentage of the average net asset value of the relevant class for the same period. This figure may vary from year to year.

**Dividend policy:** No dividends will be paid. All interest and other income earned on the investment will be retained in the fund.

**Financial year end of this fund:** 31 December

<b>Minimum investment:</b>	<u>Initial Investment</u>	<u>Subsequent Investment</u>
Ordinary Units	USD 500,000	Nil
Administration Units	USD 500,000	Nil
Savings Units	Nil	USD 1,000
The Manager has discretion to accept subscriptions for lower amounts than specified above.		

### What is this product?

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### Objectives and Investment Policy

- The fund aims to achieve long-term capital growth in US dollar terms for investors including savings plans and retirement benefits schemes.
- The fund will invest primarily (i.e. at least 70% of its net asset value) in the global equity markets and produce returns that are related to those achieved on the major world stock market indices. As the fund may invest globally, it may be exposed to countries/regions considered to be emerging markets.
- Prior to 31 October 2021, the fund is a fund of funds and may invest up to 65% of its latest available net asset value in each of the Fidelity Global Investment Fund – Americas Equity Fund and the Fidelity Global Investment Fund – European Equity Fund, provided that the maximum total aggregate investment in both the Fidelity Global Investment Fund – Americas Equity Fund and the Fidelity Global Investment Fund – European Equity Fund does not exceed 90% of the fund's latest available net asset value. Save as aforesaid, the value of the fund's holding of interests in any one fund would not exceed 30% of its net asset value.
- With effect from 31 October 2021, the fund is a fund of funds and may invest up to 70% of its latest available net asset value in the Fidelity Global Investment Fund – Americas Equity Fund and up to 65% of its latest available net asset value in the Fidelity Global Investment Fund – European Equity Fund, provided that the maximum total aggregate investment in both the Fidelity Global Investment Fund – Americas Equity Fund and the Fidelity Global Investment Fund – European Equity Fund does not exceed 90% of the fund's latest available net asset value. Save as aforesaid, the value of the fund's holding of interests in any one fund would not exceed 30% of its net asset value.
- The Fidelity Global Investment Fund – Americas Equity Fund aims to produce returns that are related to those achieved on the major stock market indices of North America by focusing investment (i.e. at least 70% of its net asset value) into the equity markets of North America, namely equities of companies listed, have their head office or exercise a predominant part of their activity in North America.
- The Fidelity Global Investment Fund – European Equity Fund aims to produce returns that are related to those achieved on the major stock market indices of Europe by focusing investment (i.e. at least 70% of its net asset value) into equity markets of Europe.

## Use of derivatives

The fund's net derivative exposure may be up to 50% of the fund's net asset value.

## What are the key risks?

Investment involves risks. Please refer to the Explanatory Memorandum for details including the risk factors. Where applicable, reference to the fund in this section includes reference to the underlying funds.

### Risk to Capital and Income (Investment Risk)

- The assets of the fund are subject to fluctuations (increase or decrease) in value. There is no guarantee of repayment of principal and you may not get back the original amount invested. Past performance is no guarantee of future performance.

### Risks of investing in other collective investment schemes/funds

The fund by investing in other funds is subject to the following risks associated with the underlying funds:

- The fund does not have control of the investments of the underlying funds and there is no assurance that the investment objective and strategy of the underlying funds will be successfully achieved. This may have a negative impact to the net asset value of the fund.
- There may be additional costs involved when investing into the underlying funds. There is also no guarantee that the underlying funds will always have sufficient liquidity to meet the fund's redemption requests as and when made.

### Foreign Currency Risk

- The fund's assets may be denominated in currencies other than the base currency of the fund. Fluctuations in the exchange rates between these currencies and the base currency as well as changes in exchange rate controls may adversely affect the fund's net asset value.

### Equities

- The fund's investment in equities securities may fluctuate, sometimes dramatically, in response to the activities and results of individual companies or because of general market and economic conditions or other events including changes in investment sentiment, political and economic conditions and issuer-specific factors.

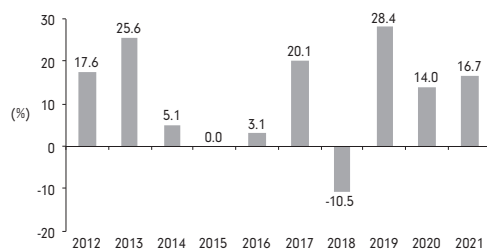
### Valuation Risk

- Valuation of the fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the net asset value calculation of the fund.

### Financial Derivative Instruments

- Although the fund will not use derivatives for investment purposes, the use of derivatives may give rise to liquidity risk, counterparty credit risk, volatility risk, valuations risks and over-the-counter transaction risk at times. Exposure to financial derivative instruments may lead to a high risk of significant loss by the fund.

## How has the fund performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividend reinvested.
- These figures show by how much the Ordinary Units increased or decreased in value during the calendar year being shown. Performance data has been calculated in USD including ongoing charges and excluding any subscription fees and realisation fees you might have to pay.
- Fund launch date: 2003
- Ordinary Units launch date: 2003
- The Investment Manager views Ordinary Units, having the longest track record and denominated in the fund's base currency, as the most appropriate representative unit class.

## Fidelity Advantage Portfolio Fund – Global Equity Fund

### Is there any guarantee?

This fund does not have any guarantees. You may not get back the full amount of money you invested.

### What are the fees and charges?

#### Charges which may be payable by you

You have to pay the following fees when dealing in units of the fund.

Classes of Units	Subscription Fee	Switching Fee	Realisation Fee
Ordinary	Currently waived	5.0% of issue price of Unit in New Sub-Fund	N/A
Administration	Currently waived	5.0% of issue price of Unit in New Sub-Fund	N/A
Savings	Currently waived	Nil	N/A

#### Ongoing fees payable by the fund

The following expenses will have to be paid out of the fund. They affect you because they reduce the return you get on your investments.

Classes of Units	Investment Management Fee	Trustee Fee	Performance Fee	Administration Fee
Ordinary	0.75% p.a. of net asset value	Currently waived	N/A	N/A
Administration	0.75% p.a. of net asset value	Currently waived	N/A	0.45% p.a. of net asset value attributable to Administration Units
Savings	0.75% p.a. of net asset value	Currently waived	N/A	0.50% p.a. of net asset value attributable to Savings Units

#### Other Fees

You may have to pay other fees when dealing in units of the fund. Any other fees and charges are described in the Explanatory Memorandum. You should note that some fees may be increased, up to a specified permitted maximum, by giving Unitholders at least three months' prior notice. For details, please refer to the Explanatory Memorandum.

### Additional Information

- You generally buy, redeem or switch units at the fund's next-determined net asset value after your request is received in good order at or before 12.00 noon (Hong Kong time) on a dealing day, being the fund's dealing cut-off time.
- The net asset value of this fund is calculated and the price of units is published each business day. Unit prices of the fund will be published on [www.fidelity.com.hk](http://www.fidelity.com.hk).<sup>1</sup>
- For further information on the past performance of other unit classes offered to Hong Kong investors, please refer to [www.fidelity.com.hk](http://www.fidelity.com.hk).
- Investors may obtain information from Fidelity Investor Hotline at (852) 2629 2629.

<sup>1</sup> Please note that the website has not been reviewed by the SFC.

### Important

If you are in doubt, you should seek professional advice. The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

*This statement provides you with key information about this product.  
 This statement is part of the Explanatory Memorandum.  
 You should not invest in this product based on this statement alone.*

**Quick facts**

**Investment Manager:** FIL Investment Management (Hong Kong) Limited

**Trustee and Custodian:** HSBC Institutional Trust Services (Asia) Limited

**Dealing frequency:** Daily

**Base currency:** HKD

**Ongoing charges over a year<sup>^</sup>:**

Ordinary Units:	1.01%
Administration Units:	1.46%
Savings Units:	1.51%

<sup>^</sup> The ongoing charge figure for each class of units is based on ongoing expenses chargeable to the relevant class for the year ended 31 December 2021, net of rebates or waiver, and is expressed as a percentage of the average net asset value of the relevant class for the same period. The applicable level of rebate or waiver made to the fund will be reviewed by the Investment Manager from time to time and in any case by the end of each financial year. This figure may vary from year to year.

**Dividend policy:** No dividends will be paid. All interest and other income earned on the investment will be retained in the fund.

**Financial year end of this fund:** 31 December

<b>Minimum investment:</b>	<u>Initial Investment</u>	<u>Subsequent Investment</u>
Ordinary Units	USD 500,000	Nil
Administration Units	USD 500,000	Nil
Savings Units	Nil	HKD 8,000
The Manager has discretion to accept subscriptions for lower amounts than specified above.		

**What is this product?**

Fidelity Advantage Portfolio Fund is a unit trust constituted by the Trust Deed and governed by Hong Kong law. The fund is a feeder fund that invests in the Fidelity Global Investment Fund – RMB Bond Fund (the “**Underlying Fund**”), which is an SFC-authorised fund\*. The fund and the Underlying Fund are denominated in HKD.

\* The SFC authorisation is not a recommendation or endorsement of the Underlying Fund nor does it guarantee the commercial merits of the Underlying Fund or its performance. It does not mean the Underlying Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

**Objectives**

- The fund aims to achieve long-term capital growth in HK dollar terms for investors including savings plans and retirement benefits schemes.
- The fund is a feeder fund that invests solely in the Fidelity Global Investment Fund – RMB Bond Fund.
- The objective of the fund is to achieve income and capital appreciation primarily via indirect exposure (by investing solely in the Underlying Fund) to RMB denominated debt securities issued or distributed inside or outside Mainland China as well as deposits.

**Investment Policy**

- The Underlying Fund will invest at least 70% of its net asset value in RMB denominated debt securities issued or distributed inside or outside Mainland China as well as deposits (including but not limited to convertible bonds, corporate bonds, government bonds, commercial papers, medium term notes, floating rate notes, money market instruments, certificates of deposits, bank deposits and negotiated term deposits).

## Fidelity Advantage Portfolio Fund – RMB Bond Fund

- The Underlying Fund may invest up to 30% of its net asset value in debt securities and deposits that are denominated in currencies other than RMB, such as USD, HKD, Japanese Yen or Euro.
- Subject to the requirements under the Mandatory Provident Fund Schemes (General) Regulation (the “**General Regulation**”) and the requirements and guidance issued by the SFC, the Underlying Fund may invest less than 30% of its net asset value in instruments with loss-absorption features which may include instruments classified as Additional Tier 1, Tier 2 capital instruments or non-preferred senior bonds (which may also be known as Tier 3 bonds) and other instruments eligible to be counted as loss-absorbing capacity under the resolution regime for financial institutions, in compliance with its investment policy and limits. These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger event(s). However, for the avoidance of doubt, the Underlying Fund will not invest in contingent convertible securities (CoCos).
- The Underlying Fund intends to limit the volatility of returns in the short term.
- The Underlying Fund can directly invest in Mainland China onshore debt securities traded on the China interbank bond market through the Bond Connect.
- In determining investment in debt securities that are issued inside or outside of Mainland China, the investment manager of the Underlying Fund will consider various factors, including but not limited to compliance with the relevant investment restrictions and the General Regulation, and whether the investment will provide the Underlying Fund with returns within its risk profile as well as a sufficiently broad universe to allow appropriate diversification to mitigate concentration and liquidity risks, and provide flexibility to achieve steady growth over the long term in various market conditions.
- The investment manager of the Underlying Fund intends to invest up to 100% of the net asset value of the Underlying Fund in RMB denominated assets and typically will only consider investing in assets denominated in other currencies in market circumstances upon considering the factors set out in the preceding paragraph.
- The debt securities in which the Underlying Fund invests shall meet the relevant requirements in Schedule 1 of the General Regulation including but not limited to requirements on minimum credit ratings or debt securities which are issued by, or in respect of which the repayment of principal and the payment of interest are unconditionally guaranteed by an “exempt authority” as defined in Schedule 1 to the General Regulation. In view of the minimum credit ratings requirement, the Underlying Fund will not normally invest in debt securities which are rated below investment grade or unrated by credit rating agency(ies) approved by the Mandatory Provident Fund Schemes Authority of Hong Kong. However, such investment may be made if such debt securities satisfy the other relevant requirements in Schedule 1 of the General Regulation. For details of such requirements, please refer to the offering document of the Underlying Fund.
- The largest ten holdings/securities to which the Underlying Fund may have exposure may account for 50% or more of its net asset value, resulting in a reasonably concentrated portfolio.
- The Underlying Fund will not invest in –
  - (a) equities (provided that the Underlying Fund may hold up to 10% of its net asset value in equities as a result of conversions from convertible bonds. Notwithstanding the aforesaid, the investment manager of the Underlying Fund will seek to dispose of convertible bonds prior to such convertible bonds being converted to equities or dispose of the equities shortly after the conversions taking into account factors such as market conditions);
  - (b) asset backed securities (including mortgage backed securities and asset backed commercial papers) or structured deposits;
  - (c) securities issued by or guaranteed by any single country (including its government, a public or local authority of that country) with a credit rating below investment grade.
- The Underlying Fund may enter into financial futures contracts, financial option contracts and/or currency forward contracts for hedging purposes only.
- The Underlying Fund will not engage in security lending, repurchase agreements and reverse repurchase agreements.

### Use of derivatives

The fund’s net derivative exposure may be up to 50% of the fund’s net asset value.

### What are the key risks?

**Investment involves risks. Please refer to the Explanatory Memorandum for details including the risk factors. Where applicable, reference to the fund in this section includes reference to the Underlying Fund.**

#### Risk to Capital and Income (Investment Risk)

- The assets of the fund are subject to fluctuations (increase or decrease) in value. There is no guarantee of repayment of principal and you may not get back the original amount invested. Past performance is no guarantee of future performance.

#### Risks of investing in other collective investment schemes/funds

The fund by investing solely in the Underlying Fund is subject to the following risks associated with the Underlying Fund:

- The fund does not have control of the investments of the Underlying Fund and there is no assurance that the investment objective and strategy of the Underlying Fund will be successfully achieved. This may have a negative impact to the net asset value of the fund.

- There may be additional costs involved when investing into the Underlying Fund. There is also no guarantee that the Underlying Fund will always have sufficient liquidity to meet the fund's redemption requests as and when made.

### **Foreign Currency Risk**

- The fund's assets may be denominated in currencies other than the base currency of the fund. Fluctuations in the exchange rates between these currencies and the base currency as well as changes in exchange rate controls may adversely affect the fund's net asset value.

### **Bonds and Other Debt Instruments**

- The value of bonds or other debt instruments will fluctuate depending on e.g. market interest rates, the credit quality of the issuer, the currency of the investment (when it is different from the base currency of the fund) and liquidity considerations. In general, the prices of debt instruments rise when interest rates fall, whilst their prices fall when interest rates rise.

#### *Downgrading risk*

- The credit rating of a debt instrument or its issuer may subsequently be downgraded. In the event of such downgrading, the value of the fund may be adversely affected. The investment manager of the Underlying Fund may or may not be able to dispose of the debt instruments that are being downgraded.

#### *Credit/Default risk*

- Investments may be adversely affected if any of the institutions with which money is deposited suffers insolvency or are otherwise unable to pay interest or principal (default). Credit risk also arises from the uncertainty about the ultimate repayment of principal and interest from bond or other debt instrument investments by the issuers of such securities. 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.

#### *Credit rating risk*

- Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.

### **Valuation Risk**

- Valuation of the fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the net asset value calculation of the fund.

### **Investment Concentration**

- At times, the fund will invest in a relatively small number of investments or issuers and may experience a more volatile net asset value as a result of this concentration of holdings relative to a fund that diversifies across a larger number of investments or issuers.

### **Geographical Concentration**

- The fund's investments are concentrated in a single or small number of countries/localities and may have greater exposures to the market, political, policy, foreign exchange, liquidity, tax, legal, regulatory, economic and social risks of those countries/localities, and the value of the fund may be more volatile than a fund which diversifies across a larger number of countries/localities.

### **Emerging Markets Risks**

- The fund invests in emerging market securities which may involve increased risks and special considerations not typically associated with the investment in securities in more developed markets. The price of these securities may be more volatile and/or less liquid than those of securities in more developed markets.
- This volatility or lack of liquidity may stem from political, economic, legal, taxation, settlement, transfer of securities, custody and currency/currency control factors.
- Although care is taken to understand and manage these risks, the fund and accordingly the unitholders in the fund will ultimately bear the risks associated with investing in these markets.

### **Dim Sum Bond Market Risks**

- The "Dim Sum" bond market is still a relatively small market which is more susceptible to volatility and illiquidity. The operation of the "Dim Sum" bond market and new issuances could be disrupted and potentially cause a fall in the net asset value of the fund should there be any new rules which limit or restrict the ability of issuers to raise RMB (offshore CNH) funding by way of bond issuance and/or reversal or suspension of the liberalization of the CNH market by the relevant regulator(s).

### **Mainland Chinese Assets Risk**

- Investments by a fund in onshore Mainland China fixed income securities and other permissible securities denominated in RMB may be made through any permissible means pursuant to any prevailing regulations, including through the China interbank bond market scheme. The uncertainty and change of the relevant laws and regulations in Mainland China and the potential for the government of the People's Republic of China ("**PRC government**") and/or the regulators to implement political, social and economic policies that may affect the financial markets may have an adverse impact on such a fund.
- High market volatility and potential settlement difficulties in the Mainland Chinese markets may also result in significant fluctuations in the prices of the securities traded on such markets.

**Risks associated with China Interbank Bond Market (“CIBM”) and Bond Connect**

- The fund may invest in Mainland China bonds traded on CIBM via bond connect between Hong Kong and Mainland China (“**Bond Connect**”). The relevant rules and regulations are subject to change which may have potential retrospective effect.
- Investments in CIBM traded bonds are subject to risks, such as volatility and liquidity risks, suspension risk, settlement and counterparty risks, nominee arrangements in holding CIBM bonds, regulatory risk and uncertainty on tax arrangement.
- Where a suspension in the trading through CIBM is effected or when there is any failure or disruption of the trading platform and/or operational systems of the Bond Connect, the fund’s ability to trade CIBM bonds will be adversely affected. In such event, the fund’s ability to achieve its investment objective could be negatively affected.

**Mainland China Tax Risk**

- There are risks and uncertainties associated with the current tax laws, regulations and practice of the People’s Republic of China in respect of capital gains and interest on the fund’s investments in the Mainland China (which may have retrospective effect). Any increased tax liabilities on the fund may adversely affect the fund’s value.
- Based on professional and independent tax advice, currently no provision is made by the fund (A) for tax on capital gains on disposals of Mainland China fixed income securities, or (B) for tax on interest on onshore Mainland China fixed income securities. Actual tax liabilities (if any) will be debited from the fund’s assets, and may adversely affect the fund’s net asset value.

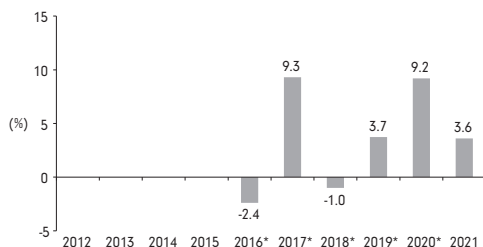
**RMB Currency and Conversion Risk**

- Difference in rates between RMB traded in Mainland China (CNY) and outside Mainland China (CNH) may adversely impact the fund. Unlike CNH, CNY is not freely convertible and is subject to exchange controls and certain requirements by the PRC government. Under exceptional circumstances, payment of redemptions may be delayed due to exchange controls and restrictions applicable to RMB.
- Non-RMB based investors are exposed to foreign exchange risk, and there is no guarantee that the value of RMB against the investors’ base currencies (e.g. HKD) will not depreciate. Any depreciation of RMB could adversely affect the value of investor’s investment in the fund.

**Financial Derivative Instruments**

- Although the fund will not use derivatives for investment purposes, the use of derivatives may give rise to liquidity risk, counterparty credit risk, volatility risk, valuations risks and over-the-counter transaction risk at times. Exposure to financial derivative instruments may lead to a high risk of significant loss by the fund.

**How has the fund performed?**



\* The fund changed its investment policy in 2020. The performance of these years were achieved under circumstances that no longer apply.

- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividend reinvested.
- These figures show by how much the Ordinary Units increased or decreased in value during the calendar year being shown. Performance data has been calculated in HKD including ongoing charges and excluding any subscription fees and realisation fees you might have to pay.
- When no past performance is shown there was insufficient data available in that year to provide performance.
- Fund launch date: 2015
- Ordinary Units launch date: 2015
- The Investment Manager views Ordinary Units, having the longest track record and denominated in the fund’s base currency, as the most appropriate representative unit class.

**Is there any guarantee?**

This fund does not have any guarantees. You may not get back the full amount of money you invested.



### What are the fees and charges?

#### Charges which may be payable by you

You have to pay the following fees when dealing in units of the fund.

Classes of Units	Subscription Fee	Switching Fee	Realisation Fee
Ordinary	Currently waived	5.0% of issue price of Unit in New Sub-Fund	N/A
Administration	Currently waived	5.0% of issue price of Unit in New Sub-Fund	N/A
Savings	Currently waived	Nil	N/A

#### Ongoing fees payable by the fund

The following expenses will have to be paid out of the fund. They affect you because they reduce the return you get on your investments.

	The fund	The Underlying Fund	Aggregate fees
<b>Investment Management Fee</b>	<u>All Classes:</u> 0.75% p.a. of net asset value	Nil - The Investment Management Fee will only be charged at the fund's level (and not at the Underlying Fund's level) so that there will be "no double charging" of Investment Management Fee	<u>All Classes:</u> 0.75% p.a. of net asset value
<b>Trustee Fee</b>	<u>Currently waived</u>	All Classes: Up to 0.1% p.a. of net asset value	All Classes: Up to 0.1% p.a. of net asset value
<b>Performance Fee (Incentive Fee)</b>	Nil	Nil	Nil
<b>Administration Fee</b>	<u>Ordinary Units:</u> N/A <u>Administration Units:</u> 0.45% p.a. of net asset value attributable to Administration Units <u>Savings Units:</u> 0.50% p.a. of net asset value attributable to Savings Units	Nil	<u>Ordinary Units:</u> N/A <u>Administration Units:</u> 0.45% p.a. of net asset value attributable to Administration Units <u>Savings Units:</u> 0.50% p.a. of net asset value attributable to Savings Units

#### Other Fees

You may have to pay other fees when dealing in units of the fund. Any other fees and charges are described in the Explanatory Memorandum. You should note that some fees may be increased, up to a specified permitted maximum, by giving Unitholders at least three months' prior notice. For details, please refer to the section headed "E. Fees, Charges and Expenses" in the Explanatory Memorandum.

#### Additional Information

- You generally buy, redeem or switch units at the fund's next-determined net asset value after your request is received in good order at or before 12.00 noon (Hong Kong time) on a dealing day, being the fund's dealing cut-off time.
- The net asset value of this fund is calculated and the price of units is published each business day. Unit prices of the fund will be published on [www.fidelity.com.hk](http://www.fidelity.com.hk).<sup>1</sup>
- For further information on the past performance of other unit classes offered to Hong Kong investors, please refer to [www.fidelity.com.hk](http://www.fidelity.com.hk).<sup>1</sup>
- Investors may obtain information from Fidelity Investor Hotline at (852) 2629 2629.

<sup>1</sup> Please note that the website has not been reviewed by the SFC.

#### Important

If you are in doubt, you should seek professional advice. The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

FIL Investment Management (Hong Kong) Limited (as Investment Manager)

April 2022

*This statement provides you with key information about this product.  
This statement is part of the Explanatory Memorandum.  
You should not invest in this product based on this statement alone.*

### Quick facts

**Investment Manager:** FIL Investment Management (Hong Kong) Limited

**Trustee and Custodian:** HSBC Institutional Trust Services (Asia) Limited

**Dealing frequency:** Daily

**Base currency:** HKD

**Ongoing charges over a year<sup>^</sup>:**

Ordinary Units:	0.90%
Administration Units:	1.35%
Savings Units:	1.39%

<sup>^</sup> The ongoing charge figure for each class of units is based on ongoing expenses chargeable to the relevant class for the year ended 31 December 2021 expressed as a percentage of the average net asset value of the relevant class for the same period. This figure may vary from year to year.

**Dividend policy:** No dividends will be paid. All interest and other income earned on the investment will be retained in the fund.

**Financial year end of this fund:** 31 December

<b>Minimum investment:</b>	<u>Initial Investment</u>	<u>Subsequent Investment</u>
Ordinary Units	USD 500,000	Nil
Administration Units	USD 500,000	Nil
Savings Units	Nil	HKD 8,000
The Manager has discretion to accept subscriptions for lower amounts than specified above.		

### What is this product?

Fidelity Advantage Portfolio Fund is a unit trust constituted by the Trust Deed and governed by Hong Kong law. The fund is a feeder fund that invests in the Fidelity Global Investment Fund – Hong Kong Bond Fund.

### Objectives and Investment Policy

- The fund aims to achieve long-term capital growth in HK dollar terms for investors including savings plans and retirement benefits schemes.
- The objective of the fund is to produce returns that are related to those achieved on the major bond market indices by investing in world bond markets with a focus on Hong Kong dollar denominated bonds and issuers.
- The fund is a feeder fund that invests in the Fidelity Global Investment Fund – Hong Kong Bond Fund (the “Underlying Fund”). The Underlying Fund focuses investment (i.e. at least 70% of its net asset value) in HK dollar denominated debt securities (including but are not limited to convertible bonds, corporate bonds and government bonds) globally (including emerging markets).
- Subject to the requirements under the Mandatory Provident Fund Schemes (General) Regulation and the requirements and guidance issued by the SFC, the Underlying Fund may invest less than 30% of its net asset value in instruments with loss-absorption features which may include instruments classified as Additional Tier 1, Tier 2 capital instruments or non-preferred senior bonds (which may also be known as Tier 3 bonds) and other instruments eligible to be counted as loss-absorbing capacity under the resolution regime for financial institutions, in compliance with its investment policy and limits. These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger event(s). However, for the avoidance of doubt, the Underlying Fund will not invest in contingent convertible securities (CoCos).
- The Underlying Fund seeks to minimize currency volatility by implementing a HKD hedged strategy (where investments are made other than in HKD).
- The Underlying Fund intends to limit the volatility of returns in the short term in HK dollar market terms.

### Use of derivatives

The fund’s net derivative exposure may be up to 50% of the fund’s net asset value.

## What are the key risks?

Investment involves risks. Please refer to the Explanatory Memorandum for details including the risk factors. Where applicable, reference to the fund in this section includes reference to the Underlying Fund.

### Risk to Capital and Income (Investment Risk)

- The assets of the fund are subject to fluctuations (increase or decrease) in value. There is no guarantee of repayment of principal and you may not get back the original amount invested. Past performance is no guarantee of future performance.

### Risks of investing in other collective investment schemes/funds

The fund by investing solely in the Underlying Fund is subject to the following risks associated with the Underlying Fund:

- The fund does not have control of the investments of the Underlying Fund and there is no assurance that the investment objective and strategy of the Underlying Fund will be successfully achieved. This may have a negative impact to the net asset value of the fund.
- There may be additional costs involved when investing into the Underlying Fund. There is also no guarantee that the Underlying Fund will always have sufficient liquidity to meet the fund's redemption requests as and when made.

### Bonds and Other Debt Instruments

- The value of bonds or other debt instruments will fluctuate depending on e.g. market interest rates, the credit quality of the issuer, the currency of the investment (when it is different from the base currency of the fund) and liquidity considerations. In general, the prices of debt instruments rise when interest rates fall, whilst their prices fall when interest rates rise.

#### *Downgrading risk*

- The credit rating of a debt instrument or its issuer may subsequently be downgraded. In the event of such downgrading, the value of the fund may be adversely affected. The investment manager of the underlying funds may or may not be able to dispose of the debt instruments that are being downgraded.

#### *Credit/Default risk*

- Investments may be adversely affected if any of the institutions with which money is deposited suffers insolvency or are otherwise unable to pay interest or principal (default). Credit risk also arises from the uncertainty about the ultimate repayment of principal and interest from bond or other debt instrument investments by the issuers of such securities. 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.

#### *Credit rating risk*

- Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.

### Valuation Risk

- Valuation of the fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the net asset value calculation of the fund.

### Geographical Concentration

- The fund's investments are concentrated in a single or small number of countries/localities and may have greater exposures to the market, political, policy, foreign exchange, liquidity, tax, legal, regulatory, economic and social risks of those countries/localities, and the value of the fund may be more volatile than a fund which diversifies across a larger number of countries/localities.

### Emerging Markets Risks

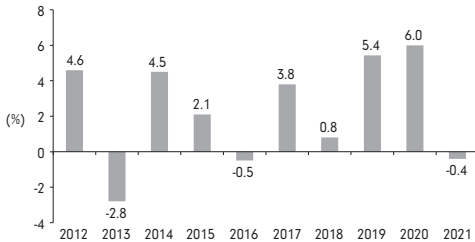
- The fund invests in emerging market securities which may involve increased risks and special considerations not typically associated with the investment in securities in more developed markets. The price of these securities may be more volatile and/or less liquid than those of securities in more developed markets.
- This volatility or lack of liquidity may stem from political, economic, legal, taxation, settlement, transfer of securities, custody and currency/currency control factors.
- Although care is taken to understand and manage these risks, the fund and accordingly the unitholders in the fund will ultimately bear the risks associated with investing in these markets.

### Financial Derivative Instruments

- Although the fund will not use derivatives for investment purposes, the use of derivatives may give rise to liquidity risk, counterparty credit risk, volatility risk, valuations risks and over-the-counter transaction risk at times. Exposure to financial derivative instruments may lead to a high risk of significant loss by the fund.

## Fidelity Advantage Portfolio Fund – Hong Kong Bond Fund

### How has the fund performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividend reinvested.
- These figures show by how much the Ordinary Units increased or decreased in value during the calendar year being shown. Performance data has been calculated in HKD including ongoing charges and excluding any subscription fees and realisation fees you might have to pay.
- Fund launch date: 2003
- Ordinary Units launch date: 2003
- The Investment Manager views Ordinary Units, having the longest track record and denominated in the fund's base currency, as the most appropriate representative unit class.

### Is there any guarantee?

This fund does not have any guarantees. You may not get back the full amount of money you invested.

### What are the fees and charges?

#### Charges which may be payable by you

You have to pay the following fees when dealing in units of the fund.

Classes of Units	Subscription Fee	Switching Fee	Realisation Fee
Ordinary	Currently waived	5.0% of issue price of Unit in New Sub-Fund	N/A
Administration	Currently waived	5.0% of issue price of Unit in New Sub-Fund	N/A
Savings	Currently waived	Nil	N/A

#### Ongoing fees payable by the fund

The following expenses will have to be paid out of the fund. They affect you because they reduce the return you get on your investments.

Classes of Units	Investment Management Fee	Trustee Fee	Performance Fee	Administration Fee
Ordinary	0.75% p.a. of net asset value	Currently waived	N/A	N/A
Administration	0.75% p.a. of net asset value	Currently waived	N/A	0.45% p.a. of net asset value attributable to Administration Units
Savings	0.75% p.a. of net asset value	Currently waived	N/A	0.50% p.a. of net asset value attributable to Savings Units

#### Other Fees

You may have to pay other fees when dealing in units of the fund. Any other fees and charges are described in the Explanatory Memorandum. You should note that some fees may be increased, up to a specified permitted maximum, by giving Unitholders at least three months' prior notice. For details, please refer to the Explanatory Memorandum.

## Fidelity Advantage Portfolio Fund – Hong Kong Bond Fund

### Additional Information

- You generally buy, redeem or switch units at the fund's next-determined net asset value after your request is received in good order at or before 12.00 noon (Hong Kong time) on a dealing day, being the fund's dealing cut-off time.
- The net asset value of this fund is calculated and the price of units is published each business day. Unit prices of the fund will be published on [www.fidelity.com.hk](http://www.fidelity.com.hk).<sup>1</sup>
- For further information on the past performance of other unit classes offered to Hong Kong investors, please refer to [www.fidelity.com.hk](http://www.fidelity.com.hk).<sup>1</sup>
- Investors may obtain information from Fidelity Investor Hotline at (852) 2629 2629.

<sup>1</sup> Please note that the website has not been reviewed by the SFC.

### Important

If you are in doubt, you should seek professional advice. The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

*This statement provides you with key information about this product.  
This statement is part of the Explanatory Memorandum.  
You should not invest in this product based on this statement alone.*

### Quick facts

<b>Investment Manager:</b>	FIL Investment Management (Hong Kong) Limited	
<b>Trustee and Custodian:</b>	HSBC Institutional Trust Services (Asia) Limited	
<b>Dealing frequency:</b>	Daily	
<b>Base currency:</b>	USD	
<b>Ongoing charges over a year<sup>^</sup>:</b>	Ordinary Units:	0.88%
	Administration Units:	1.33%
	Savings Units:	1.37%

<sup>^</sup> The ongoing charge figure for each class of units is based on ongoing expenses chargeable to the relevant class for the year ended 31 December 2021 expressed as a percentage of the average net asset value of the relevant class for the same period. This figure may vary from year to year.

**Dividend policy:** No dividends will be paid. All interest and other income earned on the investment will be retained in the fund.

**Financial year end of this fund:** 31 December

<b>Minimum investment:</b>	<u>Initial Investment</u>	<u>Subsequent Investment</u>
Ordinary Units	USD 500,000	Nil
Administration Units	USD 500,000	Nil
Savings Units	Nil	USD 1,000

The Manager has discretion to accept subscriptions for lower amounts than specified above.

### What is this product?

Fidelity Advantage Portfolio Fund is a unit trust constituted by the Trust Deed and governed by Hong Kong law. The fund is a feeder fund that invests in the Fidelity Global Investment Fund – Global Bond Fund.

### Objectives and Investment Policy

- The fund aims to achieve long-term capital growth in US dollar terms for investors including savings plans and retirement benefits schemes.
- The objective of the fund is to produce returns that are related to those achieved on the major bond market indices.
- The fund is a feeder fund that invests in the Fidelity Global Investment Fund – Global Bond Fund (the “**Underlying Fund**”). The Underlying Fund focuses investment (i.e. at least 70% of its net asset value) in debt securities (including but are not limited to convertible bonds, corporate bonds and government bonds) globally (including emerging markets).
- Subject to the requirements under the Mandatory Provident Fund Schemes (General) Regulation and the requirements and guidance issued by the SFC, the Underlying Fund may invest less than 30% of its net asset value in instruments with loss-absorption features which may include instruments classified as non-preferred senior bonds (which may also be known as Tier 3 bonds) and other instruments eligible to be counted as loss-absorbing capacity under the resolution regime for financial institutions, in compliance with its investment policy and limits. These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger event(s). However, for the avoidance of doubt, the Underlying Fund will not invest in contingent convertible securities (CoCos).
- The Underlying Fund may invest up to 10% of its net asset value in onshore Mainland China debt securities. The Underlying Fund intends to limit the volatility of returns in the short term.
- The largest ten holdings/securities to which the Underlying Fund may have exposure may account for 50% or more of its net asset value, resulting in a reasonably concentrated portfolio.

### Use of derivatives

The fund’s net derivative exposure may be up to 50% of the fund’s net asset value.

### What are the key risks?

Investment involves risks. Please refer to the Explanatory Memorandum for details including the risk factors. Where applicable, reference to the fund in this section includes reference to the Underlying Fund.

#### Risk to Capital and Income (Investment Risk)

- The assets of the fund are subject to fluctuations (increase or decrease) in value. There is no guarantee of repayment of principal and you may not get back the original amount invested. Past performance is no guarantee of future performance.

#### Risks of investing in other collective investment schemes/funds

The fund by investing solely in the Underlying Fund is subject to the following risks associated with the Underlying Fund:

- The fund does not have control of the investments of the Underlying Fund and there is no assurance that the investment objective and strategy of the Underlying Fund will be successfully achieved. This may have a negative impact to the net asset value of the fund.
- There may be additional costs involved when investing into the Underlying Fund. There is also no guarantee that the Underlying Fund will always have sufficient liquidity to meet the fund's redemption requests as and when made.

#### Foreign Currency Risk

- The fund's assets may be denominated in currencies other than the base currency of the fund. Fluctuations in the exchange rates between these currencies and the base currency as well as changes in exchange rate controls may adversely affect the fund's net asset value.

#### Bonds and Other Debt Instruments

- The value of bonds or other debt instruments will fluctuate depending on e.g. market interest rates, the credit quality of the issuer, the currency of the investment (when it is different from the base currency of the fund) and liquidity considerations. In general, the prices of debt instruments rise when interest rates fall, whilst their prices fall when interest rates rise.

#### *Downgrading risk*

- The credit rating of a debt instrument or its issuer may subsequently be downgraded. In the event of such downgrading, the value of the fund may be adversely affected. The investment manager of the Underlying Fund may or may not be able to dispose of the debt instruments that are being downgraded.

#### *Credit/Default risk*

- Investments may be adversely affected if any of the institutions with which money is deposited suffers insolvency or are otherwise unable to pay interest or principal (default). Credit risk also arises from the uncertainty about the ultimate repayment of principal and interest from bond or other debt instrument investments by the issuers of such securities. 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.

#### *Credit rating risk*

- Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.

#### Sovereign Debt Risk

- The fund's investment in securities issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/or interest when due or may request the fund to participate in restructuring such debts. The fund may suffer significant losses when there is a default of sovereign debt issuers.

#### Valuation Risk

- Valuation of the fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the net asset value calculation of the fund.

#### Eurozone Risk

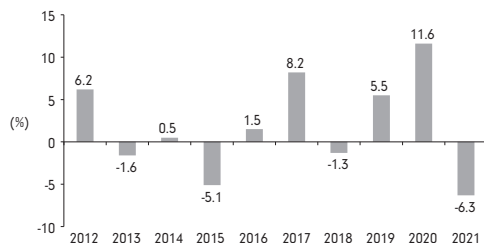
- In light of ongoing concerns on the sovereign debt risk of certain countries within the Eurozone, the fund's investments in the region may be subject to higher volatility, liquidity, currency, and default risks. Any adverse events, such as credit downgrade of a sovereign or exit of EU members from the Eurozone, may have a negative impact on the value of the fund.

#### Financial Derivative Instruments

- Although the fund will not use derivatives for investment purposes, the use of derivatives may give rise to liquidity risk, counterparty credit risk, volatility risk, valuations risks and over-the-counter transaction risk at times. Exposure to financial derivative instruments may lead to a high risk of significant loss by the fund.

## Fidelity Advantage Portfolio Fund – World Bond Fund

### How has the fund performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividend reinvested.
- These figures show by how much the Ordinary Units increased or decreased in value during the calendar year being shown. Performance data has been calculated in USD including ongoing charges and excluding any subscription fees and realisation fees you might have to pay.
- Fund launch date: 2003
- Ordinary Units launch date: 2003
- The Investment Manager views Ordinary Units, having the longest track record and denominated in the fund's base currency, as the most appropriate representative unit class.

### Is there any guarantee?

This fund does not have any guarantees. You may not get back the full amount of money you invested.

### What are the fees and charges?

#### Charges which may be payable by you

You have to pay the following fees when dealing in units of the fund.

Classes of Units	Subscription Fee	Switching Fee	Realisation Fee
Ordinary	Currently waived	5.0% of issue price of Unit in New Sub-Fund	N/A
Administration	Currently waived	5.0% of issue price of Unit in New Sub-Fund	N/A
Savings	Currently waived	Nil	N/A

#### Ongoing fees payable by the fund

The following expenses will have to be paid out of the fund. They affect you because they reduce the return you get on your investments.

Classes of Units	Investment Management Fee	Trustee Fee	Performance Fee	Administration Fee
Ordinary	0.75% p.a. of net asset value	Currently waived	N/A	N/A
Administration	0.75% p.a. of net asset value	Currently waived	N/A	0.45% p.a. of net asset value attributable to Administration Units
Savings	0.75% p.a. of net asset value	Currently waived	N/A	0.50% p.a. of net asset value attributable to Savings Units

#### Other Fees

You may have to pay other fees when dealing in units of the fund. Any other fees and charges are described in the Explanatory Memorandum. You should note that some fees may be increased, up to a specified permitted maximum, by giving Unitholders at least three months' prior notice. For details, please refer to the Explanatory Memorandum.



## Fidelity Advantage Portfolio Fund – World Bond Fund

### Additional Information

- You generally buy, redeem or switch units at the fund's next-determined net asset value after your request is received in good order at or before 12.00 noon (Hong Kong time) on a dealing day, being the fund's dealing cut-off time.
- The net asset value of this fund is calculated and the price of units is published each business day. Unit prices of the fund will be published on [www.fidelity.com.hk](http://www.fidelity.com.hk).<sup>1</sup>
- For further information on the past performance of other unit classes offered to Hong Kong investors, please refer to [www.fidelity.com.hk](http://www.fidelity.com.hk).<sup>1</sup>
- Investors may obtain information from Fidelity Investor Hotline at (852) 2629 2629.

<sup>1</sup> Please note that the website has not been reviewed by the SFC.

### Important

If you are in doubt, you should seek professional advice. The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

*This statement provides you with key information about this product.  
This statement is part of the Explanatory Memorandum.  
You should not invest in this product based on this statement alone.*

### Quick facts

**Investment Manager:** FIL Investment Management (Hong Kong) Limited

**Trustee and Custodian:** HSBC Institutional Trust Services (Asia) Limited

**Dealing frequency:** Daily

**Base currency:** HKD

**Ongoing charges over a year<sup>^</sup>:**

Ordinary Units:	0.60%
Administration Units:	1.05%
Savings Units:	1.10%

<sup>^</sup> The ongoing charge figure for each class of units is based on ongoing expenses chargeable to the relevant class for the year ended 31 December 2021 expressed as a percentage of the average net asset value of the relevant class for the same period. This figure may vary from year to year.

**Dividend policy:** No dividends will be paid. All interest and other income earned on the investment will be retained in the fund.

**Financial year end of this fund:** 31 December

<b>Minimum investment:</b>	<u>Initial Investment</u>	<u>Subsequent Investment</u>
Ordinary Units	USD 500,000	Nil
Administration Units	USD 500,000	Nil
Savings Units	Nil	HKD 8,000

The Manager has discretion to accept subscriptions for lower amounts than specified above.

### What is this product?

Fidelity Advantage Portfolio Fund is a unit trust constituted by the Trust Deed and governed by Hong Kong law. The fund is a feeder fund that invests in the Tracker Fund of Hong Kong.

### Objectives and Investment Policy

- The fund aims to achieve long-term capital growth in HK dollar terms for investors including savings plans and retirement benefits schemes.
- The fund is a feeder fund that invests solely into the Tracker Fund of Hong Kong (“**TraHK**”, or the “**Underlying Fund**”).
- TraHK’s investment objective is to provide investment results that closely correspond to the performance of the Hang Seng Index (the “**Underlying Index**”). The manager of TraHK seeks to achieve the investment objective of TraHK by investing all, or substantially all, of TraHK’s assets in shares in the constituent companies of the Hang Seng Index in substantially the same weightings as they appear in the Hang Seng Index. The manager of TraHK may also invest in certain other permitted investments in seeking to meet the investment objective of TraHK. The manager of TraHK will rebalance TraHK’s portfolio of investments from time to time to reflect any changes to the composition of, or the weighting of shares in, the Hang Seng Index.

### Use of derivatives

The fund’s net derivative exposure may be up to 50% of the fund’s net asset value.

## What are the key risks?

Investment involves risks. Please refer to the Explanatory Memorandum for details including the risk factors. Where applicable, reference to the fund in this section includes reference to the Underlying Fund.

### Risk to Capital and Income (Investment Risk)

- The assets of the fund are subject to fluctuations (increase or decrease) in value. There is no guarantee of repayment of principal and you may not get back the original amount invested. Past performance is no guarantee of future performance.

### Risks of investing in other collective investment schemes/funds

The fund by investing solely in the Underlying Fund is subject to the following risks associated with the Underlying Fund:

- The fund does not have control of the investments of the Underlying Fund and there is no assurance that the investment objective and strategy of the Underlying Fund will be successfully achieved. This may have a negative impact to the net asset value of the fund.
- There may be additional costs involved when investing into the Underlying Fund. There is also no guarantee that the Underlying Fund will always have sufficient liquidity to meet the fund's redemption requests as and when made.

### Equities

- The fund's investment in equities securities may fluctuate, sometimes dramatically, in response to the activities and results of individual companies or because of general market and economic conditions or other events including changes in investment sentiment, political and economic conditions and issuer-specific factors.

### Valuation Risk

- Valuation of the fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the net asset value calculation of the fund.

### Investment Concentration

- At times, the fund will invest in a relatively small number of investments or issuers and may experience a more volatile net asset value as a result of this concentration of holdings relative to a fund that diversifies across a larger number of investments or issuers.

### Geographical Concentration

- The fund's investments are concentrated in a single or small number of countries/localities and may have greater exposures to the market, political, policy, foreign exchange, liquidity, tax, legal, regulatory, economic and social risks of those countries/localities, and the value of the fund may be more volatile than a fund which diversifies across a larger number of countries/localities.

### Emerging Markets Risks

- The fund invests in emerging market securities which may involve increased risks and special considerations not typically associated with the investment in securities in more developed markets. The price of these securities may be more volatile and/or less liquid than those of securities in more developed markets.
- This volatility or lack of liquidity may stem from political, economic, legal, taxation, settlement, transfer of securities, custody and currency/currency control factors.
- Although care is taken to understand and manage these risks, the fund and accordingly the unitholders in the fund will ultimately bear the risks associated with investing in these markets.

### Financial Derivative Instruments

- Although the fund will not use derivatives for investment purposes, the use of derivatives may give rise to liquidity risk, counterparty credit risk, volatility risk, valuations risks and over-the-counter transaction risk at times. Exposure to financial derivative instruments may lead to a high risk of significant loss by the fund.

### Risk of Investing in Index-Tracking Fund

The fund, by investing in the Underlying Fund, which is an index-tracking fund, can be subject to the following risks:

#### *Passive investment risk*

- The fund is subject to the fluctuations and adverse conditions in the market which the Underlying Index seeks to track. Both the Investment Manager and the manager of the Underlying Fund do not have discretion to take defensive positions where the market represented by the Underlying Index decline due to the nature of index-tracking fund. Hence, any fall in the Underlying Index may result in corresponding fall in the value of the Underlying Fund and hence the fund.
- The index composition may change from time to time and both the Investment Manager and the manager of the Underlying Fund have no control over the selection of the constituent stocks comprising of the Underlying Index.

## Fidelity Advantage Portfolio Fund – Tracker Fund Portfolio

### *Tracking error risk*

- While the Underlying Fund in which the fund invests will seek to track the performance of the Underlying Index, changes in the net asset value of the Underlying Fund (and potentially that of the fund) may not replicate exactly changes in the Underlying Index. This is due to, among other factors, the fees and expenses payable by the fund and transaction fees and stamp duty incurred in adjusting the composition of the investment portfolio according to changes in the Underlying Index, dividends received but not distributed, and the use of representative sampling strategy (if applicable) which involves exclusion of certain index constituents by the Underlying Fund. There can be no assurance that the performance of the Underlying Fund will be identical to the performance of the Underlying Index.
- Market disruptions and regulatory restrictions could adversely impact the Underlying Fund's ability to adjust its exposure to the required levels in order to track the Underlying Index.

### *Other risks*

- The market price of the units in the Underlying Fund may sometimes trade above or below its net asset value. There is a risk, therefore, that the fund may not be able to buy or sell at a price close to the net asset value of the Underlying Fund.
- Any license granted to the Underlying Fund or its investment manager for the use of, and reference to, the Underlying Index, may be terminated, or the Underlying Index may cease to be operated or available. As a result, the Underlying Fund may be terminated. In such circumstances, the Investment Manager may seek a replacement of the Underlying Fund, or where applicable the fund may be terminated if no suitable replacement underlying fund is found. Such replacement may have adverse impact on the performance of the fund.
- In addition, as the fund may hold cash to meet redemption/switching requests and/or to pay for expenses and the calculation of the performance of the fund is on an after-fee basis, tracking error resulted from such cash holding and fee deduction from the fund would be unavoidable.

### **Risks relating to the Underlying Fund**

The fund by investing solely in the Underlying Fund is subject to the following risks relating to the Underlying Fund:

- None of the manager or the trustee of the Underlying Fund, or the Hong Kong Government are related to the Fidelity Advantage Portfolio Fund or the fund and none of these entities will have any liability in connection with the Fidelity Advantage Portfolio Fund or the fund.
- The performance of the Underlying Fund and the performance by the manager and the trustee of the Underlying Fund of their respective obligations are not guaranteed. There is no guarantee or assurance that the investment objective of the Underlying Fund will be met.
- The fund does not have control of the investments of the Underlying Fund and there is no assurance that the investment objective and strategy of the Underlying Fund will be successfully achieved. This may have a negative impact to the net asset value of the fund.
- There may be additional costs involved when investing into the Underlying Fund. There is also no guarantee that the Underlying Fund will always have sufficient liquidity to meet the fund's redemption requests as and when made.
- The Underlying Fund may be subject to early liquidation in circumstances set out in its offering documents. In such event, the Underlying Fund would have to distribute to unitholders their pro rata interest in the assets of the Underlying Fund, and the investments held by the fund in the Underlying Fund may be worth less than the initial cost of such investments, resulting in a loss to the fund. In addition, the fund may also be terminated if no suitable replacement underlying fund is found.
- The investments of the Underlying Fund may be periodically rebalanced and therefore the Underlying Fund may incur greater transaction costs than a fund with static allocation strategy.

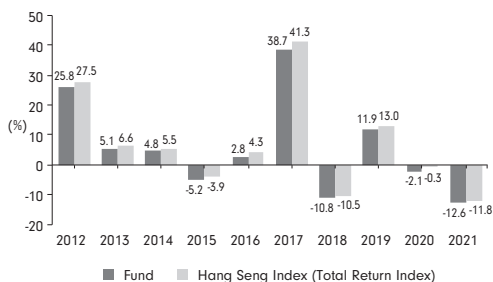
### **Risks relating to the Underlying Index**

By providing investment results that closely track the performance of the Underlying Index, the fund, by investing in the Underlying Fund, is subject to following risks relating to the Underlying Index:

- The Underlying Index may experience volatility or decline, and the price of the units in the Underlying Fund will vary or decline accordingly which in turn may have adverse impact on the performance of the fund.
- No warranty, representation or guarantee is given as to the accuracy or completeness of the Underlying Index and its computation or any information related thereto. The process and the basis of computing and compiling the Underlying Index and any of its related formulae, constituent companies and factors may at any time be changed or altered by the index provider without notice.
- Errors in index data may occur from time to time and may not be identified and corrected for a period of time, and may have an adverse impact on the Underlying Fund and its investors (including the fund).

## Fidelity Advantage Portfolio Fund – Tracker Fund Portfolio

### How has the fund performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividend reinvested.
- These figures show by how much the Ordinary Units increased or decreased in value during the calendar year being shown. Performance data has been calculated in HKD including ongoing charges and excluding any subscription fees and realisation fees you might have to pay.
- The fund is a feeder fund that invests in the Tracker Fund of Hong Kong, which seeks to provide investment results that closely correspond to the performance of the Hang Seng Index. The performance of the Hang Seng Index (Total Return Index) is provided for reference as the semi-annual distribution (if any) paid by the Tracker Fund of Hong Kong to the fund will be reinvested in the Tracker Fund of Hong Kong.
- Fund launch date: 2006
- Ordinary Units launch date: 2006
- The Investment Manager views Ordinary Units, having the longest track record and denominated in the fund's base currency, as the most appropriate representative unit class.

### Is there any guarantee?

This fund does not have any guarantees. You may not get back the full amount of money you invested.

### What are the fees and charges?

#### Charges which may be payable by you

You have to pay the following fees when dealing in units of the fund.

Classes of Units	Subscription Fee	Switching Fee	Realisation Fee
Ordinary	Currently waived	5.0% of issue price of Unit in New Sub-Fund	N/A
Administration	Currently waived	5.0% of issue price of Unit in New Sub-Fund	N/A
Savings	Currently waived	Nil	N/A

#### Ongoing fees payable by the fund

The following expenses will have to be paid out of the fund. They affect you because they reduce the return you get on your investments.

	The fund	The Underlying Fund	Aggregate fees
<b>Investment Management Fee</b>	N/A	The annual investment management fee of the Underlying Fund is calculated as the sum of: <ul style="list-style-type: none"> <li>(a) 0.050% per annum on the first HK\$15 billion of the net asset value;</li> <li>(b) 0.045% per annum on the next HK\$15 billion of the net asset value;</li> <li>(c) 0.030% per annum on the next HK\$15 billion of the net asset value; and</li> <li>(d) 0.025% per annum on the remaining balance of the net asset value.</li> </ul>	<u>The Underlying Fund's level -</u> The annual investment management fee of the Underlying Fund is calculated as the sum of: <ul style="list-style-type: none"> <li>(a) 0.050% per annum on the first HK\$15 billion of the net asset value;</li> <li>(b) 0.045% per annum on the next HK\$15 billion of the net asset value;</li> <li>(c) 0.030% per annum on the next HK\$15 billion of the net asset value; and</li> <li>(d) 0.025% per annum on the remaining balance of the net asset value.</li> </ul>

## Fidelity Advantage Portfolio Fund – Tracker Fund Portfolio

	The fund	The Underlying Fund	Aggregate fees
<b>Servicing Fee</b>	<u>All Classes</u> : 0.35% p.a. of net asset value	N/A	<u>All Classes</u> : 0.35% p.a. of net asset value
<b>Trustee Fee</b>	<u>All Classes</u> : 0.07% p.a. of net asset value	The annual trustee fee of the Underlying Fund is calculated as the sum of: (a) 0.050% per annum on the first HK\$15 billion of the net asset value; (b) 0.045% per annum on the next HK\$15 billion of the net asset value; (c) 0.030% per annum on the next HK\$15 billion of the net asset value; and (d) 0.025% per annum on the remaining balance of the net asset value.	<u>The fund's level</u> : 0.07% p.a. of net asset value <u>The Underlying Fund's level</u> - The annual trustee fee of the Underlying Fund is calculated as the sum of: (a) 0.050% per annum on the first HK\$15 billion of the net asset value; (b) 0.045% per annum on the next HK\$15 billion of the net asset value; (c) 0.030% per annum on the next HK\$15 billion of the net asset value; and (d) 0.025% per annum on the remaining balance of the net asset value.
<b>Performance Fee (Incentive Fee)</b>	Nil	N/A	Nil
<b>Administration Fee</b>	<u>Ordinary Units</u> : N/A <u>Administration Units</u> : 0.45% p.a. of net asset value attributable to Administration Units <u>Savings Units</u> : 0.50% p.a. of net asset value attributable to Savings Units	N/A	<u>Ordinary Units</u> : N/A <u>Administration Units</u> : 0.45% p.a. of net asset value attributable to Administration Units <u>Savings Units</u> : 0.50% p.a. of net asset value attributable to Savings Units
<b>Registrar Fee</b>	N/A	The monthly fee charged by the registrar of the Underlying Fund is as follows: (a) HK\$12,000 for the first 2,000 unitholders; (b) HK\$2,650 for every additional 1,000 unitholders up to 100,000 unitholders; and (c) HK\$2,250 for every additional 1,000 unitholders above 100,000 unitholders, subject to a maximum aggregate fee of HK\$1,000,000.	<u>The Underlying Fund's level</u> - The monthly fee charged by the registrar of the Underlying Fund is as follows: (a) HK\$12,000 for the first 2,000 unitholders; (b) HK\$2,650 for every additional 1,000 unitholders up to 100,000 unitholders; and (c) HK\$2,250 for every additional 1,000 unitholders above 100,000 unitholders, subject to a maximum aggregate fee of HK\$1,000,000.

### Other Fees

You may have to pay other fees when dealing in units of the fund. Any other fees and charges are described in the Explanatory Memorandum. You should note that some fees may be increased, up to a specified permitted maximum, by giving Unitholders at least three months' prior notice. For details, please refer to the Explanatory Memorandum.

**Additional Information**

- You generally buy, redeem or switch units at the fund's next-determined net asset value after your request is received in good order at or before 12.00 noon (Hong Kong time) on a dealing day, being the fund's dealing cut-off time.
- The net asset value of this fund is calculated and the price of units is published each business day. Unit prices of the fund will be published on [www.fidelity.com.hk](http://www.fidelity.com.hk).<sup>1</sup>
- For further information on the past performance of other unit classes offered to Hong Kong investors, please refer to [www.fidelity.com.hk](http://www.fidelity.com.hk).<sup>1</sup>
- Investors may obtain information from Fidelity Investor Hotline at (852) 2629 2629.

<sup>1</sup> Please note that the website has not been reviewed by the SFC.

**Important**

If you are in doubt, you should seek professional advice. The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

FIL Investment Management (Hong Kong) Limited (as Investment Manager)

April 2022

*This statement provides you with key information about this product.  
This statement is part of the Explanatory Memorandum.  
You should not invest in this product based on this statement alone.*

### Quick facts

**Investment Manager:** FIL Investment Management (Hong Kong) Limited

**Trustee and Custodian:** HSBC Institutional Trust Services (Asia) Limited

**Dealing frequency:** Daily

**Base currency:** USD

**Ongoing charges over a year<sup>^</sup>:**

Ordinary Units:	2.02%
Administration Units:	2.47%
Savings Units:	2.52%

<sup>^</sup> The ongoing charge figure for each class of units is based on ongoing expenses chargeable to the relevant class for the year ended 31 December 2021 expressed as a percentage of the average net asset value of the relevant class for the same period. This figure may vary from year to year.

**Dividend policy:** No dividends will be paid. All interest and other income earned on the investment will be retained in the fund.

**Financial year end of this fund:** 31 December

<b>Minimum investment:</b>	<u>Initial Investment</u>	<u>Subsequent Investment</u>
Ordinary Units	USD 500,000	Nil
Administration Units	USD 500,000	Nil
Savings Units	Nil	USD 1,000

The Manager has discretion to accept subscriptions for lower amounts than specified above.

### What is this product?

Fidelity Advantage Portfolio Fund is a unit trust constituted by the Trust Deed and governed by Hong Kong law. The fund is a feeder fund that invests in the Invesco Asian Equity Fund, a sub-fund of Invesco Funds.

### Objectives and Investment Policy

- The fund aims to achieve long-term capital growth in US dollar terms for investors including savings plans and retirement benefits schemes.
- The fund is a feeder fund that invests in the Invesco Asian Equity Fund, a sub-fund of the Invesco Funds (the “Underlying Fund”).
- The objective of the Underlying Fund is to achieve long-term capital growth. The Underlying Fund seeks to achieve its objective by investing primarily (at least 70% of the net asset value of the Underlying Fund) in equity or equity related securities of (i) companies and other entities with their registered office in an Asian country, (ii) companies and other entities with their registered office outside of Asia but carrying out their business activities predominantly in one or more Asian countries or (iii) holding companies, the interests of which are predominantly invested in companies with their registered office in an Asian country. Up to 10% of the net asset value of the Underlying Fund may be exposed to China A shares listed on the Shanghai Stock Exchange or Shenzhen Stock Exchange, via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock connect programmes. Up to 30% of the net asset value of the Underlying Fund may be invested in cash and cash equivalents, money market instruments, equity and equity related securities issued by companies and other entities not meeting the above requirements or debt securities (including convertibles) of Asian issuers. For the avoidance of doubt, less than 30% of the net asset value of the Underlying Fund may be invested in debt securities (including convertible debt/bonds). Not more than 10% of the net asset value of the Underlying Fund may be invested in securities issued by or guaranteed by a country which is unrated (debt securities which are not rated by any international rating agency such as Moody’s, Standard & Poor’s and Fitch) and/or whose credit rating is below investment grade (below investment grade is defined as credit rating that is below BBB- from Standard & Poor’s and Fitch, or below Baa3 from Moody’s or an equivalent rating from an internationally recognized rating agency). For the purposes of this investment policy, the investment manager of the Underlying Fund has defined Asian countries as all countries in Asia excluding Japan, Australia and New Zealand.



- The Underlying Fund may use derivatives (including but not limited to futures, forwards, non-deliverable forwards, swaps and complex options structures) for hedging and efficient portfolio management purposes. Such derivatives may also incorporate derivatives on derivatives (i.e. forward dated swaps, swap options). However, financial derivative instruments will not be extensively used by the Underlying Fund for investment purposes (i.e. entering into financial derivative instruments to achieve the investment objectives).

### Use of derivatives

The fund's net derivative exposure may be up to 50% of the fund's net asset value.

### What are the key risks?

**Investment involves risks. Please refer to the Explanatory Memorandum for details including the risk factors. Where applicable, reference to the fund in this section includes reference to the Underlying Fund.**

#### Risk to Capital and Income (Investment Risk)

- The assets of the fund are subject to fluctuations (increase or decrease) in value. There is no guarantee of repayment of principal and you may not get back the original amount invested. Past performance is no guarantee of future performance.

#### Risks of investing in other collective investment schemes/funds

The fund by investing solely in the Underlying Fund is subject to the following risks associated with the Underlying Fund:

- The fund does not have control of the investments of the Underlying Fund and there is no assurance that the investment objective and strategy of the Underlying Fund will be successfully achieved. This may have a negative impact to the net asset value of the fund.
- There may be additional costs involved when investing into the Underlying Fund. There is also no guarantee that the Underlying Fund will always have sufficient liquidity to meet the fund's redemption requests as and when made.

#### Foreign Currency Risk

- The fund's assets may be denominated in currencies other than the base currency of the fund. Fluctuations in the exchange rates between these currencies and the base currency as well as changes in exchange rate controls may adversely affect the fund's net asset value.

#### Equities

- The fund's investment in equities securities may fluctuate, sometimes dramatically, in response to the activities and results of individual companies or because of general market and economic conditions or other events including changes in investment sentiment, political and economic conditions and issuer-specific factors.

#### Valuation Risk

- Valuation of the fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the net asset value calculation of the fund.

#### Emerging Markets Risks

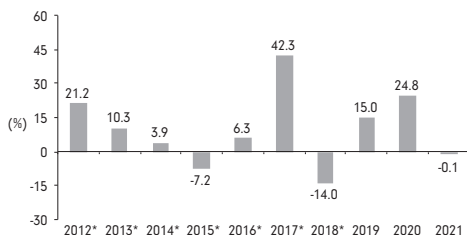
- The fund invests in emerging market securities which may involve increased risks and special considerations not typically associated with the investment in securities in more developed markets. The price of these securities may be more volatile and/or less liquid than those of securities in more developed markets.
- This volatility or lack of liquidity may stem from political, economic, legal, taxation, settlement, transfer of securities, custody and currency/currency control factors.
- Although care is taken to understand and manage these risks, the fund and accordingly the unitholders in the fund will ultimately bear the risks associated with investing in these markets.

#### Financial Derivative Instruments

- Although the fund will not use derivatives for investment purposes, the use of derivatives may give rise to liquidity risk, counterparty credit risk, volatility risk, valuations risks and over-the-counter transaction risk at times. Exposure to financial derivative instruments may lead to a high risk of significant loss by the fund.

## Fidelity Advantage Portfolio Fund – Invesco Asian Equity Fund

### How has the fund performed?



\* The fund changed its underlying fund in 2018. The performance of these years were achieved under circumstances that no longer apply.

- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividend reinvested.
- These figures show by how much the Ordinary Units increased or decreased in value during the calendar year being shown. Performance data has been calculated in USD including ongoing charges and excluding any subscription fees and realisation fees you might have to pay.
- Fund launch date: 2006
- Ordinary Units launch date: 2006
- The Investment Manager views Ordinary Units, having the longest track record and denominated in the fund's base currency, as the most appropriate representative unit class.

### Is there any guarantee?

This fund does not have any guarantees. You may not get back the full amount of money you invested.

### What are the fees and charges?

#### Charges which may be payable by you

You have to pay the following fees when dealing in units of the fund.

Classes of Units	Subscription Fee	Switching Fee	Realisation Fee
Ordinary	Currently waived	5.0% of issue price of Unit in New Sub-Fund	N/A
Administration	Currently waived	5.0% of issue price of Unit in New Sub-Fund	N/A
Savings	Currently waived	Nil	N/A

#### Ongoing fees payable by the fund

The following expenses will have to be paid out of the fund. They affect you because they reduce the return you get on your investments.

Classes of Units	Servicing Fee	Trustee Fee	Performance Fee	Administration Fee
Ordinary	Up to 1.50% p.a. of net asset value	0.07% p.a. of net asset value	N/A	N/A
Administration	Up to 1.50% p.a. of net asset value	0.07% p.a. of net asset value	N/A	0.45% p.a. of net asset value attributable to Administration Units
Savings	Up to 1.50% p.a. of net asset value	0.07% p.a. of net asset value	N/A	0.50% p.a. of net asset value attributable to Savings Units

The fund will indirectly bear a proportion of the fees and charges of the Underlying Fund in which it invests. The current investment management fee of the Underlying Fund is 1.50% p.a. of net asset value. The Manager intends to procure an investment management fee rebate from the investment manager of the Underlying Fund. The rebate will be paid to the fund and form part of the assets of the fund, with the intention that the net investment management fee payable to the investment manager of the Underlying Fund and the servicing fee payable to the Manager will not exceed 1.50% p.a. of net asset value.

#### Other Fees

You may have to pay other fees when dealing in units of the fund. Any other fees and charges are described in the Explanatory Memorandum. You should note that some fees may be increased, up to a specified permitted maximum, by giving Unitholders at least three months' prior notice. For details, please refer to the Explanatory Memorandum.

## Fidelity Advantage Portfolio Fund – Invesco Asian Equity Fund

### Additional Information

- You generally buy, redeem or switch units at the fund's next-determined net asset value after your request is received in good order at or before 12.00 noon (Hong Kong time) on a dealing day, being the fund's dealing cut-off time.
- The net asset value of this fund is calculated and the price of units is published each business day. Unit prices of the fund will be published on [www.fidelity.com.hk](http://www.fidelity.com.hk).<sup>1</sup>
- For further information on the past performance of other unit classes offered to Hong Kong investors, please refer to [www.fidelity.com.hk](http://www.fidelity.com.hk).<sup>1</sup>
- Investors may obtain information from Fidelity Investor Hotline at (852) 2629 2629.

<sup>1</sup> Please note that the website has not been reviewed by the SFC.

### Important

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FIL Investment Management (Hong Kong) Limited (as Investment Manager)

April 2022

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 You should not invest in this product based on this statement alone.*

**Quick facts**
**Investment Manager:** FIL Investment Management (Hong Kong) Limited

**Trustee and Custodian:** HSBC Institutional Trust Services (Asia) Limited

**Dealing frequency:** Daily

**Base currency:** USD

**Ongoing charges over a year<sup>^</sup>:**

Ordinary Units:	0.16%
Administration Units:	0.15%
Savings Units:	0.15%

<sup>^</sup> The ongoing charge figure for each class of units is based on ongoing expenses chargeable to the relevant class for the year ended 31 December 2021 net of rebates or waivers, and is expressed as a percentage of the average net asset value of the relevant class for the same period. The applicable level of rebate or waiver made to the fund will be reviewed by the Investment Manager from time to time and in any case by the end of each financial year. This figure may vary from year to year.

**Dividend policy:** No dividends will be paid. All interest and other income earned on the investment will be retained in the fund.

**Financial year end of this fund:** 31 December

<b>Minimum investment:</b>	<u>Initial Investment</u>	<u>Subsequent Investment</u>
Ordinary Units	USD 500,000	Nil
Administration Units	USD 500,000	Nil
Savings Units	Nil	USD 1,000

The Manager has discretion to accept subscriptions for lower amounts than specified above.

**What is this product?**

Fidelity Advantage Portfolio Fund is a unit trust constituted by the Trust Deed and governed by Hong Kong law. The fund is a feeder fund that invests in the Fidelity Global Investment Fund – US\$ Money Fund.

**Objectives and Investment Policy**

- The fund aims to achieve long-term capital growth in US dollar terms for investors including savings plans and retirement benefits schemes.
- The objective of the fund is to achieve a wholesale rate of return for US dollars.
- The fund is a feeder fund that invests in the Fidelity Global Investment Fund – US\$ Money Fund (the “**Underlying Fund**”). The Underlying Fund focuses investments (i.e. at least 70% of its net asset value) into USD denominated short term deposits and money market instruments issued globally (including emerging markets).
- The Underlying Fund intends to minimize risk to the capital.
- The largest ten holdings/securities to which the Underlying Fund may have exposure may account for 50% or more of its net asset value, resulting in a reasonably concentrated portfolio.

**Use of derivatives**

The fund’s net derivative exposure may be up to 50% of the fund’s net asset value.

### **What are the key risks?**

**Investment involves risks. Please refer to the Explanatory Memorandum for details including the risk factors. The fund is not bank deposit. Where applicable, reference to the fund in this section includes reference to the Underlying Fund.**

#### **Risk to Capital and Income (Investment Risk)**

- The assets of the fund are subject to fluctuations (increase or decrease) in value. There is no guarantee of repayment of principal and you may not get back the original amount invested. Past performance is no guarantee of future performance.

#### **Risks of investing in other collective investment schemes/funds**

The fund by investing solely in the Underlying Fund is subject to the following risks associated with the Underlying Fund:

- The fund does not have control of the investments of the Underlying Fund and there is no assurance that the investment objective and strategy of the Underlying Fund will be successfully achieved. This may have a negative impact to the net asset value of the fund.
- There may be additional costs involved when investing into the Underlying Fund. There is also no guarantee that the Underlying Fund will always have sufficient liquidity to meet the fund's redemption requests as and when made.

#### **Risk of Investing in Money Market Fund**

- An investment in a money market fund is neither insured nor guaranteed by any government, government agencies or government-sponsored agencies or any bank guarantee fund. The fund does not guarantee a stable net asset value. The performance of a money market fund may be affected by changes in money market rates, economic and market conditions and in legal, regulatory and tax requirements. In a low interest rate environment or during adverse market conditions, the money market fund may invest in negative yield instruments which may adversely impact the net asset value of the fund.

#### **Bonds and Other Debt Instruments**

- The value of bonds or other debt instruments will fluctuate depending on e.g. market interest rates, the credit quality of the issuer, the currency of the investment (when it is different from the base currency of the fund) and liquidity considerations. In general, the prices of debt instruments rise when interest rates fall, whilst their prices fall when interest rates rise.

#### *Downgrading risk*

- The credit rating of a debt instrument or its issuer may subsequently be downgraded. In the event of such downgrading, the value of the fund may be adversely affected. The investment manager of the Underlying Fund may or may not be able to dispose of the debt instruments that are being downgraded.

#### *Credit/Default risk*

- Investments may be adversely affected if any of the institutions with which money is deposited suffers insolvency or are otherwise unable to pay interest or principal (default). Credit risk also arises from the uncertainty about the ultimate repayment of principal and interest from bond or other debt instrument investments by the issuers of such securities. 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.

#### *Credit rating risk*

- Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.

#### **Valuation Risk**

- Valuation of the fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the net asset value calculation of the fund.

#### **Investment Concentration**

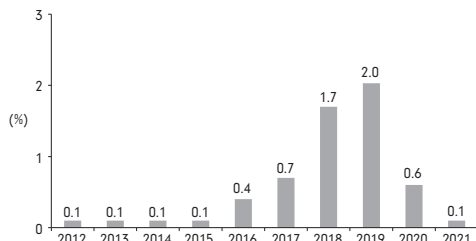
- At times, the fund will invest in a relatively small number of investments or issuers and may experience a more volatile net asset value as a result of this concentration of holdings relative to a fund that diversifies across a larger number of investments or issuers.

#### **Emerging Markets Risks**

- The fund invests in emerging market securities which may involve increased risks and special considerations not typically associated with the investment in securities in more developed markets. The price of these securities may be more volatile and/or less liquid than those of securities in more developed markets.
- This volatility or lack of liquidity may stem from political, economic, legal, taxation, settlement, transfer of securities, custody and currency/currency control factors.
- Although care is taken to understand and manage these risks, the fund and accordingly the unitholders in the fund will ultimately bear the risks associated with investing in these markets.

## Fidelity Advantage Portfolio Fund – US Dollar Money Fund

### How has the fund performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividend reinvested.
- These figures show by how much the Ordinary Units increased or decreased in value during the calendar year being shown. Performance data has been calculated in USD including ongoing charges and excluding any subscription fees and realisation fees you might have to pay.
- Fund launch date: 1995
- Ordinary Units launch date: 1995
- The Investment Manager views Ordinary Units, having the longest track record and denominated in the fund's base currency, as the most appropriate representative unit class.

### Is there any guarantee?

This fund does not have any guarantees. You may not get back the full amount of money you invested.

### What are the fees and charges?

#### Charges which may be payable by you

You have to pay the following fees when dealing in units of the fund.

Classes of Units	Subscription Fee	Switching Fee	Realisation Fee
Ordinary	Currently waived	5.0% of issue price of Unit in New Sub-Fund	N/A
Administration	Currently waived	5.0% of issue price of Unit in New Sub-Fund	N/A
Savings	Currently waived	Nil	N/A

#### Ongoing fees payable by the fund

The following expenses will have to be paid out of the fund. They affect you because they reduce the return you get on your investments.

Classes of Units	Investment Management Fee	Trustee Fee	Performance Fee	Administration Fee
Ordinary	0.25% p.a. of net asset value	Currently waived	N/A	N/A
Administration	0.25% p.a. of net asset value	Currently waived	N/A	0.45% p.a. of net asset value attributable to Administration Units
Savings	0.25% p.a. of net asset value	Currently waived	N/A	0.50% p.a. of net asset value attributable to Savings Units

#### Other Fees

You may have to pay other fees when dealing in units of the fund. Any other fees and charges are described in the Explanatory Memorandum. You should note that some fees may be increased, up to a specified permitted maximum, by giving Unitholders at least three months' prior notice. For details, please refer to the Explanatory Memorandum.

## Fidelity Advantage Portfolio Fund – US Dollar Money Fund

### Additional Information

- You generally buy, redeem or switch units at the fund's next-determined net asset value after your request is received in good order at or before 12.00 noon (Hong Kong time) on a dealing day, being the fund's dealing cut-off time.
- The net asset value of this fund is calculated and the price of units is published each business day. Unit prices of the fund will be published on [www.fidelity.com.hk](http://www.fidelity.com.hk).<sup>1</sup>
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- Investors may obtain information from Fidelity Investor Hotline at (852) 2629 2629.

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FIL Investment Management (Hong Kong) Limited (as Investment Manager)

April 2022

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This statement is part of the Explanatory Memorandum.  
You should not invest in this product based on this statement alone.*

### Quick facts

**Investment Manager:** FIL Investment Management (Hong Kong) Limited

**Trustee and Custodian:** HSBC Institutional Trust Services (Asia) Limited

**Dealing frequency:** Daily

**Base currency:** HKD

**Ongoing charges over a year<sup>^</sup>:**

Ordinary Units:	0.09%
Administration Units:	0.09%
Savings Units:	0.09%

<sup>^</sup> The ongoing charge figure for each class of units is based on ongoing expenses chargeable to the relevant class for the year ended 31 December 2021 net of rebates or waivers, and is expressed as a percentage of the average net asset value of the relevant class for the same period. The applicable level of rebate or waiver made to the fund will be reviewed by the Investment Manager from time to time and in any case by the end of each financial year. This figure may vary from year to year.

**Dividend policy:** No dividends will be paid. All interest and other income earned on the investment will be retained in the fund.

**Financial year end of this fund:** 31 December

<b>Minimum investment:</b>	<u>Initial Investment</u>	<u>Subsequent Investment</u>
Ordinary Units	USD 500,000	Nil
Administration Units	USD 500,000	Nil
Savings Units	Nil	HKD 8,000

The Manager has discretion to accept subscriptions for lower amounts than specified above.

### What is this product?

Fidelity Advantage Portfolio Fund is a unit trust constituted by the Trust Deed and governed by Hong Kong law. The fund is a feeder fund that invests in the Fidelity Global Investment Fund – HK\$ Money Fund.

### Objectives and Investment Policy

- The fund aims to achieve long-term capital growth in HK dollar terms for investors including savings plans and retirement benefits schemes.
- The investment objective and policy of the fund is to achieve a wholesale rate of return for HK dollars.
- The fund is a feeder fund that invests in the Fidelity Global Investment Fund – HK\$ Money Fund (the “**Underlying Fund**”). The Underlying Fund focuses investments (at least 70% of its net asset value) into HKD denominated short term deposits and money market instruments issued globally (including emerging markets)
- The Underlying Fund intends to minimize risk to the capital.
- The portfolio of the Underlying Fund will be held in HKD deposits and money market instruments and invested in a manner consistent with those set out in the Mandatory Provident Fund Schemes (General) Regulation.
- The largest ten holdings/securities to which the Underlying Fund may have exposure may account for 50% or more of its net asset value, resulting in a reasonably concentrated portfolio.

### Use of derivatives

The fund’s net derivative exposure may be up to 50% of the fund’s net asset value.



## What are the key risks?

Investment involves risks. Please refer to the Explanatory Memorandum for details including the risk factors. The fund is not bank deposit. Where applicable, reference to the fund in this section includes reference to the Underlying Fund.

### Risk to Capital and Income (Investment Risk)

- The assets of the fund are subject to fluctuations (increase or decrease) in value. There is no guarantee of repayment of principal and you may not get back the original amount invested. Past performance is no guarantee of future performance.

### Risks of investing in other collective investment schemes/funds

The fund by investing solely in the Underlying Fund is subject to the following risks associated with the Underlying Fund:

- The fund does not have control of the investments of the Underlying Fund and there is no assurance that the investment objective and strategy of the Underlying Fund will be successfully achieved. This may have a negative impact to the net asset value of the fund.
- There may be additional costs involved when investing into the Underlying Fund. There is also no guarantee that the Underlying Fund will always have sufficient liquidity to meet the fund's redemption requests as and when made.

### Risk of Investing in Money Market Fund

- An investment in a money market fund is neither insured nor guaranteed by any government, government agencies or government-sponsored agencies or any bank guarantee fund. The fund does not guarantee a stable net asset value. The performance of a money market fund may be affected by changes in money market rates, economic and market conditions and in legal, regulatory and tax requirements. In a low interest rate environment or during adverse market conditions, the money market fund may invest in negative yield instruments which may adversely impact the net asset value of the fund.

### Bonds and Other Debt Instruments

- The value of bonds or other debt instruments will fluctuate depending on e.g. market interest rates, the credit quality of the issuer, the currency of the investment (when it is different from the base currency of the fund) and liquidity considerations. In general, the prices of debt instruments rise when interest rates fall, whilst their prices fall when interest rates rise.

#### *Downgrading risk*

- The credit rating of a debt instrument or its issuer may subsequently be downgraded. In the event of such downgrading, the value of the fund may be adversely affected. The investment manager of the underlying funds may or may not be able to dispose of the debt instruments that are being downgraded.

#### *Credit/Default risk*

- Investments may be adversely affected if any of the institutions with which money is deposited suffers insolvency or are otherwise unable to pay interest or principal (default). Credit risk also arises from the uncertainty about the ultimate repayment of principal and interest from bond or other debt instrument investments by the issuers of such securities. 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.

#### *Credit rating risk*

- Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.

### Valuation Risk

- Valuation of the fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the net asset value calculation of the fund.

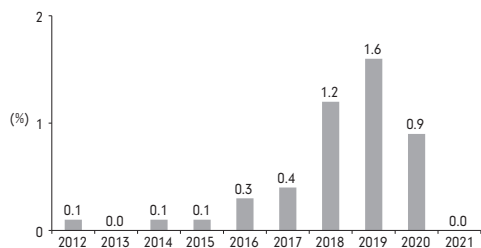
### Investment Concentration

- At times, the fund will invest in a relatively small number of investments or issuers and may experience a more volatile net asset value as a result of this concentration of holdings relative to a fund that diversifies across a larger number of investments or issuers.

### Emerging Markets Risks

- The fund invests in emerging market securities which may involve increased risks and special considerations not typically associated with the investment in securities in more developed markets. The price of these securities may be more volatile and/or less liquid than those of securities in more developed markets.
- This volatility or lack of liquidity may stem from political, economic, legal, taxation, settlement, transfer of securities, custody and currency/currency control factors.
- Although care is taken to understand and manage these risks, the fund and accordingly the unitholders in the fund will ultimately bear the risks associated with investing in these markets.

### How has the fund performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividend reinvested.
- These figures show by how much the Ordinary Units increased or decreased in value during the calendar year being shown. Performance data has been calculated in HKD including ongoing charges and excluding any subscription fees and realisation fees you might have to pay.
- Fund launch date: 1998
- Ordinary Units launch date: 1998
- The Investment Manager views Ordinary Units, having the longest track record and denominated in the fund's base currency, as the most appropriate representative unit class.

### Is there any guarantee?

This fund does not have any guarantees. You may not get back the full amount of money you invested.

### What are the fees and charges?

#### Charges which may be payable by you

You have to pay the following fees when dealing in units of the fund.

Classes of Units	Subscription Fee	Switching Fee	Realisation Fee
Ordinary	Currently waived	5.0% of issue price of Unit in New Sub-Fund	N/A
Administration	Currently waived	5.0% of issue price of Unit in New Sub-Fund	N/A
Savings	Currently waived	Nil	N/A

#### Ongoing fees payable by the fund

The following expenses will have to be paid out of the fund. They affect you because they reduce the return you get on your investments.

Classes of Units	Investment Management Fee	Trustee Fee	Performance Fee	Administration Fee
Ordinary	0.25% p.a. of net asset value	Currently waived	N/A	N/A
Administration	0.25% p.a. of net asset value	Currently waived	N/A	0.45% p.a. of net asset value attributable to Administration Units
Savings	0.25% p.a. of net asset value	Currently waived	N/A	0.50% p.a. of net asset value attributable to Savings Units

#### Other Fees

You may have to pay other fees when dealing in units of the fund. Any other fees and charges are described in the Explanatory Memorandum. You should note that some fees may be increased, up to a specified permitted maximum, by giving Unitholders at least three months' prior notice. For details, please refer to the Explanatory Memorandum.

## Fidelity Advantage Portfolio Fund – HK Dollar Money Fund

### Additional Information

- You generally buy, redeem or switch units at the fund's next-determined net asset value after your request is received in good order at or before 12.00 noon (Hong Kong time) on a dealing day, being the fund's dealing cut-off time.
- The net asset value of this fund is calculated and the price of units is published each business day. Unit prices of the fund will be published on [www.fidelity.com.hk](http://www.fidelity.com.hk).<sup>1</sup>
- For further information on the past performance of other unit classes offered to Hong Kong investors, please refer to [www.fidelity.com.hk](http://www.fidelity.com.hk).<sup>1</sup>
- Investors may obtain information from Fidelity Investor Hotline at (852) 2629 2629.

<sup>1</sup> Please note that the website has not been reviewed by the SFC.

### Important

If you are in doubt, you should seek professional advice. The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

*This statement provides you with key information about this product.  
This statement is part of the Explanatory Memorandum.  
You should not invest in this product based on this statement alone.*

### Quick facts

**Investment Manager:** FIL Investment Management (Hong Kong) Limited

**Trustee and Custodian:** HSBC Institutional Trust Services (Asia) Limited

**Dealing frequency:** Daily

**Base currency:** HKD

**Ongoing charges over a year<sup>^</sup>:**

Ordinary Units:	0.58%
Administration Units:	1.03%
Savings Units:	1.08%

<sup>^</sup> The ongoing charge figure for each class of units is based on ongoing expenses chargeable to the relevant class for the year ended 31 December 2021 net of rebates or waivers, and is expressed as a percentage of the average net asset value of the relevant class for the same period. The applicable level of rebate or waiver made to the fund will be reviewed by the Investment Manager from time to time and in any case by the end of each financial year. This figure may vary from year to year.

**Dividend policy:** No dividends will be paid. All interest and other income earned on the investment will be retained in the fund.

**Financial year end of this fund:** 31 December

<b>Minimum investment:</b>	<u>Initial Investment</u>	<u>Subsequent Investment</u>
Ordinary Units	USD 500,000	Nil
Administration Units	USD 500,000	Nil
Savings Units	Nil	HKD 8,000
The Manager has discretion to accept subscriptions for lower amounts than specified above.		

### What is this product?

Fidelity Advantage Portfolio Fund is a unit trust constituted by the Trust Deed and governed by Hong Kong law. The fund is a feeder fund that invests in the BlackRock Premier Funds - iShares World Equity Index Fund.

### Objectives and Investment Policy

- The fund aims to achieve long-term capital growth in HK dollar terms for investors including savings plans and retirement benefits schemes.
- The fund is a feeder fund that invests solely into the BlackRock Premier Funds - iShares World Equity Index Fund (the “**Underlying Fund**”), which is an SFC-authorized fund\*.
- The investment objective of the Underlying Fund is to provide investment results that, before fees and expenses, closely track the performance of the FTSE MPF All-World Index (HKD unhedged total return) (the “**Underlying Index**”). The Underlying Index consists of eligible large and mid cap companies which are listed on the Mandatory Provident Fund Schemes Authority’s approved stock exchanges and covers 90% of the investable market cap universe. Please refer to the offering documents of the Underlying Fund for further information of the Underlying Index.
- The manager of the Underlying Fund intends to invest primarily in securities included in the Underlying Index using a representative sampling strategy by investing in a portfolio featuring high correlation with the Underlying Index. The number of securities held by the Underlying Fund will vary according to the size of the Underlying Fund but is not expected to be less than 50% of the number of the index constituents at any point in time. The Underlying Fund may hold up to 10% of its net asset value in securities that are not included in, but match the characteristics of, the Underlying Index, in circumstances considered appropriate by the manager of the Underlying Fund (e.g. when the trading of the securities included in the Underlying Index are suspended; due to regulatory restriction or due to stock exchange closure).
- The Underlying Fund may invest up to 10% of its latest available net asset value in financial derivative instruments for the purposes of hedging and non-hedging including investment, and/or return optimization.
- The Underlying Fund will not directly or indirectly invest in China A shares, B shares and/or debt securities.
- The Underlying Fund currently does not intend to enter into any securities financing transactions.

## Fidelity Advantage Portfolio Fund – World Equity Index Fund

- \* The SFC authorisation is not a recommendation or endorsement of the Underlying Fund nor does it guarantee the commercial merits of the Underlying Fund or its performance. It does not mean the Underlying Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

### Use of derivatives

The fund's net derivative exposure may be up to 50% of the fund's net asset value.

### What are the key risks?

**Investment involves risks. Please refer to the Explanatory Memorandum for details including the risk factors. Where applicable, reference to the fund in this section includes reference to the Underlying Fund.**

#### Risk to Capital and Income (Investment Risk)

- The assets of the fund are subject to fluctuations (increase or decrease) in value. There is no guarantee of repayment of principal and you may not get back the original amount invested. Past performance is no guarantee of future performance.

#### Risks of investing in other collective investment schemes/funds

The fund by investing solely in the Underlying Fund is subject to the following risks associated with the Underlying Fund:

- The fund does not have control of the investments of the Underlying Fund and there is no assurance that the investment objective and strategy of the Underlying Fund will be successfully achieved. This may have a negative impact to the net asset value of the fund.
- There may be additional costs involved when investing into the Underlying Fund. There is also no guarantee that the Underlying Fund will always have sufficient liquidity to meet the fund's redemption requests as and when made.

#### Foreign Currency Risk

- The fund's assets may be denominated in currencies other than the base currency of the fund. Fluctuations in the exchange rates between these currencies and the base currency as well as changes in exchange rate controls may adversely affect the fund's net asset value.

#### Equities

- The fund's investment in equities securities may fluctuate, sometimes dramatically, in response to the activities and results of individual companies or because of general market and economic conditions or other events including changes in investment sentiment, political and economic conditions and issuer-specific factors.

#### Valuation Risk

- Valuation of the fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the net asset value calculation of the fund.

#### Financial Derivative Instruments

- Although the fund will not use derivatives for investment purposes, the use of derivatives may give rise to liquidity risk, counterparty credit risk, volatility risk, valuations risks and over-the-counter transaction risk at times. Exposure to financial derivative instruments may lead to a high risk of significant loss by the fund.

#### Risk of Investing in Index-Tracking Fund

The fund, by investing solely in the Underlying Fund, which is an index-tracking fund, can be subject to the following risks:

##### *Passive investment risk*

- The fund is subject to the fluctuations and adverse conditions in the market which the Underlying Index seeks to track. Both the Investment Manager and the manager of the Underlying Fund do not have discretion to take defensive positions where the market represented by the Underlying Index decline due to the nature of index-tracking fund. Hence, any fall in the Underlying Index may result in corresponding fall in the value of the Underlying Fund and hence the fund.
- The index composition may change from time to time and both the Investment Manager and the manager of the Underlying Fund have no control over the selection of the constituent stocks comprising of the Underlying Index.

##### *Tracking error risk*

- While the Underlying Fund in which the fund invests will seek to track the performance of the Underlying Index, changes in the net asset value of the Underlying Fund (and potentially that of the fund) may not replicate exactly changes in the Underlying Index. This is due to, among other factors, the fees and expenses payable by the fund and transaction fees and stamp duty incurred in adjusting the composition of the investment portfolio according to changes in the Underlying Index, dividends received but not distributed, and the use of representative sampling strategy (if applicable) which involves exclusion of certain index constituents by the Underlying Fund. There can be no assurance that the performance of the Underlying Fund will be identical to the performance of the Underlying Index.

## Fidelity Advantage Portfolio Fund – World Equity Index Fund

- Market disruptions and regulatory restrictions could adversely impact the Underlying Fund's ability to adjust its exposure to the required levels in order to track the Underlying Index.

### *Other risks*

- The market price of the units in the Underlying Fund may sometimes trade above or below its net asset value. There is a risk, therefore, that the fund may not be able to buy or sell at a price close to the net asset value of the Underlying Fund.
- Any license granted to the Underlying Fund or its investment manager for the use of, and reference to, the Underlying Index, may be terminated, or the Underlying Index may cease to be operated or available. As a result, the Underlying Fund may be terminated. In such circumstances, the Investment Manager may seek a replacement of the Underlying Fund, or where applicable the fund may be terminated if no suitable replacement underlying fund is found. Such replacement may have adverse impact on the performance of the fund.
- In addition, as the fund may hold cash to meet redemption/switching requests and/or to pay for expenses and the calculation of the performance of the fund is on an after-fee basis, tracking error resulted from such cash holding and fee deduction from the fund would be unavoidable.

### **Risks relating to the Underlying Fund**

The fund by investing in the Underlying Fund is subject to the following risks relating to the Underlying Fund:

- None of the manager or the trustee of the Underlying Fund are related to the Fidelity Advantage Portfolio Fund or the fund and none of these entities will have any liability in connection with the Fidelity Advantage Portfolio Fund or the fund.
- The performance of the Underlying Fund and the performance by the manager and the trustee of the Underlying Fund of their respective obligations are not guaranteed. There is no guarantee or assurance that the investment objective of the Underlying Fund will be met.
- The fund does not have control of the investments of the Underlying Fund and there is no assurance that the investment objective and strategy of the Underlying Fund will be successfully achieved. This may have a negative impact to the net asset value of the fund.
- There may be additional costs involved when investing into the Underlying Fund. There is also no guarantee that the Underlying Fund will always have sufficient liquidity to meet the fund's redemption requests as and when made.
- The Underlying Fund may be subject to early liquidation in circumstances set out in its offering documents. In such event, the Underlying Fund would have to distribute to unitholders their pro rata interest in the assets of the Underlying Fund, and the investments held by the fund in the Underlying Fund may be worth less than the initial cost of such investments, resulting in a loss to the fund. In addition, the fund may also be terminated if no suitable replacement underlying fund is found.
- The investments of the Underlying Fund may be periodically rebalanced and therefore the Underlying Fund may incur greater transaction costs than a fund with static allocation strategy.

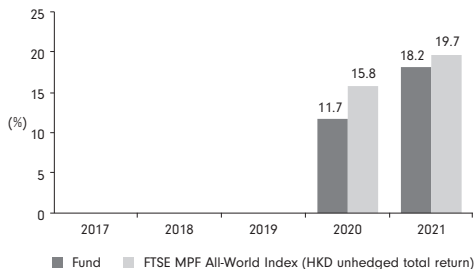
### **Risks relating to the Underlying Index**

By providing investment results that closely track the performance of the Underlying Index, the fund, by investing in the Underlying Fund, is subject to following risks relating to the Underlying Index:

- The Underlying Index may experience volatility or decline, and the price of the units in the Underlying Fund will vary or decline accordingly which in turn may have adverse impact on the performance of the fund.
- No warranty, representation or guarantee is given as to the accuracy or completeness of the Underlying Index and its computation or any information related thereto. The process and the basis of computing and compiling the Underlying Index and any of its related formulae, constituent companies and factors may at any time be changed or altered by the index provider without notice.
- Errors in index data may occur from time to time and may not be identified and corrected for a period of time, and may have an adverse impact on the Underlying Fund and its investors (including the fund).

## Fidelity Advantage Portfolio Fund – World Equity Index Fund

### How has the fund performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividend reinvested.
- These figures show by how much the Ordinary Units increased or decreased in value during the calendar year being shown. Performance data has been calculated in HKD including ongoing charges and excluding any subscription fees and realisation fees you might have to pay.
- The fund is a feeder fund that invests in the BlackRock Premier Funds - iShares World Equity Index Fund, the investment objective of which is to provide investment results that, before fees and expenses, closely track the performance of the FTSE MPF All-World Index (HKD unhedged total return). The performance of the FTSE MPF All-World Index (HKD unhedged total return) is provided for reference.
- Fund launch date: 2019
- Ordinary Units launch date: 2019
- The Investment Manager views Ordinary Units, having the longest track record and denominated in the fund's base currency, as the most appropriate representative unit class.

### Is there any guarantee?

This fund does not have any guarantees. You may not get back the full amount of money you invested.

### What are the fees and charges?

#### Charges which may be payable by you

You have to pay the following fees when dealing in units of the fund.

Classes of Units	Subscription Fee	Switching Fee	Realisation Fee
Ordinary	Currently waived	5.0% of issue price of Unit in New Sub-Fund	N/A
Administration	Currently waived	5.0% of issue price of Unit in New Sub-Fund	N/A
Savings	Currently waived	Nil	N/A

## Fidelity Advantage Portfolio Fund – World Equity Index Fund

### Ongoing fees payable by the fund

The following expenses will have to be paid out of the fund. They affect you because they reduce the return you get on your investments.

	The fund	The Underlying Fund	Aggregate fees
<b>Investment Management Fee</b>	<u>All Classes:</u> 0.10% p.a. of net asset value of the fund (covering a separate investment management fee payable by the Investment Manager to the manager of the Underlying Fund in respect of the fund's investment in the Underlying Fund)	Covered in the investment management fee of the fund	<u>All Classes:</u> 0.10% p.a. of net asset value of the fund
<b>Servicing Fee</b>	<u>All Classes:</u> 0.35% p.a. of net asset value of the fund	N/A	<u>All Classes:</u> 0.35% p.a. of net asset value of the fund
<b>Trustee Fee</b>	<u>All Classes:</u> 0.07% p.a. of net asset value of the fund	Included in the Administration Fee of the Underlying Fund	<u>All Classes:</u> 0.07% p.a. of net asset value of the fund
<b>Performance Fee (Incentive Fee)</b>	Nil	N/A	Nil
<b>Administration Fee</b>	<u>Ordinary Units:</u> N/A <u>Administration Units:</u> 0.45% p.a. of net asset value attributable to Administration Units of the fund <u>Savings Units:</u> 0.50% p.a. of net asset value attributable to Savings Units of the fund	Up to 0.10% p.a. of net asset value of the Underlying Fund	<u>Ordinary Units:</u> Up to 0.10% p.a. of net asset value attributable to Ordinary Units of the fund <u>Administration Units:</u> Up to 0.55% p.a. of net asset value attributable to Administration Units of the fund <u>Savings Units:</u> Up to 0.60% p.a. of net asset value attributable to Savings Units of the fund

### Other Fees

You may have to pay other fees when dealing in units of the fund. Any other fees and charges are described in the Explanatory Memorandum. You should note that some fees may be increased, up to a specified permitted maximum, by giving Unitholders at least three months' prior notice. For details, please refer to the Explanatory Memorandum.

### Additional Information

- You generally buy, redeem or switch units at the fund's next-determined net asset value after your request is received in good order at or before 12.00 noon (Hong Kong time) on a dealing day, being the fund's dealing cut-off time.
- The net asset value of this fund is calculated and the price of units is published each business day. Unit prices of the fund will be published on [www.fidelity.com.hk](http://www.fidelity.com.hk).<sup>1</sup>
- For further information on the past performance of other unit classes offered to Hong Kong investors, please refer to [www.fidelity.com.hk](http://www.fidelity.com.hk).<sup>1</sup>
- Investors may obtain information from Fidelity Investor Hotline at (852) 2629 2629.

<sup>1</sup> Please note that the website has not been reviewed by the SFC.

### Important

If you are in doubt, you should seek professional advice. The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.



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*You should not invest in this product based on this statement alone.*

**Quick facts**

**Investment Manager:** FIL Investment Management (Hong Kong) Limited

**Trustee and Custodian:** HSBC Institutional Trust Services (Asia) Limited

**Dealing frequency:** Daily

**Base currency:** HKD

**Ongoing charges over a year<sup>^</sup>:** Ordinary Units: 0.58%

Administration Units: 1.03%

Savings Units: 1.08%

<sup>^</sup> The ongoing charge figure for each class of units is based on ongoing expenses chargeable to the relevant class for the year ended 31 December 2021 net of rebates or waivers, and is expressed as a percentage of the average net asset value of the relevant class for the same period. The applicable level of rebate or waiver made to the fund will be reviewed by the Investment Manager from time to time and in any case by the end of each financial year. This figure may vary from year to year.

**Dividend policy:** No dividends will be paid. All interest and other income earned on the investment will be retained in the fund.

**Financial year end of this fund:** 31 December

**Minimum investment:**

	<u>Initial Investment</u>	<u>Subsequent Investment</u>
Ordinary Units	USD 500,000	Nil
Administration Units	USD 500,000	Nil
Savings Units	Nil	HKD 8,000

The Manager has discretion to accept subscriptions for lower amounts than specified above.

**What is this product?**

Fidelity Advantage Portfolio Fund is a unit trust constituted by the Trust Deed and governed by Hong Kong law. The fund is a feeder fund that invests in the BlackRock Premier Funds - iShares World Government Bond Index Fund.

**Objectives and Investment Policy**

- The fund aims to achieve long-term capital growth in HK dollar terms for investors including savings plans and retirement benefits schemes.
- The fund is a feeder fund that invests solely into the BlackRock Premier Funds - iShares World Government Bond Index Fund (the “**Underlying Fund**”), which is an SFC-authorized fund\*.
- The investment objective of the Underlying Fund is to provide investment results that, before fees and expenses, closely track the performance of the FTSE MPF World Government Bond Index (HKD hedged total return) (the “**Underlying Index**”). The Underlying Index consists of global sovereign bonds that are issued in local currency with fixed rate of coupon and investment grade credit rating, and has exposure limit to individual markets that complies with the Mandatory Provident Fund Schemes (General) Regulation and the Mandatory Provident Fund Schemes Authority’s Guidelines on Debt Securities. Please refer to the offering documents of the Underlying Fund for further information of the Underlying Index.
- The manager of the Underlying Fund intends to invest primarily in securities included in the Underlying Index using a representative sampling strategy by investing in a portfolio featuring high correlation with the Underlying Index. In normal circumstances, the number of issuers that the Underlying Fund is exposed to is not expected to be less than 50% of the number of issuers in the Underlying Index. The Underlying Fund may hold up to 20% of its net asset value in securities that are not included in the Underlying Index. In selecting the non-index constituent securities, the manager of the Underlying Fund will evaluate whether such securities could closely match with the different characteristics of the Underlying Index such as credit, duration, yield, currency, etc. Examples of such securities include (i) quasi-sovereign bonds the credit risk of which is highly correlated with the credit rating (i.e. investment grade) of the relevant constituent security; and (ii) bonds issued by third party with credit guarantee from the government of the respective constituent country.
- The Underlying Fund may use derivatives to hedge market and currency risk. For the avoidance of doubt, derivatives may be used for investment purposes for up to 10% of its net asset value.
- The Underlying Fund currently does not intend to enter into any securities financing transactions.

## Fidelity Advantage Portfolio Fund – World Government Bond Index Fund

\* The SFC authorisation is not a recommendation or endorsement of the Underlying Fund nor does it guarantee the commercial merits of the Underlying Fund or its performance. It does not mean the Underlying Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

### Use of derivatives

The fund's net derivative exposure may be up to 50% of the fund's net asset value.

### What are the key risks?

**Investment involves risks. Please refer to the Explanatory Memorandum for details including the risk factors. Where applicable, reference to the fund in this section includes reference to the Underlying Fund.**

#### Risk to Capital and Income (Investment Risk)

- The assets of the fund are subject to fluctuations (increase or decrease) in value. There is no guarantee of repayment of principal and you may not get back the original amount invested. Past performance is no guarantee of future performance.

#### Risks of investing in other collective investment schemes/funds

The fund by investing solely in the Underlying Fund is subject to the following risks associated with the Underlying Fund:

- The fund does not have control of the investments of the Underlying Fund and there is no assurance that the investment objective and strategy of the Underlying Fund will be successfully achieved. This may have a negative impact to the net asset value of the fund.
- There may be additional costs involved when investing into the Underlying Fund. There is also no guarantee that the Underlying Fund will always have sufficient liquidity to meet the fund's redemption requests as and when made.

#### Foreign Currency Risk

- The fund's assets may be denominated in currencies other than the base currency of the fund. Fluctuations in the exchange rates between these currencies and the base currency as well as changes in exchange rate controls may adversely affect the fund's net asset value.

#### Bonds and Other Debt Instruments

- The value of bonds or other debt instruments will fluctuate depending on e.g. market interest rates, the credit quality of the issuer, the currency of the investment (when it is different from the base currency of the fund) and liquidity considerations. In general, the prices of debt instruments rise when interest rates fall, whilst their prices fall when interest rates rise.

#### *Downgrading risk*

- The credit rating of a debt instrument or its issuer may subsequently be downgraded. In the event of such downgrading, the value of the fund may be adversely affected. The investment manager of the Underlying Fund may or may not be able to dispose of the debt instruments that are being downgraded.

#### *Credit/Default risk*

- Investments may be adversely affected if any of the institutions with which money is deposited suffers insolvency or are otherwise unable to pay interest or principal (default). Credit risk also arises from the uncertainty about the ultimate repayment of principal and interest from bond or other debt instrument investments by the issuers of such securities. 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.

#### *Credit rating risk*

- Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.

#### Sovereign Debt Risk

- The fund's investment in securities issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/or interest when due or may request the fund to participate in restructuring such debts. The fund may suffer significant losses when there is a default of sovereign debt issuers.

#### Valuation Risk

- Valuation of the fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the net asset value calculation of the fund.

#### Eurozone Risk

- In light of ongoing concerns on the sovereign debt risk of certain countries within the Eurozone, the fund's investments in the region may be subject to higher volatility, liquidity, currency, and default risks. Any adverse events, such as credit downgrade of a sovereign or exit of EU members from the Eurozone, may have a negative impact on the value of the fund.

## Fidelity Advantage Portfolio Fund – World Government Bond Index Fund

### Financial Derivative Instruments

- Although the fund will not use derivatives for investment purposes, the use of derivatives may give rise to liquidity risk, counterparty credit risk, volatility risk, valuations risks and over-the-counter transaction risk at times. Exposure to financial derivative instruments may lead to a high risk of significant loss by the fund.

### Risk of Investing in Index-Tracking Fund

The fund, by investing solely in the Underlying Fund, which is an index-tracking fund, can be subject to the following risks:

#### *Passive investment risk*

- The fund is subject to the fluctuations and adverse conditions in the market which the Underlying Index seeks to track. Both the Investment Manager and the manager of the Underlying Fund do not have discretion to take defensive positions where the market represented by the Underlying Index decline due to the nature of index-tracking fund. Hence, any fall in the Underlying Index may result in corresponding fall in the value of the Underlying Fund and hence the fund.
- The index composition may change from time to time and both the Investment Manager and the manager of the Underlying Fund have no control over the selection of the constituent stocks comprising of the Underlying Index.

#### *Tracking error risk*

- While the Underlying Fund in which the fund invests will seek to track the performance of the Underlying Index, changes in the net asset value of the Underlying Fund (and potentially that of the fund) may not replicate exactly changes in the Underlying Index. This is due to, among other factors, the fees and expenses payable by the fund and transaction fees and stamp duty incurred in adjusting the composition of the investment portfolio according to changes in the Underlying Index, dividends received but not distributed, and the use of representative sampling strategy (if applicable) which involves exclusion of certain index constituents by the Underlying Fund. There can be no assurance that the performance of the Underlying Fund will be identical to the performance of the Underlying Index.
- Market disruptions and regulatory restrictions could adversely impact the Underlying Fund's ability to adjust its exposure to the required levels in order to track the Underlying Index.

#### *Other risks*

- The market price of the units in the Underlying Fund may sometimes trade above or below its net asset value. There is a risk, therefore, that the fund may not be able to buy or sell at a price close to the net asset value of the Underlying Fund.
- Any license granted to the Underlying Fund or its investment manager for the use of, and reference to, the Underlying Index, may be terminated, or the Underlying Index may cease to be operated or available. As a result, the Underlying Fund may be terminated. In such circumstances, the Investment Manager may seek a replacement of the Underlying Fund, or where applicable the fund may be terminated if no suitable replacement underlying fund is found. Such replacement may have adverse impact on the performance of the fund.
- In addition, as the fund may hold cash to meet redemption/switching requests and/or to pay for expenses and the calculation of the performance of the fund is on an after-fee basis, tracking error resulted from such cash holding and fee deduction from the fund would be unavoidable.

### Risks relating to the Underlying Fund

The fund by investing in the Underlying Fund is subject to the following risks relating to the Underlying Fund:

- None of the manager or the trustee of the Underlying Fund are related to the Fidelity Advantage Portfolio Fund or the fund and none of these entities will have any liability in connection with the Fidelity Advantage Portfolio Fund or the fund.
- The performance of the Underlying Fund and the performance by the manager and the trustee of the Underlying Fund of their respective obligations are not guaranteed. There is no guarantee or assurance that the investment objective of the Underlying Fund will be met.
- The fund does not have control of the investments of the Underlying Fund and there is no assurance that the investment objective and strategy of the Underlying Fund will be successfully achieved. This may have a negative impact to the net asset value of the fund.
- There may be additional costs involved when investing into the Underlying Fund. There is also no guarantee that the Underlying Fund will always have sufficient liquidity to meet the fund's redemption requests as and when made.
- The Underlying Fund may be subject to early liquidation in circumstances set out in its offering documents. In such event, the Underlying Fund would have to distribute to unitholders their pro rata interest in the assets of the Underlying Fund, and the investments held by the fund in the Underlying Fund may be worth less than the initial cost of such investments, resulting in a loss to the fund. In addition, the fund may also be terminated if no suitable replacement underlying fund is found.
- The investments of the Underlying Fund may be periodically rebalanced and therefore the Underlying Fund may incur greater transaction costs than a fund with static allocation strategy.

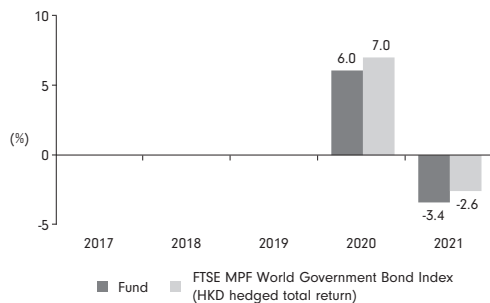
## Fidelity Advantage Portfolio Fund – World Government Bond Index Fund

### Risks relating to the Underlying Index

By providing investment results that closely track the performance of the Underlying Index, the fund, by investing in the Underlying Fund, is subject to following risks relating to the Underlying Index:

- The Underlying Index may experience volatility or decline, and the price of the units in the Underlying Fund will vary or decline accordingly which in turn may have adverse impact on the performance of the fund.
- No warranty, representation or guarantee is given as to the accuracy or completeness of the Underlying Index and its computation or any information related thereto. The process and the basis of computing and compiling the Underlying Index and any of its related formulae, constituent companies and factors may at any time be changed or altered by the index provider without notice.
- Errors in index data may occur from time to time and may not be identified and corrected for a period of time, and may have an adverse impact on the Underlying Fund and its investors (including the fund).

### How has the fund performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividend reinvested.
- These figures show by how much the Ordinary Units increased or decreased in value during the calendar year being shown. Performance data has been calculated in HKD including ongoing charges and excluding any subscription fees and realisation fees you might have to pay.
- The fund is a feeder fund that invests in the BlackRock Premier Funds - iShares World Government Bond Index Fund, the investment objective of which is to provide investment results that, before fees and expenses, closely track the performance of the FTSE MPF World Government Bond Index (HKD hedged total return). The performance of the FTSE MPF World Government Bond Index (HKD hedged total return) is provided for reference.
- Fund launch date: 2019
- Ordinary Units launch date: 2019
- The Investment Manager views Ordinary Units, having the longest track record and denominated in the fund's base currency, as the most appropriate representative unit class.

### Is there any guarantee?

This fund does not have any guarantees. You may not get back the full amount of money you invested.

### What are the fees and charges?

#### Charges which may be payable by you

You have to pay the following fees when dealing in units of the fund.

Classes of Units	Subscription Fee	Switching Fee	Realisation Fee
Ordinary	Currently waived	5.0% of issue price of Unit in New Sub-Fund	N/A
Administration	Currently waived	5.0% of issue price of Unit in New Sub-Fund	N/A
Savings	Currently waived	Nil	N/A

## Fidelity Advantage Portfolio Fund – World Government Bond Index Fund

### Ongoing fees payable by the fund

The following expenses will have to be paid out of the fund. They affect you because they reduce the return you get on your investments.

	The fund	The Underlying Fund	Aggregate fees
<b>Investment Management Fee</b>	<u>All Classes</u> : 0.10% p.a. of net asset value of the fund (covering a separate investment management fee payable by the Investment Manager to the manager of the Underlying Fund in respect of the fund's investment in the Underlying Fund)	Covered in the investment management fee of the fund	<u>All Classes</u> : 0.10% p.a. of net asset value of the fund
<b>Servicing Fee</b>	<u>All Classes</u> : 0.35% p.a. of net asset value of the fund	N/A	<u>All Classes</u> : 0.35% p.a. of net asset value of the fund
<b>Trustee Fee</b>	<u>All Classes</u> : 0.07% p.a. of net asset value of the fund	Included in the Administration Fee of the Underlying Fund	<u>All Classes</u> : 0.07% p.a. of net asset value of the fund
<b>Performance Fee (Incentive Fee)</b>	Nil	N/A	Nil
<b>Administration Fee</b>	<u>Ordinary Units</u> : N/A <u>Administration Units</u> : 0.45% p.a. of net asset value attributable to Administration Units of the fund <u>Savings Units</u> : 0.50% p.a. of net asset value attributable to Savings Units of the fund	Up to 0.10% p.a. of net asset value of the Underlying Fund	<u>Ordinary Units</u> : Up to 0.10% p.a. of net asset value attributable to Ordinary Units of the fund <u>Administration Units</u> : Up to 0.55% p.a. of net asset value attributable to Administration Units of the fund <u>Savings Units</u> : Up to 0.60% p.a. of net asset value attributable to Savings Units of the fund

### Other Fees

You may have to pay other fees when dealing in units of the fund. Any other fees and charges are described in the Explanatory Memorandum. You should note that some fees may be increased, up to a specified permitted maximum, by giving Unitholders at least three months' prior notice. For details, please refer to the Explanatory Memorandum.

### Additional Information

- You generally buy, redeem or switch units at the fund's next-determined net asset value after your request is received in good order at or before 12.00 noon (Hong Kong time) on a dealing day, being the fund's dealing cut-off time.
- The net asset value of this fund is calculated and the price of units is published each business day. Unit prices of the fund will be published on [www.fidelity.com.hk](http://www.fidelity.com.hk).<sup>1</sup>
- For further information on the past performance of other unit classes offered to Hong Kong investors, please refer to [www.fidelity.com.hk](http://www.fidelity.com.hk).<sup>1</sup>
- Investors may obtain information from Fidelity Investor Hotline at (852) 2629 2629.

<sup>1</sup> Please note that the website has not been reviewed by the SFC.

### Important

If you are in doubt, you should seek professional advice. The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

# FIDELITY ADVANTAGE PORTFOLIO FUND

## First Addendum to the Explanatory Memorandum dated December 2019

### Important

**If you are in any doubt about the contents of this document, you should seek independent professional finance advice.**

This First Addendum supplements and forms part of, and should be read together with, the Explanatory Memorandum for Fidelity Advantage Portfolio Fund dated December 2019 (the "**Explanatory Memorandum**").

Words and expressions defined in the Explanatory Memorandum shall have the same meanings in this First Addendum. All other provisions contained in the Explanatory Memorandum, unless inconsistent with the provisions set forth in this First Addendum, shall continue to apply.

FIL Investment Management (Hong Kong) Limited ("**Manager**") accepts full responsibility for the accuracy of the information contained in this First Addendum as at the date of this First Addendum 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 misleading.

Unless otherwise specified, the following amendments are made to the Explanatory Memorandum with immediate effect.

### **1. GLOSSARY**

(a) The following definitions on page 2 shall be deleted in their entirety:-

"**QFII**" means qualified foreign institutional investors approved pursuant to the relevant PRC regulations (as amended from time to time).

"**RQFII**" means Renminbi qualified foreign institutional investors approved pursuant to the relevant PRC regulations (as amended from time to time).

### **2. MANAGEMENT AND ADMINISTRATION OF THE FUND**

(a) The second paragraph under the sub-section headed "**Manager**" on page 4 shall be deleted in its entirety and replaced with the following:-

"The current members of the board of directors of the Manager are Rajeev Mittal, Brad Fresia, Jon Everill, Paras Anand, Luk Kim Ping and Victoria Kelly."

### 3. INVESTMENT OBJECTIVES AND POLICIES

- (a) The row relating to the Global Equity Fund under the sub-section headed “**Statements of Investment Policy**” on page 10 shall be deleted in its entirety and replaced with the following:

Sub-Fund	Investment Objective and Policy
Global Equity Fund	<ul style="list-style-type: none"><li data-bbox="449 331 952 523">■ The Global Equity Fund will invest primarily (i.e. at least 70% of its net asset value) in the global equity markets and produce returns that are related to those achieved on the major world stock market indices. As the Sub-Fund may invest globally, it may be exposed to countries/regions considered to be emerging markets.</li><li data-bbox="449 539 952 1161">■ Prior to 31 October 2021, the Global Equity Fund is a fund of funds and may invest up to 65% of its latest available net asset value in each of the Americas Equity Fund of FGIF and the European Equity Fund of FGIF, provided that the maximum total aggregate investment in both the Americas Equity Fund of FGIF and the European Equity Fund of FGIF does not exceed 90% of the Global Equity Fund’s latest available net asset value. (1) The Americas Equity Fund of FGIF aims to produce returns that are related to those achieved on the major stock market indices of North America by focusing investment (i.e. at least 70% of its net asset value) into the equity markets of North America, namely equities of companies listed, have their head office or exercise a predominant part of their activity in North America. (2) The European Equity Fund of FGIF aims to produce returns that are related to those achieved on the major stock market indices of Europe by focusing investment (i.e. at least 70% of its net asset value) into equity markets of Europe.</li><li data-bbox="449 1177 952 1417">■ With effect from 31 October 2021, the Global Equity Fund is a fund of funds and may invest up to 70% of its latest available net asset value in the Americas Equity Fund of FGIF and up to 65% of its latest available net asset value in the European Equity Fund of FGIF, provided that the maximum total aggregate investment in both the Americas Equity Fund of FGIF and the European Equity Fund of FGIF does not exceed 90% of the</li></ul>

Sub-Fund	Investment Objective and Policy
	<p>Global Equity Fund’s latest available net asset value. (1) The Americas Equity Fund of FGIF aims to produce returns that are related to those achieved on the major stock market indices of North America by focusing investment (i.e. at least 70% of its net asset value) into the equity markets of North America, namely equities of companies listed, have their head office or exercise a predominant part of their activity in North America. (2) The European Equity Fund of FGIF aims to produce returns that are related to those achieved on the major stock market indices of Europe by focusing investment (i.e. at least 70% of its net asset value) into equity markets of Europe.</p>

- (b) The following risk factor shall be inserted immediately after the risk factor headed “*vi. Risks associated with CIBM and Bond Connect*” under the heading “**Specific Instrument Related Risks**” on page 36:

*“vii. Risks associated with the ChiNext market and/or the Science and Technology Innovation Board (“STAR Board”)*

Certain Sub-Funds may have exposure to stocks listed on the ChiNext market of the SZSE and the STAR Board of the SSE.

Higher fluctuation on stock prices and liquidity risk

Listed companies on the ChiNext market and/or STAR Board are usually of emerging nature with smaller operating scale. Listed companies on ChiNext market and STAR Board are subject to wider price fluctuation limits, and due to higher entry thresholds for investors may have limited liquidity, compared to other boards. Hence, companies listed on these boards are subject to higher fluctuation in stock prices and liquidity risks and have higher risks and turnover ratios than companies listed on the main boards of the SZSE and/or the SSE.

Overvaluation Risk

Stocks listed on ChiNext market and/or STAR Board may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.

Differences in regulation

The rules and regulations regarding companies listed on the ChiNext market and STAR Board are less stringent in terms of profitability and share capital than those in the main boards of the SZSE and/or the SSE.



### Delisting risk

It may be more common and faster for companies listed on the ChiNext market and/or STAR Board to delist. ChiNext market and STAR Board have stricter criteria for delisting compared to the main boards. This may have an adverse impact on the relevant Underlying Fund if the companies that it invests in are delisted.

### Concentration risk

The STAR Board is a newly established board and may have a limited number of listed companies during the initial stage. Investments in the STAR Board may be concentrated in a small number of stocks and subject the relevant Underlying Fund to higher concentration risk.

Investments in the ChiNext market and/or STAR Board may result in significant losses for the relevant Underlying Fund and its investors."

- (c) The risk factors headed "1. Asset Allocation - Dynamic Risk" in the sub-section headed "**Additional Risks**" on page 41 shall be deleted in its entirety and replaced with the following:-

"Certain Sub-Funds may periodically change their allocation across asset classes and therefore may incur greater transaction costs than a fund with static allocation strategy. It may not achieve the desired results under all the circumstances and market conditions."

- (d) The risk factors headed "3. Risks of investing in other collective investment schemes/funds" in the sub-section headed "**Additional Risks**" on page 41 shall be deleted in its entirety and replaced with the following:-

"Certain Sub-Funds may invest in other funds and will be subject to the risks associated with the underlying funds. The relevant Sub-Funds do not have control of the investments of the underlying funds and there is no assurance that the investment objective and strategy of the underlying funds will be successfully achieved which may have a negative impact to the net asset value of the relevant Sub-Funds. The underlying funds in which the relevant Sub-Funds may invest may not be regulated by the SFC. There may be additional costs involved when investing into these underlying funds. There is also no guarantee that the underlying funds will always have sufficient liquidity to meet the relevant Sub-Funds' redemption requests as and when made. Additionally, under extreme market conditions, the investment of certain Sub-Funds may be more heavily concentrated in a few underlying funds, thus subjecting the Sub-Funds to greater risks as outlined above in relation to investment in other collective investment schemes/funds outlined above."

- (e) The risk factors headed “4. Risk of Investing in Index-Tracking Fund” in the sub-section headed “**Additional Risks**” on page 41 shall be deleted in its entirety and replaced with the following:-

*“4. Risk of Investing in Index-Tracking Fund*

Investors should note that a Sub-Fund investing in an index-tracking fund can be subject to the following risks:

(i) passive investment risk

The relevant Sub-Fund is subject to the fluctuations and adverse conditions in the sector or market which the relevant index seeks to track. Both the Manager and the manager of the underlying index-tracking fund do not have discretion to take defensive positions where the market(s) represented by the relevant index decline due to the nature of index-tracking fund. Hence, any fall in the relevant index may result in corresponding fall in the value of the underlying index-tracking fund and hence the relevant Sub-Fund. The index composition may change from time to time and both the Manager and the manager of the underlying index-tracking fund have no control over the selection of the constituent stocks comprising the relevant index.

(ii) tracking error risk

While the underlying index-tracking fund in which a Sub-Fund invests will seek to track the performance of the relevant index, changes in the net asset value of the underlying index-tracking fund (and potentially that of the Sub-Fund) may not replicate exactly changes in the relevant index. This is due to, among other factors, the fees and expenses payable by the Sub-Fund and transaction fees and stamp duty incurred in adjusting the composition of the investment portfolio according to changes in the relevant index, dividends received but not distributed, and the use of representative sampling strategy (if applicable) which involves exclusion of certain index constituents by the underlying index-tracking fund. Market disruptions and regulatory restrictions could also adversely impact the underlying index-tracking fund’s ability to adjust its exposure to the required levels in order to track the relevant index. There can be no assurance that the performance of the underlying index-tracking fund will be identical to the performance of the relevant index.

(iii) other risks

- The market price of units in the underlying index-tracking fund may sometimes trade above or below its net asset value. There is a risk, therefore, that the Sub-Fund may not be able to buy or sell at a price close to the net asset value of the underlying index-tracking fund.

- Any license granted to the underlying index-tracking fund or its investment manager for the use of, and reference to, the relevant index, may be terminated, or the relevant index may cease to be operated or available. As a result, the underlying index-tracking fund may be terminated. In such circumstances, the Manager may seek a replacement of the underlying index-tracking fund, or where applicable the Sub-Fund may be terminated if no suitable replacement underlying index-tracking fund is found. The replacement of the underlying index-tracking fund may have adverse impact on the performance of the relevant Sub-Fund.
- In addition, as the relevant Sub-Fund may hold cash to meet redemption/switching requests and/or to pay for expenses and the calculation of the performance of the Sub-Fund is on an after-fee basis, tracking error resulted from such cash holding and fee deduction from the Sub-Fund would be unavoidable.”

#### **4. ISSUE, REALISATION AND SWITCHING OF UNITS**

- (a) The second paragraph under the sub-section headed **“Calculation of Net Asset Value”** on page 49 shall be deleted in its entirety and replaced with the following:-

“The value of interests in any collective investment scheme (other than exchange traded funds) is the latest available net asset value per unit, share or other interest in such scheme (where the same is available and is considered by the Manager to be appropriate) or (if such net asset value is not available or not considered by the Manager to be appropriate) the last available bid price for such unit, share or other interest. Cash, deposits and similar investments are valued at their face value (together with accrued interest) unless, in the opinion of the Manager, any adjustment should be made to reflect the value thereof.”

- (b) The following paragraph shall be inserted under the second paragraph under the sub-section headed **“Calculation of Net Asset Value”** on page 49:-

“The value of interests in any exchange traded fund is the last closing price per unit, share or other interest in such exchange traded fund or (if such last closing price is not available or not considered by the Manager to be appropriate) the last available bid price for such unit, share or other interest.”

- (c) The paragraph under the sub-section headed **“Publication of Issue and Realisation Prices”** on page 50 shall be deleted in its entirety and replaced with the following:-

“Issue and realisation prices per Unit of each class of each Sub-Fund will be published daily on the Manager’s website at: <http://www.fidelity.com.hk>\*.

\* This website has not been reviewed by the SFC”

## **5. FEES, CHARGES AND EXPENSES**

- (a) The third paragraph under the heading “**E. FEES, CHARGES AND EXPENSES**” on page 50 shall be deleted in its entirety and replaced with the following:-

“No initial charge or realisation charge is applicable with respect to the investment by a Sub-Fund into a fund managed by members of the Fidelity International. Also, there shall be no increase in the overall total investment management fee borne by a Sub-Fund when the Sub-Fund invests into a fund managed by any member of Fidelity International. In respect of the FAP Supermarket Funds, the Manager and its Connected Persons receives servicing fees in respect of the FAP Supermarket Funds and the underlying manager(s) receive the investment management fee of the relevant underlying funds.”

- (b) Footnote 2 on page 51 shall be deleted in its entirety. Subsequent footnotes and their references shall be re-numbered accordingly.

September 2021

**IMPORTANT: IF YOU ARE IN ANY DOUBT ABOUT THE MEANING OR EFFECT OF THE CONTENTS OF THIS EXPLANATORY MEMORANDUM, YOU SHOULD SEEK INDEPENDENT PROFESSIONAL FINANCIAL ADVICE.**

**FIL Investment Management (Hong Kong) Limited** accepts responsibility for the information contained in this Explanatory Memorandum as being accurate as at the date of this Explanatory Memorandum. Neither the delivery of this Explanatory Memorandum nor the offer or issue of Units shall under any circumstances constitute a representation that the information contained in this Explanatory Memorandum is correct as of any time subsequent to the date of this Explanatory Memorandum. To reflect material changes, this Explanatory Memorandum may from time to time be updated. Intending subscribers should enquire of the Manager as to the issue of any later Explanatory Memorandum.

Distribution of this Explanatory Memorandum must be accompanied by a copy of the latest available annual report and accounts of the Fund and any subsequent interim report. Units are offered on the basis only of the information contained in this Explanatory Memorandum and (where applicable) the above mentioned annual reports and accounts and interim reports. Any information given or representations made by any dealer, salesman or other person and (in any case) not contained in this Explanatory Memorandum should be regarded as unauthorised and accordingly must not be relied upon.

The Fund and the Sub-Funds have been authorised by the Securities and Futures Commission of Hong Kong (the "SFC"). The SFC authorisation is not a recommendation or endorsement of the Fund and the Sub-Funds nor does it guarantee the commercial merits of the Fund and the Sub-Funds or its performance. It does not mean the Fund and the Sub-Funds are suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

No action has been taken to permit an offering of Units or the distribution of this Explanatory Memorandum in any jurisdiction other than Hong Kong where action would be required for such purposes. Accordingly, this Explanatory Memorandum may not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised.

In particular: (a) Units in the Fund have not been registered under the United States Securities Act of 1933 (as amended) and, except in a transaction which does not violate such Act, may not be directly or indirectly offered or sold in the United States of America, or any of its territories or possessions or areas subject to its jurisdiction, or for the benefit of a US Person; and (b) the Fund has not been and will not be registered under the United States Investment Company Act of 1940 as amended.

Potential applicants for Units should inform themselves as to (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their incorporation, citizenship, residence or domicile and which might be relevant to the subscription, holding, switching or disposal of Units.

Furthermore, potential applicants for Units should satisfy themselves as to their power to invest in Units in the Fund and as to the suitability of such investment.

## **Enquiries and Complaints**

For inquiries, out-of-court complaints and redress mechanism, please call the Fidelity Investor Hotline at (852) 2629 2629, or alternatively, write to the Asia Pacific Business Compliance Team, address at Level 21, Two Pacific Place, 88 Queensway, Admiralty, Hong Kong. The Manager will respond to any complaints and inquiries either by phone or in writing.

December 2019

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## GLOSSARY

**“Auditor”** means PricewaterhouseCoopers, Hong Kong.

**“Business Day”** means a day, other than a Saturday, on which banks are open for normal banking business in Hong Kong.

**“China”, “Mainland China” or “PRC”** means the People’s Republic of China excluding Hong Kong, Macau and Taiwan for the purpose herein (i.e. all customs territory of the People’s Republic of China).

**“Code”** means Section II - Code on Unit Trusts and Mutual Funds of the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products issued by the SFC, as may be amended from time to time.

**“Connected Person”**, in relation to a company, means:

- (a) any person or company 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 or company controlled by a person who or which meets one or both of the descriptions given in paragraph (a) above;
- (c) any member of the group of which that company forms part; or
- (d) any director or other officer of that company or of any of its Connected Person as defined in paragraphs (a), (b) or (c) above.

**“Dealing Day”** means each Business Day, or such other day as the Manager may determine with the agreement of the Trustee.

**“FGIF”** means the Fidelity Global Investment Fund, a unit trust constituted by a trust deed dated 30 August 2000, made between the Trustee and the Manager, as amended, and governed by Hong Kong law.

**“Fidelity International”** means the family of companies beneficially owned by FIL Limited, with its current address at Pembroke Hall, 42 Crow Lane, Pembroke, Bermuda.

**“Fund”** means Fidelity Advantage Portfolio Fund.

**“General Regulation”** means the Mandatory Provident Fund Schemes (General) Regulation as amended from time to time.

**“Government and other public securities”** means any investment issued by, or the payment of principal and interest on, which is guaranteed by a government, or any fixed-interest investment issued by its public or local authorities or other multilateral agencies.



**"HKD"** means Hong Kong dollars, the lawful currency of Hong Kong.

**"Hong Kong"** means the Hong Kong Special Administrative Region of the People's Republic of China.

**"Investment Delegate"** means an entity that has been delegated the investment management function of all or part of the assets of a Sub-Fund.

**"Manager"** means FIL Investment Management (Hong Kong) Limited, with its current address at Level 21, Two Pacific Place, 88 Queensway, Admiralty, Hong Kong.

**"MPFA"** means the Mandatory Provident Fund Schemes Authority of Hong Kong.

**"Professional Investor"** has the meaning given to it in the Securities and Futures Ordinance, including the Securities and Futures (Professional Investor) Rules made thereunder.

**"QFII"** means qualified foreign institutional investors approved pursuant to the relevant PRC regulations (as amended from time to time).

**"Renminbi" or "RMB"** means Renminbi, the lawful currency of the PRC.

**"RQFII"** means Renminbi qualified foreign institutional investors approved pursuant to the relevant PRC regulations (as amended from time to time).

**"Securities and Futures Ordinance"** means the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong).

**"SFC"** means the Securities and Futures Commission of Hong Kong.

**"Sub-Fund"** means a separate fund in relation to each part of the Fund, which is invested in accordance with separate and distinct investment policies and/or objectives.

**"Third Party Fund"** means an investment fund that is managed by an investment manager that is not part of the Fidelity International.

**"Trust Deed"** means the trust deed dated 10 January 1995 between the Trustee and the Manager establishing the Fund, as amended.

**"Trustee"** means HSBC Institutional Trust Services (Asia) Limited, with its current address at 1 Queen's Road Central, Hong Kong.

**"Unit"** means a unit of a Sub-Fund.

**"Unitholder"** means a registered holder of Units.

**"US Person"** has the meaning given to it at page 62.

**"USD"** means US dollars, the lawful currency of the United States of America.

## A. GENERAL DETAILS OF THE FUND

The Fund is a unit trust constituted by the Trust Deed and governed by Hong Kong law.

The Fund was originally constituted as a Bermuda trust. Pursuant to a Deed of Retirement, Appointment and Variation dated 1 October 2012, the Fund was removed from the jurisdiction of Bermuda to the jurisdiction of Hong Kong and HSBC Institutional Trust Services (Asia) Limited ("**Trustee**") was appointed as trustee in place of HSBC Bank Bermuda Limited. Subsequent thereto, FIL Investment Management (Hong Kong) Limited ("**Manager**") was appointed as the manager of the Fund in place of FIL Limited.

The Fund is an umbrella fund and currently has 16 Sub-Funds. Units of a Sub-Fund may be issued in different classes. Currently, there are three classes of Units available for each Sub-Fund: "Administration Units", "Ordinary Units" and "Savings Units". Administration Units are issued to retirement benefit schemes that use the Trustee's administration service. Savings Units are issued to (i) investors who are former members of retirement benefit schemes that invested in the Fund who wish to continue to have their accrued benefits invested in the Fund following the cessation of their membership of the appropriate retirement benefit scheme, and (ii) such other persons as the Manager may determine. Ordinary Units are issued in every other instance.

Each current Sub-Fund and its currency of denomination is listed below:

<b>Sub-Fund</b>	<b>Currency</b>	<b>Sub-Fund</b>	<b>Currency</b>
Growth Fund	USD	Fidelity Advantage Portfolio	HKD
Balanced Fund	USD	Fund - Tracker Fund Portfolio	
Stable Growth Fund	USD	Fidelity Advantage Portfolio	USD
Capital Stable Fund	USD	Fund - Invesco Asian Equity Fund	
		Fidelity Advantage Portfolio	HKD
		Fund - World Equity Index Fund	
		Fidelity Advantage Portfolio	HKD
		Fund - World Government	
		Bond Index Fund	
(together, the " <b>Lifecycle Funds</b> ")		(together, the " <b>FAP Supermarket Funds</b> ")	
US Dollar Money Fund	USD	Hong Kong Equity Fund	HKD
HK Dollar Money Fund	HKD	Asia Pacific Equity Fund	USD
		Global Equity Fund	USD
		Hong Kong Bond Fund	HKD
		World Bond Fund	USD
		RMB Bond Fund	HKD
(together, the " <b>Money Market Funds</b> ")		(together, the " <b>Market Investment Funds</b> ")	

Further details regarding each of the Sub-Funds are found in Section C.

## **B. MANAGEMENT AND ADMINISTRATION OF THE FUND**

### **Manager**

#### **FIL Investment Management (Hong Kong) Limited**

Level 21, Two Pacific Place,  
88 Queensway,  
Admiralty, Hong Kong.

The Manager provides investment management for the Sub-Funds.

The current members of the board of directors of the Manager are Rajeev Mittal, Brad Fresia, Timothy Orchard, Daisy Ho, Paras Anand and Victoria Kelly.

The Manager is a company incorporated in Hong Kong and is licensed by the SFC to carry on regulated activities type 1 – dealing in securities, type 2 – dealing in futures contracts, type 4 – advising on securities, type 5 – advising on futures contracts and type 9 – asset management.

The Manager may, with respect to a Sub-Fund, also procure investment advice from Fidelity International and/or companies beneficially owned by FMR LLC, while retaining the discretion to make investment decisions.

### **Trustee, Registrar and Custodian**

#### **HSBC Institutional Trust Services (Asia) Limited**

1 Queen's Road Central  
Hong Kong

The Trustee is an indirect wholly-owned subsidiary of HSBC Holdings Plc. It is registered as a trust company under the Trustee Ordinance (Cap. 29 of the laws of Hong Kong) and approved by the Mandatory Provident Fund Schemes Authority as trustee of registered mandatory provident fund schemes under the Mandatory Provident Fund Schemes Ordinance (Cap 485 of the laws of Hong Kong).

Under the Trust Deed, the Trustee shall take into custody or under its control all the investments, cash or other assets forming part of each Sub-Fund and hold them in trust for the Unitholders of the relevant Sub-Fund in accordance with the provisions of the Trust Deed and, to the extent permitted by law, shall register cash and registrable assets in the name of or to the order of the Trustee and deal with such investments, cash or other assets as the Trustee may think proper for the purpose of providing for the safe keeping thereto. The Trustee may, however, appoint any person or persons to be custodian, co-custodian, sub-custodian, delegate, nominee or agent in respect of the whole or any part of the assets of any Sub-Fund.

The Trustee shall (a) exercise reasonable care, skill and diligence in the selection, appointment and ongoing monitoring of agent, nominee, delegate, custodian, co-custodian or sub-custodian which are appointed for the custody and/or safekeeping of any of the Investments, cash, assets or other property comprised in the assets of the Fund or any Sub-Fund (each a **“Correspondent”**); and (b) shall be satisfied that each Correspondent retained remains suitably qualified and competent on an ongoing basis to provide the relevant services to the Fund or any Sub-Fund.

The Trustee shall be liable for the acts and omissions of any Correspondent which is a Connected Person of the Trustee as if the same were the acts or omissions of the Trustee provided however that if the Trustee has discharged its obligations set out in (a) and (b) above, the Trustee shall not be liable for any act, omission, insolvency, liquidation or bankruptcy of any Correspondent that is not a Connected Person of the Trustee.

The certificates or other documents relating to the securities held by the Fund will normally be held for the Trustee. The Trustee will prepare valuations in respect of the Fund.

The Trustee is also responsible for the administrator and registrar duties of the Fund. However, the principal register will be kept outside Hong Kong in the Cayman Islands by the trustee's delegate HSBC Trustee (Cayman) Limited. Both the Trustee and the delegate to Trustee are indirect wholly owned subsidiaries of HSBC Holdings plc, a public company incorporated in England and Wales.

The Trustee in no way acts as guarantor or offeror of the Units or any underlying investment. The Trustee has no responsibility or authority to make investment decisions, or render investment advice with respect to the Fund, which is the sole responsibility of the Manager.

The Trustee will not participate in transactions or activities, or make any payments denominated in US dollars, which, if carried out by a US Person, would be subject to sanctions by The Office of Foreign Assets Control of the US Department of the Treasury.

The appointment of the Trustee may be terminated in the circumstances set out in the Trust Deed.

The Trustee is entitled to the fees set out below under the section headed "Fees, Charges and Expenses" and to be reimbursed for all costs and expenses in accordance with the provisions of the Trust Deed.

The Manager has sole responsibility for making investment decisions in relation to the Fund and the Trustee (including its delegate) is not responsible and has no liability for any investment decision made by the Manager. Neither the Trustee nor any of its employees, service providers or agents are or will be involved in the business affairs, organisation, sponsorship or investment management of the Fund, and they are not responsible for the preparation or issue of this Explanatory Memorandum.

## **Legal Advisers**

### ***Hong Kong***

#### **Deacons**

5/F, Alexandra House  
18 Chater Road  
Central  
Hong Kong

#### **Auditor**

#### **PricewaterhouseCoopers**

22nd Floor, Prince's Building  
Central  
Hong Kong

## C. INVESTMENT OBJECTIVES AND POLICIES

### Statements of Investment Policy

The investment objective of each Sub-Fund is to achieve long-term capital growth in US dollar terms, or in the case of the HK Dollar Money Fund, the Hong Kong Bond Fund, the Hong Kong Equity Fund, the Fidelity Advantage Portfolio Fund – Tracker Fund Portfolio, the RMB Bond Fund, Fidelity Advantage Portfolio Fund – World Equity Index Fund and Fidelity Advantage Portfolio Fund – World Government Bond Index Fund, in HK dollar terms, for investors including savings plans and retirement benefits schemes.

Each Sub-Fund has a separate and distinct investment policy determined by the risk profile of the relevant Sub-Fund, the details of which are as follows:-

Sub-Fund	Investment Objective and Policy
<i>Lifecycle Funds</i>	
Growth Fund	<ul style="list-style-type: none"> <li>■ The Growth Fund will be mainly invested in equity funds, with a geographical bias towards Hong Kong with the aim of maximising long-term returns.</li> <li>■ The Growth Fund (via its investments in the underlying funds) will invest around 90% of its latest available net asset value in equities, 7% in bonds and 3% in cash.<sup>#</sup></li> <li>■ As the Sub-Fund may invest globally, it may be exposed to countries/regions considered to be emerging markets.</li> <li>■ The Growth Fund is a fund of funds and may invest up to 45% of its latest available net asset value in the Hong Kong Equity Fund of FGIF. The Hong Kong Equity Fund of FGIF aims to produce returns that are related to those achieved on the major stock market indices of Hong Kong by focusing investment (i.e. at least 70% of its net asset value) into the equity market of Hong Kong, namely equities of companies listed in Hong Kong or companies which have their head office or exercise a predominant part of their activity in Hong Kong (including companies which are listed outside Hong Kong). Investing in these companies may result in exposure to countries/regions such as Mainland China which are considered to be emerging markets.</li> </ul> <p><sup>#</sup> <i>Investors should note that this is an indicative portfolio distribution as at the date of this Explanatory Memorandum only, and the actual asset allocations will at times vary considerably as market, political, structural, economic and other conditions change and subject to the views of the Manager.</i></p>

Sub-Fund	Investment Objective and Policy
Balanced Fund	<ul style="list-style-type: none"> <li>■ The Balanced Fund will normally maintain a balanced, global portfolio of bond funds and equity funds with the aim of achieving a consistent overall return higher than Hong Kong inflation but with lower risk and volatility than the Growth Fund.</li> <li>■ The Balanced Fund (via its investments in the underlying funds) will invest around 70% of its latest available net asset value in equities, 25% in bonds and 5% in cash.<sup>#</sup></li> <li>■ As the Sub-Fund may invest globally, it may be exposed to countries/regions considered to be emerging markets.</li> <li>■ The Balanced Fund is a fund of funds and may invest up to 40% of its latest available net asset value in the Global Bond Fund of FGIF and up to 35% of its latest available net asset value in the Hong Kong Equity Fund of FGIF. (1) The Global Bond Fund of FGIF aims to produce returns that are related to those achieved on the major bond market indices by focusing investment (i.e. at least 70% of its net asset value) in debt securities (including but are not limited to convertible bonds, corporate bonds and government bonds) globally (including emerging markets). (2) The Hong Kong Equity Fund of FGIF aims to produce returns that are related to those achieved on the major stock market indices of Hong Kong by focusing investment (i.e. at least 70% of its net asset value) into the equity market of Hong Kong, namely equities of companies listed in Hong Kong or companies which have their head office or exercise a predominant part of their activity in Hong Kong (including companies which are listed outside Hong Kong). Investing in these companies may result in exposure to countries/regions such as Mainland China which are considered to be emerging markets.</li> </ul> <p><sup>#</sup> <i>Investors should note that this is an indicative portfolio distribution as at the date of this Explanatory Memorandum only, and the actual asset allocations will at times vary considerably as market, political, structural, economic and other conditions change and subject to the views of the Manager.</i></p>

Sub-Fund	Investment Objective and Policy
Stable Growth Fund	<ul style="list-style-type: none"> <li>■ The Stable Growth Fund will invest in a global portfolio of bond funds, cash funds and equity funds, with a lower weighting in equities than the Balanced Fund, with the aim of achieving a consistent overall return higher than Hong Kong inflation.</li> <li>■ The Stable Growth Fund (via its investments in the underlying funds) will invest around 50% of its latest available net asset value in equities, 45% in bonds and 5% in cash.<sup>#</sup></li> <li>■ As the Sub-Fund may invest globally, it may be exposed to countries/regions considered to be emerging markets.</li> <li>■ The Stable Growth Fund is a fund of funds and may invest up to 60% of its latest available net asset value in the Global Bond Fund of FGIF. The Global Bond Fund of FGIF aims to produce returns that are related to those achieved on the major bond market indices by focusing investment (i.e. at least 70% of its net asset value) in debt securities (including but are not limited to convertible bonds, corporate bonds and government bonds) globally (including emerging markets).</li> </ul> <p><sup>#</sup> <i>Investors should note that this is an indicative portfolio distribution as at the date of this Explanatory Memorandum only, and the actual asset allocations will at times vary considerably as market, political, structural, economic and other conditions change and subject to the views of the Manager.</i></p>

Sub-Fund	Investment Objective and Policy
Capital Stable Fund	<ul style="list-style-type: none"> <li>■ The Capital Stable Fund will invest primarily in money market funds and global bond funds with the aim of achieving a stable level of return, minimising volatility whilst achieving some capital appreciation at low risk.</li> <li>■ The Capital Stable Fund (via its investments in the underlying funds) will invest around 30% of its latest available net asset value in equities, 60% in bonds and 10% in cash.*</li> <li>■ As the Sub-Fund may invest globally, it may be exposed to countries/regions considered to be emerging markets.</li> <li>■ The Capital Stable Fund is a fund of funds and may invest up to 75% of its latest available net asset value in the Global Bond Fund of FGIF. The Global Bond Fund of FGIF aims to produce returns that are related to those achieved on the major bond market indices by focusing investment (i.e. at least 70% of its net asset value) in debt securities (including but are not limited to convertible bonds, corporate bonds and government bonds) globally (including emerging markets).</li> </ul> <p><i>* Investors should note that this is an indicative portfolio distribution as at the date of this Explanatory Memorandum only, and the actual asset allocations will at times vary considerably as market, political, structural, economic and other conditions change and subject to the views of the Manager.</i></p>
<i>Market Investment Funds</i>	
Hong Kong Equity Fund	<ul style="list-style-type: none"> <li>■ The objective of the Hong Kong Equity Fund is to produce returns related to those achieved on the major stock market indices of Hong Kong.</li> <li>■ The Hong Kong Equity Fund is a feeder fund that invests in the Hong Kong Equity Fund, a sub-fund of the FGIF. The Hong Kong Equity Fund of FGIF focuses investment (i.e. at least 70% of its net asset value) into the equity market of Hong Kong, namely equities of companies listed in Hong Kong or companies which have their head office or exercise a predominant part of their activity in Hong Kong (including companies which are listed outside Hong Kong). Investing in these companies may result in exposure to countries/regions such as Mainland China which are considered to be emerging markets.</li> <li>■ The largest ten holdings/securities to which the Hong Kong Equity Fund of FGIF may have exposure may account for 50% or more of its net asset value, resulting in a reasonably concentrated portfolio.</li> </ul>



Sub-Fund	Investment Objective and Policy
Asia Pacific Equity Fund	<ul style="list-style-type: none"> <li>■ The objective of the Asia Pacific Equity Fund is to produce returns related to those achieved on the major stock market indices of Asia Pacific.</li> <li>■ The Asia Pacific Equity Fund is a feeder fund that invests in the Asia Pacific Equity Fund, a sub-fund of the FGIF. The Asia Pacific Equity Fund of FGIF focuses investment (i.e. at least 70% of its net asset value) into the equity markets of Asia Pacific, namely equities of companies listed, have their head office or exercise a predominant part of their activity in Asia Pacific. Asia Pacific comprises countries and regions including, but not limited to, Australia, Mainland China, Hong Kong, India, Indonesia, Korea, Malaysia, New Zealand, Philippines, Singapore, Taiwan and Thailand, certain of which are considered to be emerging markets.</li> <li>■ The Asia Pacific Equity Fund of FGIF intends to manage the volatility of returns in the short term.</li> </ul>
Global Equity Fund	<ul style="list-style-type: none"> <li>■ The Global Equity Fund will invest primarily (i.e. at least 70% of its net asset value) in the global equity markets and produce returns that are related to those achieved on the major world stock market indices. As the Sub-Fund may invest globally, it may be exposed to countries/regions considered to be emerging markets.</li> <li>■ The Global Equity Fund is a fund of funds and may invest up to 65% of its latest available net asset value in each of the Americas Equity Fund of FGIF and the European Equity Fund of FGIF, provided that the maximum total aggregate investment in both the Americas Equity Fund of FGIF and the European Equity Fund of FGIF does not exceed 90% of the Global Equity Fund's latest available net asset value. (1) The Americas Equity Fund of FGIF aims to produce returns that are related to those achieved on the major stock market indices of North America by focusing investment (i.e. at least 70% of its net asset value) into the equity markets of North America, namely equities of companies listed, have their head office or exercise a predominant part of their activity in North America. (2) The European Equity Fund of FGIF aims to produce returns that are related to those achieved on the major stock market indices of Europe by focusing investment (i.e. at least 70% of its net asset value) into equity markets of Europe.</li> </ul>

Sub-Fund	Investment Objective and Policy
RMB Bond Fund	<ul style="list-style-type: none"> <li>■ Prior to 29 May 2020, the objective of the RMB Bond Fund is to achieve income and capital appreciation primarily via indirect exposure to RMB denominated debt securities issued or distributed outside Mainland China as well as deposits. With effect from 29 May 2020, the objective of the RMB Bond Fund is to achieve income and capital appreciation primarily via indirect exposure (by investing solely in the RMB Bond Underlying Fund (as defined below)) to RMB denominated debt securities issued or distributed inside or outside Mainland China as well as deposits.</li> <li>■ The RMB Bond Fund is a feeder fund that invests solely in the RMB Bond Fund, a sub-fund of the FGIF (the “<b>RMB Bond Underlying Fund</b>”), which is an SFC-authorized fund*.</li> <li>■ Prior to 29 May 2020, the RMB Bond Underlying Fund will invest at least 70% of its net asset value in RMB denominated debt securities issued or distributed outside Mainland China as well as deposits (including but not limited to convertible bonds, corporate bonds, government bonds, commercial papers, medium term notes, floating rate notes, money market instruments, certificates of deposits, bank deposits and negotiated term deposits). With effect from 29 May 2020, the RMB Bond Underlying Fund will invest at least 70% of its net asset value in RMB denominated debt securities issued or distributed inside or outside Mainland China as well as deposits (including but not limited to convertible bonds, corporate bonds, government bonds, commercial papers, medium term notes, floating rate notes, money market instruments, certificates of deposits, bank deposits and negotiated term deposits).</li> <li>■ The RMB Bond Underlying Fund may invest up to 30% of its net asset value in debt securities and deposits that are denominated in currencies other than RMB, such as USD, HKD, Japanese Yen or Euro.</li> <li>■ Subject to the requirements under the General Regulation and the requirements and guidance issued by the SFC, the RMB Bond Underlying Fund may invest less than 30% of its net asset value in instruments with loss-absorption features which may include instruments classified as Additional Tier 1, Tier 2 capital instruments or non-preferred senior bonds (which may also be known as Tier 3 bonds) and other instruments eligible to be counted as loss-absorbing capacity under the resolution regime for financial institutions, in compliance with its investment policy and limits. These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger event(s). However, for the avoidance of doubt, the RMB Bond Underlying Fund will not invest in contingent convertible securities (CoCos).</li> </ul>

Sub-Fund	Investment Objective and Policy
	<ul style="list-style-type: none"> <li>■ The RMB Bond Underlying Fund intends to limit the volatility of returns in the short term.</li> <li>■ The RMB Bond Underlying Fund can directly invest in Mainland China onshore debt securities traded on the China interbank bond market through the Bond Connect.</li> <li>■ In determining investment in debt securities that are issued inside or outside of Mainland China, the investment manager of the RMB Bond Underlying Fund will consider various factors, including but not limited to compliance with the relevant investment restrictions and the General Regulation, and whether the investment will provide the RMB Bond Underlying Fund with returns within its risk profile as well as a sufficiently broad universe to allow appropriate diversification to mitigate concentration and liquidity risks, and provide flexibility to achieve steady growth over the long term in various market conditions.</li> <li>■ The investment manager of the RMB Bond Underlying Fund intends to invest up to 100% of the net asset value of the RMB Bond Underlying Fund in RMB denominated assets and typically will only consider investing in assets denominated in other currencies in market circumstances upon considering the factors set out in the preceding paragraph.</li> <li>■ The debt securities in which the RMB Bond Underlying Fund invests shall meet the relevant requirements in Schedule 1 of the General Regulation including but not limited to requirements on minimum credit ratings or debt securities which are issued by, or in respect of which the repayment of principal and the payment of interest are unconditionally guaranteed by an “exempt authority” as defined in Schedule 1 to the General Regulation. In view of the minimum credit ratings requirement, the RMB Bond Underlying Fund will not normally invest in debt securities which are rated below investment grade or unrated by credit rating agency(ies) approved by the MPFA. However, such investment may be made if such debt securities satisfy the other relevant requirements in Schedule 1 of the General Regulation. For details of such requirements, please refer to the offering document of the RMB Bond Underlying Fund.</li> <li>■ The largest ten holdings/securities to which the RMB Bond Underlying Fund may have exposure may account for 50% or more of its net asset value, resulting in a reasonably concentrated portfolio.</li> </ul>

Sub-Fund	Investment Objective and Policy
	<ul style="list-style-type: none"> <li> <ul style="list-style-type: none"> <li>(a) equities (provided that the RMB Bond Underlying Fund may hold up to 10% of its net asset value in equities as a result of conversions from convertible bonds. Notwithstanding the aforesaid, the investment manager of the RMB Bond Underlying Fund will seek to dispose of convertible bonds prior to such convertible bonds being converted to equities or dispose of the equities shortly after the conversions taking into account factors such as market conditions);</li> <li>(b) asset backed securities (including mortgage backed securities and asset backed commercial papers) or structured deposits;</li> <li>(c) securities issued by or guaranteed by any single country (including its government, a public or local authority of that country) with a credit rating below investment grade.</li> </ul> </li> <li>■ The RMB Bond Underlying Fund may enter into financial futures contracts, financial option contracts and/or currency forward contracts for hedging purposes only.</li> <li>■ The RMB Bond Underlying Fund will not engage in security lending, repurchase agreements and reverse repurchase agreements.</li> </ul>

Sub-Fund	Investment Objective and Policy
Hong Kong Bond Fund	<ul style="list-style-type: none"> <li data-bbox="393 204 952 320">■ The objective of the Hong Kong Bond Fund is to produce returns that are related to those achieved on the major bond market indices by investing in world bond markets with a focus on Hong Kong dollar denominated bonds and issuers.</li> <li data-bbox="393 331 941 496">■ The Hong Kong Bond Fund is a feeder fund that invests in the Hong Kong Bond Fund, a sub-fund of the FGIF. The Hong Kong Bond Fund of FGIF focuses investment (i.e. at least 70% of its net asset value) in HK dollar denominated debt securities (including but are not limited to convertible bonds, corporate bonds and government bonds) globally (including emerging markets).</li> <li data-bbox="393 507 947 863">■ Subject to the requirements under the General Regulation and the requirements and guidance issued by the SFC, the Hong Kong Bond Fund of FGIF may invest less than 30% of its net asset value in instruments with loss-absorption features which may include instruments classified as Additional Tier 1, Tier 2 capital instruments or non-preferred senior bonds (which may also be known as Tier 3 bonds) and other instruments eligible to be counted as loss-absorbing capacity under the resolution regime for financial institutions, in compliance with its investment policy and limits. These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger event(s). However, for the avoidance of doubt, the Hong Kong Bond Fund of FGIF will not invest in contingent convertible securities (CoCos).</li> <li data-bbox="393 874 947 943">■ The Hong Kong Bond Fund of FGIF seeks to minimize currency volatility by implementing a HKD hedged strategy (where investments are made other than in HKD).</li> <li data-bbox="393 954 913 1023">■ The Hong Kong Bond Fund of FGIF intends to limit the volatility of returns in the short term in HK dollar market terms.</li> </ul>

Sub-Fund	Investment Objective and Policy
World Bond Fund	<ul style="list-style-type: none"> <li>■ The objective of the World Bond Fund is to produce returns that are related to those achieved on the major bond market indices.</li> <li>■ The World Bond Fund is a feeder fund that invests in the Global Bond Fund, a sub-fund of the FGIF. The Global Bond Fund of FGIF focuses investment (i.e. at least 70% of its net asset value) in debt securities (including but are not limited to convertible bonds, corporate bonds and government bonds) globally (including emerging markets).</li> <li>■ Subject to the requirements under the General Regulation and the requirements and guidance issued by the SFC, the Global Bond Fund of FGIF may invest less than 30% of its net asset value in instruments with loss-absorption features which may include instruments classified as non-preferred senior bonds (which may also be known as Tier 3 bonds) and other instruments eligible to be counted as loss-absorbing capacity under the resolution regime for financial institutions, in compliance with its investment policy and limits. These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger event(s). However, for the avoidance of doubt, the Global Bond Fund of FGIF will not invest in contingent convertible securities (CoCos).</li> <li>■ The Global Bond Fund of FGIF may invest up to 10% of its net asset value in onshore Mainland China debt securities. The Global Bond Fund of FGIF intends to limit the volatility of returns in the short term.</li> <li>■ The largest ten holdings/securities to which the Global Bond Fund of FGIF may have exposure may account for 50% or more of its net asset value, resulting in a reasonably concentrated portfolio.</li> </ul>
<i>FAP Supermarket Funds</i>	
Fidelity Advantage Portfolio Fund – Tracker Fund Portfolio	<p>The Fidelity Advantage Portfolio Fund - Tracker Fund Portfolio is a feeder fund that invests solely into the Tracker Fund of Hong Kong (“<b>TraHK</b>”).</p> <p>TraHK’s investment objective is to provide investment results that closely correspond to the performance of the Hang Seng Index. The manager of TraHK seeks to achieve the investment objective of TraHK by investing all, or substantially all, of TraHK’s assets in shares in the constituent companies of the Hang Seng Index in substantially the same weightings as they appear in the Hang Seng Index. The manager of TraHK may also invest in certain other permitted investments in seeking to meet the investment objective of TraHK. The manager of TraHK will rebalance TraHK’s portfolio of investments from time to time to reflect any changes to the composition of, or the weighting of shares in, the Hang Seng Index.<sup>^</sup></p>

<sup>^</sup> Please refer to Appendix I of this Explanatory Memorandum for the relevant index provider disclaimer.

Sub-Fund	Investment Objective and Policy
<p>Fidelity Advantage Portfolio Fund – Invesco Asian Equity Fund</p>	<p>The Fidelity Advantage Portfolio Fund – Invesco Asian Equity Fund is a feeder fund that invests in the Invesco Asian Equity Fund, a sub-fund of the Invesco Funds.</p> <p>The objective of the Invesco Asian Equity Fund is to achieve long-term capital growth. The Invesco Asian Equity Fund seeks to achieve its objective by investing primarily (at least 70% of the net asset value of the Invesco Asian Equity Fund) in equity or equity related securities of (i) companies and other entities with their registered office in an Asian country, (ii) companies and other entities with their registered office outside of Asia but carrying out their business activities predominantly in one or more Asian countries or (iii) holding companies, the interests of which are predominantly invested in companies with their registered office in an Asian country. Up to 10% of the net asset value of the Invesco Asian Equity Fund may be exposed to China A shares listed on the Shanghai Stock Exchange or Shenzhen Stock Exchange, via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock connect programmes. Up to 30% of the net asset value of the Invesco Asian Equity Fund may be invested in cash and cash equivalents, money market instruments, equity and equity related securities issued by companies and other entities not meeting the above requirements or debt securities (including convertibles) of Asian issuers. For the avoidance of doubt, less than 30% of the net asset value of the Invesco Asian Equity Fund may be invested in debt securities (including convertible debt/bonds). Not more than 10% of the net asset value of the Invesco Asian Equity Fund may be invested in securities issued by or guaranteed by a country which is unrated (debt securities which are not rated by any international rating agency such as Moody's, Standard &amp; Poor's and Fitch) and/or whose credit rating is below investment grade (below investment grade is defined as credit rating that is below BBB- from Standard &amp; Poor's and Fitch, or below Baa3 from Moody's or an equivalent rating from an internationally recognized rating agency).</p> <p>For the purposes of this investment policy, the investment manager of the Invesco Asian Equity Fund has defined Asian countries as all countries in Asia excluding Japan, Australia and New Zealand.</p> <p>The Invesco Asian Equity Fund may use derivatives (including but not limited to futures, forwards, non-deliverable forwards, swaps and complex options structures) for hedging and efficient portfolio management purposes. Such derivatives may also incorporate derivatives on derivatives (i.e. forward dated swaps, swap options). However, financial derivative instruments will not be extensively used by the Invesco Asian Equity Fund for investment purposes (i.e. entering into financial derivative instruments to achieve the investment objectives).</p>

Sub-Fund	Investment Objective and Policy
<p>Fidelity Advantage Portfolio Fund - World Equity Index Fund</p>	<p>The Fidelity Advantage Portfolio Fund - World Equity Index Fund is a feeder fund that invests solely into the BlackRock Premier Funds - iShares World Equity Index Fund (the <b>“Underlying World Equity Index Fund”</b>), which is an SFC-authorized fund*.</p> <p>The investment objective of the Underlying World Equity Index Fund is to provide investment results that, before fees and expenses, closely track the performance of the FTSE MPF All-World Index (HKD unhedged total return) (the <b>“Underlying All-World Index”</b>).^ The Underlying All-World Index consists of eligible large and mid cap companies which are listed on the MPFA’s approved stock exchanges and covers 90% of the investable market cap universe. Please refer to the offering documents of the Underlying World Equity Index Fund for further information of the Underlying All-World Index.</p> <p>The manager of the Underlying World Equity Index Fund intends to invest primarily in securities included in the Underlying All-World Index using a representative sampling strategy by investing in a portfolio featuring high correlation with the Underlying All-World Index. The number of securities held by the Underlying World Equity Index Fund will vary according to the size of the Underlying World Equity Index Fund but is not expected to be less than 50% of the number of the index constituents at any point in time. The Underlying World Equity Index Fund may hold up to 10% of its net asset value in securities that are not included in, but match the characteristics of, the Underlying All-World Index, in circumstances considered appropriate by the manager of the Underlying World Equity Index Fund (e.g. when the trading of the securities included in the Underlying All-World Index are suspended; due to regulatory restriction or due to stock exchange closure).</p> <p>The Underlying World Equity Index Fund may invest up to 10% of its latest available net asset value in financial derivative instruments for the purposes of hedging and non-hedging including investment, and/or return optimization.</p> <p>The Underlying World Equity Index Fund will not directly or indirectly invest in China A shares, B shares and/or debt securities.</p> <p>The Underlying World Equity Index Fund currently does not intend to enter into any securities financing transactions.</p>

\* The SFC authorisation is not a recommendation or endorsement of the RMB Bond Underlying Fund, the Underlying World Equity Index Fund or the Underlying World Government Bond Index Fund (as applicable) or its performance. It does not mean the RMB Bond Underlying Fund, the Underlying World Equity Index Fund or the Underlying World Government Bond Index is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

^ Please refer to Appendix I of this Explanatory Memorandum for the relevant index provider disclaimer.



Sub-Fund	Investment Objective and Policy
<p>Fidelity Advantage Portfolio Fund - World Government Bond Index Fund</p>	<p>The Fidelity Advantage Portfolio Fund - World Government Bond Index Fund is a feeder fund that invests solely into the BlackRock Premier Funds - iShares World Government Bond Index Fund (the <b>"Underlying World Government Bond Index Fund"</b>), which is an SFC-authorized fund*.</p> <p>The investment objective of the Underlying World Government Bond Index Fund is to provide investment results that, before fees and expenses, closely track the performance of the FTSE MPF World Government Bond Index (HKD hedged total return) (the <b>"Underlying World Government Bond Index"</b>).^</p> <p>The Underlying World Government Bond Index consists of global sovereign bonds that are issued in local currency with fixed rate of coupon and investment grade credit rating, and has exposure limit to individual markets that complies with the General Regulation and the MPFA's Guidelines on Debt Securities. Please refer to the offering documents of the Underlying World Government Bond Index Fund for further information of the Underlying World Government Bond Index.</p> <p>The manager of the Underlying World Government Bond Index Fund intends to invest primarily in securities included in the Underlying World Government Bond Index using a representative sampling strategy by investing in a portfolio featuring high correlation with the Underlying World Government Bond Index. In normal circumstances, the number of issuers that the Underlying World Government Bond Index Fund is exposed to is not expected to be less than 50% of the number of issuers in the Underlying World Government Bond Index. The Underlying World Government Bond Index Fund may hold up to 20% of its net asset value in securities that are not included in the Underlying World Government Bond Index. In selecting the non-index constituent securities, the manager of the Underlying World Government Bond Index Fund will evaluate whether such securities could closely match with the different characteristics of the Underlying World Government Bond Index such as credit, duration, yield, currency, etc. Examples of such securities include (i) quasi-sovereign bonds the credit risk of which is highly correlated with the credit rating (i.e. investment grade) of the relevant constituent security; and (ii) bonds issued by third party with credit guarantee from the government of the respective constituent country.</p> <p>The Underlying World Government Bond Index Fund may use derivatives to hedge market and currency risk. For the avoidance of doubt, derivatives may be used for investment purposes for up to 10% of its net asset value.</p> <p>The Underlying World Government Bond Index Fund currently does not intend to enter into any securities financing transactions.</p>

\* The SFC authorisation is not a recommendation or endorsement of the RMB Bond Underlying Fund, the Underlying World Equity Index Fund or the Underlying World Government Bond Index Fund (as applicable) or its performance. It does not mean the RMB Bond Underlying Fund, the Underlying World Equity Index Fund or the Underlying World Government Bond Index is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

^ Please refer to Appendix I of this Explanatory Memorandum for the relevant index provider disclaimer.

Sub-Fund	Investment Objective and Policy
<i>Money Market Funds</i>	
US Dollar Money Fund	<ul style="list-style-type: none"> <li>■ The objective of the US Dollar Money Fund is to achieve a wholesale rate of return for US dollars.</li> <li>■ The US Dollar Money Fund is a feeder fund that invests in the US\$ Money Fund, a sub-fund of the FGIF. The US\$ Money Fund of FGIF focuses investments (i.e. at least 70% of its net asset value) into USD denominated short term deposits and money market instruments issued globally (including emerging markets).</li> <li>■ The US\$ Money Fund of FGIF intends to minimize risk to the capital.</li> <li>■ The largest ten holdings/securities to which the US\$ Money Fund of FGIF may have exposure may account for 50% or more of its net asset value, resulting in a reasonably concentrated portfolio.</li> </ul>
HK Dollar Money Fund	<ul style="list-style-type: none"> <li>■ The investment objective and policy of the HK Dollar Money Fund is to achieve a wholesale rate of return for HK dollars.</li> <li>■ The HK Dollar Money Fund is a feeder fund that invests in the HK\$ Money Fund, a sub-fund of the FGIF. The HK\$ Money Fund of FGIF focuses investments (at least 70% of its net asset value) into HKD denominated short term deposits and money market instruments issued globally (including emerging markets).</li> <li>■ The HK\$ Money Fund of FGIF intends to minimize risk to the capital.</li> <li>■ The portfolio of the HK\$ Money Fund of FGIF will be held in HKD deposits and money market instruments and invested in a manner consistent with those set out in the General Regulation.</li> <li>■ The largest ten holdings/securities to which the HK\$ Money Fund of FGIF may have exposure may account for 50% or more of its net asset value, resulting in a reasonably concentrated portfolio.</li> </ul>

Unitholders will be notified of any changes to the statement of investment policy of a Sub-Fund.

In addition to investing in funds, the assets of any Sub-Fund may include cash and/or short-term bank deposits in such amounts as the Manager shall consider prudent in the prevailing market conditions.

#### *Funds of Funds*

The Lifecycle Funds and the Global Equity Fund are funds of funds, such that they invest in “underlying” funds that are selected by the Manager by reference to their appropriateness to meet the investment objective of the particular Sub-Fund and the desired geographic or asset exposure required by the Manager. The Lifecycle

Funds and the Global Equity Fund invest solely in funds managed by Fidelity International. An “underlying” fund may, subject to any conditions that may apply to that “underlying” fund (a) permit payments for units after the issue date of such units and (b) accept applications for units for the relevant “underlying” fund where final subscription amounts are confirmed after the dealing cut-off time for the relevant “underlying fund” provided that the relevant subscription orders are placed by the Manager with the Trustee for onward transmission before the dealing cut-off time.

#### *Feeder Funds*

The Money Market Funds and the Market Investment Funds (other than the Global Equity Fund) are feeder funds such that they each invest in a sub-fund of the FGIF.

The FAP Supermarket Funds are feeder funds such that they each invest in the relevant fund identified in the Statements of Investment Policy above.

#### *Use of Derivatives and Leverage*

Each Sub-Fund is not expected to incur any leverage arising from the use of derivatives. Each Sub-Fund’s net derivative exposure as defined under the Code may be up to 50% of the relevant Sub-Fund’s net asset value.

#### *Security Financing Transactions*

The Sub-Funds will not engage in securities lending transactions, sale and repurchase transactions and reverse repurchase transactions.

### **Investment and Borrowing Restrictions**

A Sub-Fund shall be subject to the investment and borrowing restrictions set out in the Code (and as summarised below) save to the extent that any approval, permission or waiver in respect of any of the restrictions has been obtained from the SFC or otherwise permitted under the Code, handbook, code and/or guideline issued by the SFC from time to time.

#### *Funds of Funds*

1. The following applies to a Sub-Fund operating as a fund of funds:
  - (i) The value of the Sub-Fund’s investment in units or shares in other collective investment schemes (namely “**underlying schemes**”) which are non-eligible schemes (the list of “eligible schemes” is as specified by the SFC from time to time) and not authorised by the SFC may not in aggregate exceed 10% of its latest available net asset value; and
  - (ii) the value of the Sub-Fund’s investment in units or shares in each underlying scheme which is either an eligible scheme (the list of “eligible schemes” is as specified by the SFC from time to time) or a scheme authorised by the SFC may not exceed 30% of its latest available net asset value unless the underlying scheme is authorised by the SFC, and the name and key investment information of the underlying scheme are disclosed in this Explanatory Memorandum,

provided that:

- (A) no investment may be made in any underlying scheme the investment objective of which is to invest primarily in any investment prohibited by Chapter 7 of the Code;
- (B) where an underlying scheme's objective is to invest primarily in investments restricted by Chapter 7 of the Code, such investments may not be in contravention of the relevant limitation. For the avoidance of doubt, a Sub-Fund may invest in underlying scheme(s) authorised by the SFC under Chapter 8 of the Code (except for hedge funds under 8.7 of the Code), eligible scheme(s) of which the net derivative exposure does not exceed 100% of its total net asset value, and exchange traded funds as prescribed in the note preceding 7.11 of the Code in compliance with paragraphs 1(i) and (ii) above;
- (C) the underlying scheme's objective may not be to invest primarily in other collective investment scheme(s);
- (D) all initial charges and redemption charges on the underlying scheme(s) must be waived if the underlying scheme is managed by the Manager or its Connected Persons; and
- (E) the Manager or any person acting on behalf of the Sub-Fund or the Manager may not obtain a rebate on any fees or charges levied by an underlying scheme or its management company, or any quantifiable monetary benefits in connection with investments in any underlying scheme.

#### *Feeder Funds*

- 2.1 A Sub-Fund which is a feeder fund may invest 90% or more of its total net asset value in a single collective investment scheme ("**underlying scheme**") in accordance with the following provisions -
- (i) such underlying scheme ("**master fund**") must be authorised by the SFC;
  - (ii) no increase in the overall total of initial charges, redemption charges, management fees, or any other costs and charges payable to the Manager or any of its Connected Persons borne by the Unitholders or by the feeder fund may result, if the master fund in which the feeder fund invests is managed by the Manager or by a Connected Person of the Manager;
  - (iii) notwithstanding proviso (C) to paragraph 1 above, the master fund may invest in other collective investment scheme(s) subject to the investment restrictions as set out in paragraph 1(i) and (ii) and proviso (A), (B) and (C) to paragraph 1 above.
- 2.2 When applying investment and borrowing restrictions, Sub-Funds that are operated as feeder funds are deemed to be a single entity together with the underlying scheme into which they invest.

## *All Sub-Funds*

### *Prohibition and Restriction*

3. The Manager shall not on behalf of any Sub-Fund:-
  - (a) invest in a security of any class in any company or body if directors and officers of the Manager individually own more than 1/2% of the total nominal amount of all the issued securities of that class or collectively own more than 5% of those securities; or
  - (b) invest in any type of real estate (including buildings) or interest in real estate (including options or rights in real estate but excluding shares in real estate companies and interests in real estate investment trusts); or
  - (c) make short sales or purchases on margin; or
  - (d) invest in physical commodities (including gold, silver, platinum or other bullion); or
  - (e) make a loan out of that Sub-Fund except to the extent that the acquisition of an investment or the making of a deposit might constitute a loan; or
  - (f) assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person; or
  - (g) acquire an asset or engage in any transaction which involves the assumption of any liability by the relevant Sub-Fund which is unlimited. For the avoidance of doubt, the liability of Unitholders of a Sub-Fund is limited to their investments in that Sub-Fund; or
  - (h) invest in any security where a call is to be made for any sum unpaid on that security unless such call could be met in full out of cash or near cash held by a Sub-Fund which has not been set aside for any other purposes permitted by the Trust Deed (including to cover a future or contingent commitment arising from transaction in financial derivative instruments for the purposes of 7.29 and 7.30 of the Code).

### *Use of Financial Derivative Instruments*

- 4.1 A Sub-Fund may acquire financial derivative instruments for hedging purposes. For the purposes of this paragraph 4.1, financial derivative instruments are generally considered as being acquired for hedging purposes if they meet all the following criteria:
  - (a) they are not aimed at generating any investment return;
  - (b) they are solely intended for the purpose of limiting, offsetting or eliminating the probability of loss or risks arising from the investments being hedged;
  - (c) although they may not necessarily reference to the same underlying assets, they should relate to the same asset class with high correlation in terms of risks and return, and involve taking opposite positions, in respect of the investments being hedged; and
  - (d) they exhibit price movements with high negative correlation with the investments being hedged under normal market conditions.

The Manager, where it deems necessary, shall cause hedging arrangement to be adjusted or re-positioned, with due consideration on the fees, expenses and costs, to enable the relevant Sub-Fund to meet its hedging objective in stressed or extreme market conditions.

- 4.2 A Sub-Fund may also acquire financial derivative instruments for non-hedging purposes (“**investment purposes**”) subject to the limit that such Sub-Fund’s net exposure relating to these financial derivative instruments (“**net derivative exposure**”) does not exceed 50% of its latest available net asset value provided that such limit may be exceeded in such circumstances as permitted under the Code, handbook, code and/or guideline issued by the SFC from time to time or permitted by the SFC from time to time. For the avoidance of doubt, financial derivative instruments acquired for hedging purposes under paragraph 4.1 will not be counted towards the 50% limit referred to in this paragraph 4.2 so long as there is no residual derivative exposure arising from such hedging arrangement. Net derivative exposure shall be calculated in accordance with the Code and the requirements and guidance issued by the SFC which may be updated from time to time.
- 4.3 Subject to paragraphs 4.2 and 4.4, a Sub-Fund may invest in financial derivative instruments provided that the exposure to the underlying assets of the financial derivative instruments, together with the other investments of the Sub-Fund, may not in aggregate exceed the corresponding investment restrictions or limitations applicable to such underlying assets and investments as set out in 7.1, 7.1A, 7.1B, 7.4, 7.5, 7.11, 7.11A, 7.11B and 7.14 of the Code.
- 4.4 The financial derivative instruments invested by a Sub-Fund shall be either listed/quoted on a stock exchange or dealt in over-the-counter market and comply with the following provisions:
- (a) the underlying assets consist solely of shares in companies, debt securities, money market instruments, units/shares of collective investment schemes, deposits with substantial financial institutions, Government and other public securities, highly-liquid physical commodities (including gold, silver, platinum and crude oil), financial indices, interest rates, foreign exchange rates, currencies, or other asset classes acceptable to the SFC, in which the Sub-Fund may invest according to its investment objectives and policies;
  - (b) the counterparties to transactions of over-the-counter financial derivative instruments or their guarantors are substantial financial institutions or such other entity acceptable to the SFC;
  - (c) a Sub-Fund’s net counterparty exposure to a single entity arising from transactions of over-the-counter financial derivative instruments may not exceed 10% of its latest available net asset value provided that the exposure of the Sub-Fund to a counterparty of over-the-counter financial derivative instruments may be lowered by the collateral received (if applicable) by the Sub-Fund and shall be calculated with reference to the value of collateral and positive mark to market value of the over-the-counter financial derivative instruments with that counterparty, if applicable; and

- (d) the valuation of the financial derivative instruments is marked-to-market daily, subject to regular, reliable and verifiable valuation conducted by the valuation agent, the Manager or the Trustee or their nominee(s), agent(s) or delegate(s) (as the case may be) independent of the issuer of the financial derivative instruments through measures such as the establishment of a valuation committee or engagement of third party service. The financial derivative instruments can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Sub-Fund's initiative. Further, the administrator should be adequately equipped with the necessary resources to conduct independent marked-to-market valuation and to verify the valuation of the financial derivative instruments on a regular basis.
- 4.5 A Sub-Fund should at all times be capable of meeting all its payment and delivery obligations incurred under transactions in financial derivative instruments (whether for hedging or for investment purposes). The Manager shall, as part of its risk management process, monitor to ensure that the transactions in financial derivative instruments in respect of a Sub-Fund are adequately covered on an ongoing basis. For the purposes of this paragraph 4.5, assets that are used to cover the Sub-Fund's payment and delivery obligations incurred under transactions in financial derivative instruments shall be free from any liens and encumbrances, exclude any cash or near cash for the purpose of meeting a call on any sum unpaid on a security, and cannot be applied for any other purposes.
- 4.6 Subject to paragraph 4.5, a transaction in financial derivative instruments which gives rise to a future commitment or contingent commitment of a Sub-Fund shall be covered as follows:
- (a) in the case of financial derivative instruments transactions which will, or may at the Sub-Fund's discretion, be cash settled, the Sub-Fund shall at all times hold sufficient assets that can be liquidated within a short timeframe to meet the payment obligation; and
- (b) in the case of financial derivative instruments transactions which will, or may at the counterparty's discretion, require physical delivery of the underlying assets, the Sub-Fund shall hold the underlying assets in sufficient quantity at all times to meet the delivery obligation. If the Manager considers the underlying assets to be liquid and tradable, the Sub-Fund may hold other alternative assets in sufficient quantity as cover, provided that such assets may be readily converted into the underlying assets at any time to meet the delivery obligation provided further that the Sub-Fund shall apply safeguard measures such as to apply haircut where appropriate to ensure that such alternative assets held are sufficient to meet its future obligations.
- 4.7 The requirements under paragraphs 4.1 to 4.6 shall apply to embedded financial derivative. For the purposes of this Explanatory Memorandum, an **"embedded financial derivative"** is a financial derivative instrument that is embedded in another security.

### *Borrowing and Leverage*

The Manager may borrow up to 10% of the latest net asset value of any Sub-Fund for liquidity purposes to meet realisations and other expenses provided always that back-to-back loans do not count as borrowing. The assets of the relevant Sub-Fund may be charged or pledged as security for any such borrowings.

### *Breach of Investment and Borrowing Restrictions*

If any of the investment and borrowing restrictions applicable to a Sub-Fund are breached, the Manager shall as a priority objective take all steps as are necessary within a reasonable period of time to remedy the situation, taking due account of the interests of Unitholders. However, the Manager is not required to sell investments if any of the above limits are exceeded as a result of changes in the value of any Sub-Fund's investments, reconstructions or amalgamations, payments out of the assets of the Sub-Fund or realisations of units.

### *Name of Sub-Fund*

If the name of a Sub-Fund indicates a particular objective, investment strategy, geographic region or market, the Sub-Fund should, under normal market circumstances, invest at least 70% of its total net asset value in securities and other investments to reflect the particular objective, investment strategy, or geographic region or market which the Sub-Fund represents.



## Risk Factors

Sub-Fund	Asset Class Specific Risk				Investment Focus/ Style-Related Risks					Specific Instrument Related Risks			Derivatives/Counterparty Risk - General	Additional Risk Factors	
	General	Equities	Bonds and other Debt Instruments	Real Estate Related	Multi Asset	Investments Concentration	Sector Concentration	Below Investment Grade/Unrated Securities and High Yielding Debt Instruments	Emerging Markets	Eurozone Risk	Mainland China Related	Fixed Income Related			
Growth Fund	X	X	X	X				X					X	1,3	
Balanced Fund	X	X	X	X				X					X	1,3	
Stable Growth Fund	X	X	X	X				X					X	1,3	
Capital Stable Fund	X	X	X	X				X					X	1,3	
Hong Kong Equity Fund	X	X			X	X		X	X				X	3	
Asia Pacific Equity Fund	X	X						X	X				X	3	
Global Equity Fund	X	X											X	3	
RMB Bond Fund	X	X			X	X		X	X	X	X	X	X	3	
Hong Kong Bond Fund	X	X			X			X				X	X	3	
World Bond Fund	X	X			X			X	X	X		X	X	3	
Fidelity Advantage Portfolio Fund – Tracker Fund Portfolio	X	X			X	X		X					X	3,4	
Fidelity Advantage Portfolio Fund – Invesco Asian Equity Fund	X	X						X	X				X	3	
Fidelity Advantage Portfolio Fund – World Equity Index Fund	X	X											X	3,4	
Fidelity Advantage Portfolio Fund – World Government Bond Index Fund	X		X		X				X				X	3,4	
US Dollar Money Fund	X		X		X			X					X	2,3	
HK Dollar Money Fund	X		X		X			X					X	2,3	

**Prospective investors should read the entire Explanatory Memorandum and consult with their legal, tax and financial advisors before making any decision to invest in the Sub-Fund. For Sub-Funds which invest in one or more underlying funds, references to the Sub-Fund in this section include the relevant underlying funds (where applicable).**

## **General Risks**

### *1. Risk to Capital and Income*

The assets of the Sub-Funds are subject to fluctuations in value and other risks inherent in investing in securities and other financial instruments including the risks outlined below. The value of investments and the income from them may go down as well as up. Therefore, your investment in the Sub-Funds may suffer losses, and you may not get back the original amount invested. Past performance is no guarantee of future performance.

### *2. Foreign Currency Risk*

Some or all of a Sub-Fund's assets may be denominated in currencies other than the base currency of the Sub-Fund. Also, a class of Units may be designated in a currency other than the base currency of a fund. Fluctuations in the exchange rates between these currencies and the base currency as well as changes in exchange rate controls may adversely affect the Sub-Fund's net asset value. A Sub-Fund may, or may not, hedge these risks using foreign exchange contracts and the associated risks are explained below in the section on Derivatives/Counterparty Related Risk.

If a Sub-Fund invests in assets denominated in restricted currencies (i.e. where governments impose controls on the amounts of currency that can be traded) this may be subject to higher volatility due to lower traded volumes and pricing uncertainty. Further, the ability to hedge these risks may be limited as derivative instruments such as forwards or futures may be restricted, overly expensive or unavailable.

### *3. Cash and Cash Equivalents*

The Sub-Fund may hold cash or cash equivalents (e.g. money market funds or instruments). If cash does not form part of the asset allocation of the Sub-Fund, investing in cash may mean that Sub-Fund is not fully participating in the movements of the market(s) on which it focuses. This may affect the performance of the Sub-Fund.

### *4. Liquidity*

In normal market conditions the Sub-Fund's assets comprise mainly realisable investments which can be readily sold. A Sub-Fund's main liability is the realisation of any Units that investors wish to sell. In general the Sub-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 realisation. 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 Sub-Fund.

### *5. Pricing & Valuation*

The Sub-Fund's assets comprise mainly quoted investments where a valuation price can be obtained from an exchange or similarly verifiable source. However, the Sub-Fund may also invest in unquoted and/or illiquid investments which will increase the risk of mispricing. Further, the Sub-Fund will compute net asset values when some markets are closed for holidays or other reasons. In

circumstances described in the sub-section headed “**Calculation of Net Asset Value**” in the section headed “**D. ISSUE, REALISATION AND SWITCHING OF UNITS**”, the Manager, with the consent of the Trustee, may invoke a process which will determine a fair value price for the relevant investments; this process involves assumptions, uncertainty and subjectivity. If such valuation turns out to be incorrect, this will affect the net asset value calculation of the Sub-Funds.

#### 6. *Counterparty Credit & Settlement*

All security investments are transacted through brokers who have been approved by the Manager as an acceptable counterparty. The list of brokers is reviewed regularly. There is a risk of loss if a counterparty fails to perform its financial or other obligations to the Sub-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 does not occur the loss incurred by the Sub-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.

#### 7. *Custody*

The Sub-Fund’s assets are safe kept by the Trustee and the Additional Custodian, this exposes the Sub-Fund to the risk of loss of assets placed in custody as a result of insolvency, negligence or fraudulent trading by the Trustee. The Trustee does not keep all the assets of the Sub-Funds themselves but use a network of third-party delegates. Investors are also exposed to the risk of bankruptcy of the third-party delegates. A Sub-Fund may invest in markets where custodial and/or settlement systems are not fully developed. Thus, there may be risks that settlement may be delayed and that cash or securities belonging to the Sub-Fund may be at risk because of failures of or defects in the settlement systems. In particular, market practice may require that payment be made before receipt of the security being purchased or that delivery of a security be made before payment is received. In such cases, default by a broker or bank (the “**counterparty**”) through whom the transaction is effected might cause the Sub-Fund to suffer a loss. The Sub-Fund will seek, where possible, to use counterparties whose financial status is such that this risk is reduced. However, there can be no certainty that the Sub-Fund will be successful in eliminating this risk, particularly as counterparties operating in some markets may frequently lack the standing or financial resources of those in the most developed countries. There may also be a risk that, because of uncertainties in the operation of settlement systems in individual markets, competing claims may arise with respect to securities held by or to be transferred to the Sub-Fund.

#### 8. *Cross Unit Class Liabilities*

Although assets and liabilities are clearly attributable to each class of Units, there is no legal segregation between classes of Units within a Sub-Fund. This means that if the liabilities of a class of Units exceed its assets, creditors of such class may have recourse without restriction to assets which are attributable to the other classes of Units within the same Sub-Fund. Although the Manager implements appropriate procedures to mitigate this risk of contagion, Unitholders should note that specific transactions may be entered into for a particular class of Units but result in liabilities for the other classes of Units within the same Sub-Fund.

## 9. *Dealing Arrangements*

In certain circumstances set out in the sub-section headed "Limitation and Suspension" section in the section headed "**D. ISSUE, REALISATION AND SWITCHING OF UNITS**" below, the investor's right to realise Units may be suspended or realisation requests may be deferred.

## 10. *Cyber Events*

Cyber-attacks, disruptions, or failures (collectively: cyber events) that affect the Fund's service providers or counterparties, issuers of securities held by the Fund or other market participants may adversely impact the Fund and its Unitholders, including by causing financial losses or impairing operations. While the Manager has established systems and processes seeking to address cyber events there are inherent limitations as the Fund cannot control the cyber security plans of its counterparties.

## 11. *Risk associated with Foreign Account Tax Compliance Act ("FATCA")*

The Fund intends to fully comply with the legislation and the obligations imposed on it by FATCA and meet its obligation under the inter-governmental agreement ("**IGA**") with the US. However, no assurance can be given that the Fund will be able to fully achieve this and avoid being subject to US withholding taxes. In the event that Hong Kong as a jurisdiction is deemed to not meet its obligations, or if the Fund as a Hong Kong financial institution is deemed by the Hong Kong and/or US government to not be meeting its obligations in the future, the Fund may become subject to additional US withholding taxes, which could materially impact income returns from certain US source securities. In addition, Unitholders may suffer material loss in certain Sub-Funds where US withholding tax is imposed on the capital value of US source securities. Investors should consult their legal, tax and financial advisers to determine their status under the FATCA regime before making any decision to invest in any Sub-Fund.

## 12. *Hedging Risk*

The Manager is permitted, but not obliged, to use hedging techniques to attempt to offset market risks. There is no guarantee that hedging techniques will achieve their desired result. A Sub-Fund may not obtain a perfect correlation between hedging instruments and the portfolio holdings being hedged and the hedging may become inefficient or ineffective. This may have adverse impact on the relevant Sub-Fund and its investors.

## 13. *Early Termination Risk*

A Sub-Fund may be terminated in accordance with the Trust Deed.

In the event of the termination of a Sub-Fund, the Trustee may decide to issue Units of one or more other Sub-Fund(s) in exchange for Units of the terminating Sub-Fund or sell all the investments and other assets belonging to the terminating Sub-Fund and distribute cash proceeds to Unitholders in accordance with the provisions of the Trust Deed. It is possible that at the time of such realisation or distribution, certain investments held by the Sub-Fund may be worth less than the initial cost of such investments, resulting in a loss to the Unitholders. All normal operating expenses incurred up to the point of termination will be borne by the Sub-Fund. Investors will not bear any unamortised organisational expenses with regard to the Fund, a Sub-Fund or a class.

## Asset Class Specific Risks

### 1. *Equities*

For Sub-Funds which invest in stocks, the value of those stocks may fluctuate, sometimes dramatically, in response to the activities and results of individual companies or because of general market and economic conditions or other events, including changes in investment sentiment, political and issuer-specific factors.

### 2. *Bonds and other Debt Instruments*

For Sub-Funds which invest in bonds or other debt instruments, the value of those investments and hence the net asset value of the relevant Sub-Funds will depend on factors including, but not limited to, market interest rates, the credit quality of the issuer, the currency of the investment (when the currency of the investment is other than the base currency of the Sub-Fund holding that investment) and liquidity considerations. In general, the prices of debt instruments rise when interest rates fall, whilst their prices fall when interest rates rise.

#### *a. Lower Rated/Unrated Securities Risk*

The credit quality of debt instruments is often assessed by rating agencies. Certain Sub-Funds may invest in lower-rated and un-rated securities. Lower-rated securities (below investment grade) and un-rated securities may be higher yielding but be subject to wider fluctuations in yield, wider bid-offer spreads, lower liquidity and consequently greater fluctuations in market values and greater risk of loss of principal and interest, than higher-rated (investment grade) securities.

#### *b. Downgrading Risk*

The credit rating of debt instruments or their issuers may be downgraded. In the event of such downgrading, the value of the instrument, and hence the relevant Sub-Funds, may be adversely affected. The Manager may or may not be able to dispose of the debt instruments that are being downgraded.

#### *c. Credit/Default Risk*

Investments may be adversely affected if any of the institutions with which money is deposited suffers insolvency or is otherwise unable to pay interest or principal (default). Credit risk also arises from the uncertainty about the ultimate repayment of principal and interest from bond or other debt instrument investments by the issuers of such securities. 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".

#### *d. Sovereign Debt Risk*

Certain Sub-Funds' investments in securities issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/or interest when due or may request the relevant Sub-Funds to participate in restructuring such debts. The relevant Sub-Funds may suffer significant losses when there is a default of sovereign debt issuers.

e. *Credit Rating Risk*

Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.

f. *Valuation Risk*

Valuation of a Sub-Fund's investments may involve uncertainties and judgmental determination. If such valuation turns out to be incorrect, this may affect the calculation of the Sub-Fund's net asset value.

3. *Real Estate Related*

a. *Real Estate Investment Trusts ("REITs")*

REITs are exchange-traded entities where the underlying investments are primarily investments in real estate, which are generally less liquid than certain other asset classes such as equities, which may then be reflected in wider bid-offer spreads. Limited liquidity may affect the ability of a REIT to vary its investment portfolio or liquidate part of its assets in response to changes in economic conditions, international securities markets, foreign exchange rates, interest rates, real estate market or other conditions. Heavy cash flow dependency, borrowers' default risk, decline in the credit rating of the REIT and interest rates rise will potentially lead to a decline in the value of the investments.

4. *Multi-Asset*

Multi-asset Sub-Funds invest in multiple asset classes and can generally vary their exposure to each of them. As well as being subject to the risks inherent in those individual asset classes to a degree that depends on the exposure over time, the overall risk also depends on the correlation of returns between each asset class and hence could be adversely affected by a change in those correlations which could result in higher volatility and/or lower diversification.

## **Investment Focus/Style Related Risks**

1. *Investment Concentration*

Sub-Funds which invest in a relatively small number of investments or issuers may experience a more volatile net asset value as a result of this concentration of holdings relative to a Sub-Fund that diversifies across a larger number of investments or issuers.

2. *Geographical Concentration*

Sub-Funds which may invest in a single or small number of countries/localities may have greater exposures to the market, political, policy, foreign exchange, liquidity, tax, legal, regulatory, economic and social risks of those countries/localities than a Sub-Fund which diversifies across a number of countries/localities, thereby making the Sub-Fund more susceptible to any adverse events affecting those countries/localities. This may result in lower liquidity of the Sub-Fund's assets and/or a higher volatility of the net asset value than a Sub-Fund that diversifies across more countries/localities.

### 3. *Sector Concentration*

Sub-Funds which concentrate its investments in a single or small number of sectors may have greater exposures to market, liquidity, tax, legal, regulatory, and economic risks of those sectors than a Sub-Fund which diversifies across a number of sectors, thereby making such Sub-Funds more susceptible to any adverse events affecting those sectors. This may result in lower liquidity of such Sub-Funds' assets and/or a higher volatility of the net asset value than a Sub-Fund that diversifies across more sectors.

### 4. *Below Investment Grade/Unrated Securities and High Yielding Debt Instruments*

Certain Sub-Funds may invest in below investment grade and high yielding debt instruments where the level of income may be relatively high (compared to investment grade debt instruments); however the risk of depreciation and realisation of capital losses on such debt instruments held may be significantly higher than on lower yielding debt instruments. High yield bonds may be subject to lower liquidity, higher volatility, heightened risk of default and loss of principal and interest than higher-rated/lower yielding debt securities.

### 5. *Emerging Markets*

Certain Sub-Funds may invest, in part or in whole, in emerging market securities. The price of these securities may be more volatile and/or less liquid than those of securities in more developed markets due to increased risk and special considerations not typically associated with investment in more developed markets. This volatility or lack of liquidity may stem from political and economic uncertainties, legal and taxation risks, settlement risks, transfer of securities, custody risk and currency/currency control factors. Some emerging market economies may be sensitive to world commodity prices and/or volatile inflation rates. Others are especially vulnerable to economic conditions. Although care is taken to understand and manage these risks, the relevant Sub-Funds will ultimately bear the risks associated with investing in these markets.

### 6. *Eurozone Risk*

The performance of certain Sub-Funds will be closely tied to the economic, political, regulatory, geopolitical, market, currency or other conditions in the Eurozone and could be more volatile than the performance of more geographically diversified Sub-Funds. In light of the ongoing concerns on the sovereign debt risk of certain countries within the Eurozone, the relevant Sub-Funds' investments in the region may be subject to higher volatility, liquidity, currency and default risks. Any adverse events, such as the credit downgrade of a sovereign or the exit of European Union members from the Eurozone, may have a negative impact on the value of the relevant Sub-Funds.

## Specific Instrument Related Risks

### 1. Mainland China Related

#### a. General

##### i. Renminbi Currency and Conversion Risks

RMB is subject to a managed floating exchange rate based on market supply and demand with reference to a basket of currencies. Currently, the RMB is traded in two markets: one in Mainland China (onshore RMB, or CNY), and one outside Mainland China, primarily in Hong Kong (offshore RMB, or CNH). Although CNH and CNY are the same currency, they trade at different rates, and any divergence between CNH and CNY may adversely impact investors. CNY is not freely convertible and is subject to exchange controls and certain requirements by the government of the People's Republic of China ("**PRC government**"), whereas the CNH is freely tradable. Under exceptional circumstances, payment of redemptions may be delayed due to exchange controls and restrictions applicable to RMB.

Whilst the RMB is traded freely outside Mainland China, the RMB spot, forward foreign exchange contracts and related instruments reflect the structural complexities of this evolving market. Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currencies will not depreciate. Any depreciation of RMB could adversely affect the value of an investor's investment in the Sub-Fund. Accordingly, the relevant Sub-Funds may be exposed to greater foreign exchange risks.

##### ii. Mainland Chinese Assets

Investments in RMB by a Sub-Fund in China A/B Shares or onshore Mainland China fixed income securities and other permissible securities denominated in RMB may be made through any permissible means pursuant to any prevailing regulations, including through the Shanghai-Hong Kong Stock Connect and the Shenzhen - Hong Kong Stock connect programmes (the "**Stock Connect**"), the Bond Connect and any other eligible means. The uncertainty and change of the relevant laws and regulations in Mainland China and the potential for the PRC government and/or the regulators to implement policies that may affect the financial markets may have an adverse impact on such a Sub-Fund.

High market volatility and potential settlement difficulties in the Mainland Chinese markets may also result in significant fluctuations in the prices of the securities traded on such markets. Besides, securities exchanges in the Mainland China typically have the right to suspend or limit trading in any security traded on the relevant exchange. All these may have a negative impact on the net asset value of the relevant Sub-Funds.

##### iii. Stock Connect

Certain Sub-Funds may invest and have direct access up to 10% of their net asset value to certain eligible China A Shares via the Stock Connect, a securities trading and clearing linked program which aims to achieve mutual stock market access between Mainland China and Hong Kong.



Under the Stock Connect, overseas investors (including the Sub-Funds) may be allowed, subject to rules and regulations issued/amended from time to time, to trade China A Shares listed on the Shanghai Stock Exchange (“SSE”) or Shenzhen Stock Exchange (“SZSE”) through the Northbound Trading Link.

Investments through the Stock Connect are subject to risks, such as quota limitations, suspension risk, operational risk, restrictions on selling imposed by front-end monitoring, recalling of eligible stocks, clearing and settlement risks, nominee arrangements in holding China A Shares and regulatory risk. The Stock Exchange of Hong Kong Limited (“SEHK”), SZSE and SSE reserve the right to suspend trading through Stock Connect if necessary for ensuring an orderly and fair market and managing risks prudently which could adversely affect the relevant Sub-Funds’ ability to access the Mainland Chinese market. Where a suspension in the trading through the programme is effected, the relevant Sub-Fund’s ability to invest in China A Shares or access the Mainland Chinese market through the programme will be adversely affected. Regulations of the People’s Republic of China require that before an investor sells any share, there should be sufficient shares in the account (front-end monitoring); otherwise the relevant Mainland Chinese stock exchange will reject the sell order concerned. SEHK will carry out pre-trade checking on China A Shares sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling. Furthermore, the Stock Connect only operates on days when both the Mainland Chinese and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the Mainland Chinese market but Hong Kong investors (such as the Sub-Funds) cannot carry out any China A Shares trading. The relevant Sub-Funds may be subject to a risk of price fluctuations in China A Shares during the time when the Stock Connect is not trading as a result.

The Stock Connect is novel in nature, and is subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the Mainland China and Hong Kong. Furthermore, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Stock Connect.

The regulations are untested so far and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change which may have potential retrospective effect. There can be no assurance that the Stock Connect will not be abolished. The relevant Sub-Funds which may invest in the Mainland Chinese markets through Stock Connect may be adversely affected as a result of such changes.

#### *iv. Mainland China Tax Risk*

There are risks and uncertainties associated with the current tax laws, regulations and practice of the People’s Republic of China in respect of capital gains and dividends/interest on a Sub-Fund’s investments in Mainland China (which may have retrospective effect). Any increased tax liabilities on a Sub-Fund may adversely affect the Sub-Fund’s value.

Based on professional and independent tax advice, currently:

- No provision is being made by any of the Sub-Funds (A) for tax on capital gains on disposals of (i) China A Shares and B Shares, or (ii) Mainland China fixed income securities listed or traded on exchanges or the China interbank bond market, or (B) for tax on interest on onshore Mainland China fixed income securities, or (C) for tax on dividends, if any, received on China A-Shares (including those acquired through Stock Connect), China B-Shares and China H-Shares without deduction of tax at source. The actual tax liabilities (if any) will be debited from the relevant Sub-Fund's assets, and may adversely affect the Sub-Fund's net asset value.

Although no tax provision under current situation, the situation will be under review and after taking professional and independent tax advice, the Manager may make tax provision going forward where appropriate. Whilst the Manager reviews the tax provisioning policy on an on-going basis, investors should note that, even if tax provision is made, any shortfall between the provision and the actual tax liabilities will be debited from the relevant Sub-Fund's assets, and will adversely affect the Sub-Fund's net asset value. The actual tax liabilities may be lower than the tax provision made. Depending on the timing of their subscriptions and/or redemptions, investors may be disadvantaged as a result of any shortfall of tax provision and will not have the right to claim any part of the overprovision (as the case may be).

v. *Volatility and liquidity risk associated with Mainland China debt securities*

The debt securities in Mainland China markets may be subject to higher volatility and lower liquidity compared to more developed markets. The prices of securities traded in such markets may be subject to fluctuations. The bid and offer spreads of the price of such securities may be large and the funds investing in Mainland China debt securities may incur significant trading costs.

vi. *Risks associated with CIBM and Bond Connect*

The China interbank bond market ("CIBM") is the over-the-counter market for bonds issued and traded in Mainland China via means including the Bond Connect.

Bond Connect is a new initiative launched in July 2017 for mutual bond market access between Hong Kong and Mainland China established by China Foreign Exchange Trade System & National Interbank Funding Centre ("CFETS"), China Central Depository & Clearing Co., Ltd, Shanghai Clearing House, and Hong Kong Exchanges and Clearing Limited and Central Moneymarkets Unit.

Bond Connect is governed by rules and regulations as promulgated by the Mainland Chinese authorities. Such rules and regulations may be amended from time to time.

Under the prevailing regulations in Mainland China, eligible foreign investors will be allowed to invest in the bonds circulated in the CIBM through the northbound trading of Bond Connect ("**Northbound Trading Link**"). There will be no investment quota for Northbound Trading Link.

Under the Northbound Trading Link, eligible foreign investors are required to appoint the CFETS or other institutions recognised by the PBOC as registration agents to apply for registration with the PBOC.

Pursuant to the prevailing regulations in Mainland China, an offshore custody agent recognised by the Hong Kong Monetary Authority (currently, the Central Moneymarkets Unit) shall open omnibus nominee accounts with the onshore custody agent recognised by the PBOC (currently, the China Central Depository & Clearing Co., Ltd and Shanghai Clearing House). All bonds traded by eligible foreign investors will be registered in the name of Central Moneymarkets Unit, which will hold such bonds as a nominee owner.

Market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the CIBM may result in prices of certain debt securities traded on such market fluctuating significantly. The Sub-Fund investing in such market is therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may be large, and the Sub-Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments.

To the extent that the Sub-Fund transacts in the CIBM, the Sub-Fund may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with the Sub-Fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value.

For investments via Bond Connect, the relevant filings, registration with PBOC and account opening have to be carried out via an onshore settlement agent, offshore custody agent, registration agent or other third parties (as the case may be). As such, the Sub-Fund is subject to the risks of default or errors on the part of such third parties.

Investing in the CIBM via Bond Connect is also subject to regulatory risks. The relevant rules and regulations on these regimes are subject to change which may have potential retrospective effect. In the event that the relevant Mainland Chinese authorities suspend account opening or trading on the CIBM, the Sub-Fund's ability to trade the CIBM bonds will be adversely affected. In such event, the Sub-Fund's ability to achieve its investment objective will be negatively affected.

When there is any failure or disruption of the trading platform and/or operational systems of the Bond Connect, the relevant Sub-Fund's ability to trade CIBM bonds (and hence the pursue of its investment objective) will be adversely affected.

*b. Dim Sum Bond Market*

Some Sub-Funds may invest in "Dim Sum" bonds (i.e. bonds issued outside of Mainland China but denominated in RMB). The "Dim Sum" bond market is a relatively small market. As with some global fixed income markets, it may be more susceptible to volatility and illiquidity, and should there be any new rules which limit or restrict the ability of issuers to raise RMB (offshore CNH) funding by way of bond issuance and/or reversal or suspension of the liberalization of the CNH market by the relevant regulator(s), the operation of the "Dim Sum" bond market and new issuances could be disrupted and potentially cause a fall in the net asset value of the relevant Sub-Funds.

## 2. *Fixed Income Related*

### a. *Risks of investing in Convertible Bonds and in Hybrids*

Convertible bonds are typically debt instruments that pay interest rates or coupons and may be converted by the holder within a specified period of time into the reference equity at a specified conversion price. As such, convertible bonds will be exposed to greater volatility than straight bond investments. The value of convertible bonds may rise and fall with the market value of the reference equity or, like a straight bond investment, vary with changes in interest rates and the credit quality of the issuer. A convertible bond tends to perform more like a stock when the reference equity price is high relative to the conversion price (because more of the security's value resides in the option to convert) and more like a straight bond investment when the reference equity price is low relative to the conversion price (because the option to convert is less valuable). Because its value can be influenced by many different factors, a convertible bond is not as sensitive to interest rate changes as a comparable straight bond investment, and generally has less potential for gain or loss than the reference equity.

Hybrid securities, which generally do not include convertible bonds, also combine both equity and debt characteristics. Hybrids are subordinated instruments that have more equity-like features. Typically, hybrids include long final maturity (or no limitation on maturity - 'perpetual') and have a call schedule (i.e. a series of call dates on which the issuer can redeem the hybrid at specific prices), thereby increasing reinvestment risk, which is the risk that a hybrid's future cash flows will have to be reinvested at a lower Interest rate. Hybrids also typically have the ability to defer coupon or interest payments without defaulting. Their subordination typically lies somewhere in the capital structure between equity and other subordinated debt, i.e. such securities will be the most junior securities above equity. As such, as well as typical 'bond' risk factors, hybrids also convey such risks as the deferral of interest payments, equity market volatility and illiquidity. Some sources of additional risk associated with hybrids are set forth below:

**Coupon Cancellation:** Coupon payments on some hybrids are entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time. The cancellation of coupon payments on such securities may not amount to an event of default. Cancelled payments do not accumulate and are instead written off. Holders may see their coupons cancelled while the issuer continues to pay dividends on its common equity and variable compensation to its workforce.

**Call Extension Risk:** Some hybrids are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority. It cannot be assumed that the perpetual instrument will be called on call date. The investor may not receive return of principal as expected on call date or indeed at any date.

### b. *Risks of investing in instruments with loss-absorption features*

Sub-Funds may invest in instruments with loss-absorption features. Those features have been designed to meet specific regulatory requirements imposed on financial institutions and typically include terms and conditions specifying the instrument is subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of the following: (a) when

a financial institution is near or at the point of non-viability; or (b) when the capital ratio of a financial institution falls to a specified level.

Debt instruments with loss-absorption features are subject to greater capital risks when compared to traditional debt instruments as such instruments are typically subject to the risk of being written down or converted to ordinary shares upon the occurrence of pre-defined trigger events (such as those disclosed in the preceding paragraph). Such trigger events are likely to be outside of the issuer's control and are complex and difficult to predict and may result in a significant or total reduction in the value of such instruments.

In the event of the activation of a trigger, there may be potential price contagion and volatility to the entire asset class. Debt instruments with loss-absorption features may also be exposed to liquidity, valuation and sector concentration risk.

The Sub-Funds may also invest in senior non-preferred debts. While these instruments are generally senior to subordinated debts, they may be subject to write-down upon the occurrence of a trigger event and will no longer fall under the creditor ranking hierarchy of the issuer. This may result in total loss principal invested.

## **Derivatives/Counterparty Related Risks**

### *1. General*

The Sub-Funds may use financial derivative instruments (“**FDIs**”) subject to the requirements under the Code.

Investors may wish to consult their independent financial adviser about the suitability of a particular Sub-Fund for their investment needs bearing in mind its powers with regard to the use of derivatives.

While the judicious use of derivative instruments by experienced investment advisers such as the Manager can be beneficial, derivative instruments also involve risks different from, and, in certain cases, greater than, the risks associated with more traditional investments.

#### *a. Valuation*

Some derivative instruments, in particular OTC derivative instruments, do not have prices observable on an exchange and so involve the use of formulae, with prices of underlying securities or reference benchmarks obtained from other sources of market price data. OTC instruments involve the use of models, with assumptions, which increases the risk of pricing errors. Improper valuations could result in increased cash payment requirements to counterparties or a loss of value to the relevant Sub-Funds.

#### *b. Liquidity*

Liquidity risk exists when a particular instrument is difficult to purchase or sell at a given valuation. If a derivative instrument transaction is particularly large or if the relevant market is illiquid (as can be the case with OTC derivative instruments), it may not be possible to initiate a transaction or liquidate a position at an advantageous price.

c. Basis

Basis risk is the risk of loss due to divergence between two rates or prices. Derivative instruments do not always perfectly or even highly correlate with the assets, rates or indices they are designed to track. Consequently, the Sub-Funds' use of derivative instruments may not always be an effective means of, and sometimes could be counterproductive to, furthering the funds' investment objective. This applies particularly where an underlying position is hedged through derivative contracts which may be similar to (but are not the same as) the underlying position.

d. Leverage

The use of derivatives may give rise to a form of leverage, which may cause the net asset value of the relevant Sub-Funds to be more volatile and/or change by greater amounts than if they had not been leveraged. This is because leverage tends to exaggerate the effect of any increase or decrease in the value of the respective Sub-Funds' portfolio securities and other instruments. The leverage element of a derivative can result in a loss significantly greater than the amount invested in the derivatives by the relevant Sub-Funds. Exposure to derivatives may lead to a high risk of significant loss by the relevant Sub-Funds.

e. Counterparty Credit

This is the risk that a loss may be sustained by a Sub-Fund as a result of the failure of the other party to a derivative instrument (usually referred to as a 'counterparty') to comply with the terms of the derivative instrument contract. The counterparty credit risk for exchange-traded derivative instruments is generally less than for OTC derivative instruments, since the clearing firm, which is the issuer or counterparty to each exchange-traded derivative instrument, provides a guarantee of clearing. This guarantee is supported by a daily payment system (i.e. margin requirements) operated by the clearing firm in order to reduce overall counterparty credit risk. Assets deposited as margin with the brokers and/or exchanges may not be held in segregated accounts by these counterparties and may therefore become available to the creditors of such counterparties in the event of default by them. For OTC derivative instruments, there is no similar clearing firm guarantee. Therefore, the Manager adopts a counterparty risk management framework which measures, monitors and manages counterparty credit risk, taking into account both current and potential future credit exposure, through the use of internal credit assessments and external credit agency ratings. OTC derivative instruments are not standardised. They are an agreement between two parties and can therefore be tailored to the requirements of the parties involved. The documentation risk is reduced by adhering to standard ISDA documentation.

A Sub-Fund's exposure to an individual counterparty shall not exceed 10% of the relevant Sub-Fund's net assets. Counterparty credit risk may be further mitigated through the use of collateral agreements. However, collateral arrangements are still subject to the insolvency risk and credit risk of the issuers or depositary of the collateral.

Further, collateral thresholds exist below which collateral is not called for and timing differences between calculating the need for collateral and its receipt

by the Sub-Fund from the counterparty both mean that not all the current exposure will be collateralised.

*f. Settlement*

Settlement risk exists when derivatives are not settled in a timely manner, thereby increasing counterparty credit risk prior to settlement and potentially incurring funding costs that would otherwise not be experienced. If settlement never occurs the loss incurred by the Sub-Fund will be the same as it is for any other such situation involving a security namely 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.

*g. Legal*

Derivative transactions are typically undertaken under separate legal arrangements. In the case of OTC derivatives, a standard International Swaps and Derivatives Association ("ISDA") agreement is used to govern the trade between a Sub-Fund and the counterparty. The agreement covers situations such as a default of either party and also the delivery and receipt of collateral. As a result, there is a risk of loss to the Sub-Fund where liabilities in those agreements are challenged in a court of law.

*2. Specific Derivative Instruments*

For Sub-Funds using one or a combination of the following instruments the following risks should be considered, as applicable:

Foreign Exchange Forward Contracts	To the extent that such contracts are used to hedge foreign (non-base) currency exposures back to the base currency of the Sub-Fund, there is a risk that the hedge may not be perfect and movements in its value may not exactly offset the change in value of the currency exposure being hedged. Since the gross amounts of the contract are exchanged on the specified date, there is a risk that if the counterparty with whom the contract has been agreed goes into default between the time of payment by the Sub-Fund but before receipt by the Sub-Fund of the amount due from the counterparty, then the Sub-Fund will be exposed to the counterparty credit risk of the amount not received and the entire principal of a transaction could be lost.
Futures	Changes in value of the underlying reference index/security/contract/bond will affect the value of an exchange trade future, thus affecting the value of the Sub-Fund.
Options and Warrants	The most significant contributor to market risk resulting from options is the market risk associated with the underlying when the option has an intrinsic value (i.e. it is 'in-the-money'), or the strike price is near the price of the underlying ('near-the-money'). In these circumstances the change in value of the underlying will have a significant influence on the change in value of the option. The other variables will also have an influence, which will likely to be greater the further away the strike price is from the price of the underlying.

## **Additional Risks**

### *1. Asset Allocation – Dynamic Risk*

Certain Sub-Funds may periodically change their allocation across asset classes and therefore may incur greater transaction costs than a fund with static allocation strategy.

### *2. Money Market Funds*

An investment in Money Market Funds is neither insured nor guaranteed by any government, government agencies or government-sponsored agencies or any bank guarantee fund. Units in Money Market Funds are not deposits or obligations of, or guaranteed or endorsed by, any bank and the amount invested in Units may fluctuate up and/or down, and the Manager has no obligation to redeem the Units at the subscription price. In addition, the Money Market Funds are not subject to the supervision of the Hong Kong Monetary Authority. Although the Sub-Fund seeks to maintain capital value and liquidity whilst producing a return in line with money market rates to the investor, Money Market Funds do not guarantee a stable net asset value. All investments are subject to credit and counterparty risk and provide limited potential for capital appreciation and generally lower income than investments in medium- or long-term instruments would. Furthermore, the performance of Money Market Funds may be affected by changes in money market rates, economic and market conditions and in legal, regulatory and tax requirements. In a low interest rate environment or during adverse market conditions, Money Market Funds may invest in negative yield instruments which may adversely impact the net asset value of the Sub-Fund.

### *3. Risks of investing in other collective investment schemes/funds*

Certain Sub-Funds may invest in other funds and will be subject to the risks associated with the underlying funds. The relevant Sub-Funds do not have control of the investments of the underlying funds and there is no assurance that the investment objective and strategy of the underlying funds will be successfully achieved which may have a negative impact to the net asset value of the relevant Sub-Funds. The underlying funds in which the relevant Sub-Funds may invest may not be regulated by the SFC. There may be additional costs involved when investing into these underlying funds. There is also no guarantee that the underlying funds will always have sufficient liquidity to meet the relevant Sub-Funds' redemption requests as and when made.

### *4. Risk of Investing in Index-Tracking Fund*

Investors should note that a Sub-Fund investing in an index-tracking fund can be subject to the following risks:

#### *(i) passive investment risk*

The relevant Sub-Fund is subject to the fluctuations and adverse conditions in the sector or market which the relevant index seeks to track. Both the Manager and the manager of the underlying index-tracking fund do not have discretion to take defensive positions where the market(s) represented by the relevant index decline due to the nature of index-tracking fund. Hence, any fall in the underlying index will result in corresponding fall in the value of the underlying index-tracking fund and hence the relevant Sub-Fund.



(ii) tracking error risk

While the underlying index-tracking fund in which a Sub-Fund invests will seek to track the performance of the underlying index, changes in the net asset value of the underlying index-tracking fund (and hence that of the Sub-Fund) may not replicate exactly changes in the relevant index. This is due to, among other factors, the fees and expenses payable by the Sub-Fund and transaction fees and stamp duty incurred in adjusting the composition of the investment portfolio according to changes in the relevant index, dividends received but not distributed, and the use of representative sampling strategy (if applicable) which involves exclusion of certain index constituents by the underlying index-tracking fund. Market disruptions and regulatory restrictions could also adversely impact the underlying index-tracking fund's ability to adjust its exposure to the required levels in order to track the underlying index. There can be no assurance that the performance of the underlying index-tracking fund will be identical to the performance of the underlying index.

(iii) other risks

- The index composition may change from time to time and both the Manager and the manager of the underlying index-tracking fund have no control over the selection of the constituent stocks comprising of the underlying index.
- The market price of units in the underlying index-tracking fund may sometimes trade above or below its net asset value. There is a risk, therefore, that the Sub-Fund may not be able to buy or sell at a price close to the net asset value of the underlying index-tracking fund.
- Any license granted to the service provider of the underlying index-tracking fund for the use of, and reference to, the underlying index, may be terminated, or the underlying index may cease to be operated or available. As a result, the underlying index-tracking fund may be terminated. In such circumstances, the Manager may seek a replacement of the underlying index-tracking fund, or the Sub-Fund be terminated if no suitable replacement underlying index-tracking fund is found.
- In addition, as the relevant Sub-Fund may hold cash to meet redemption/switching requests and/or to pay for expenses and the calculation of the performance of the Sub-Fund is on an after-fee basis, tracking error resulted from such cash holding and fee deduction from the Sub-Fund would be unavoidable.

5. *Risks specific to Fidelity Advantage Portfolio Fund – Tracker Fund Portfolio, Fidelity Advantage Portfolio Fund – World Equity Index Fund and Fidelity Advantage Portfolio Fund – World Government Bond Index Fund (the “**Relevant FAP Supermarket Funds**”)*

The Relevant FAP Supermarket Funds, by investing in the corresponding underlying index funds whose investment objective is to provide investment results that closely correspond to the performance of the underlying indices, is subject to the following risks:

(i) risks relating to the underlying index funds

None of the manager or the trustee of the underlying index fund, or the Hong Kong Government in respect of TraHK or the Fidelity Advantage Portfolio Fund – Tracker Fund Portfolio, are related to the Relevant FAP Supermarket Funds, and none of these entities will have any liability in connection with the Fund or the Relevant FAP Supermarket Funds.

The performance of the underlying index funds and the performance by the manager and the trustee of the underlying index funds of their respective obligations are not guaranteed. There is no guarantee or assurance that the investment objective of the underlying index funds will be met.

The Relevant FAP Supermarket Funds do not have control of the investments of the underlying index funds and there is no assurance that the investment objective and strategy of the underlying index funds will be successfully achieved. This may have a negative impact to the net asset value of the Relevant FAP Supermarket Funds.

There may be additional costs involved when investing into the underlying index funds. There is also no guarantee that the underlying index funds will always have sufficient liquidity to meet the Relevant FAP Supermarket Funds' redemption requests as and when made.

The underlying index funds may be subject to early liquidation in circumstances set out in their respective offering documents. In such event, the relevant underlying index fund would have to distribute to unitholders their pro rata interest in the assets of the underlying index fund, and the investments held by the Relevant FAP Supermarket Fund in the underlying index fund may be worth less than the initial cost of such investments, resulting in a loss to the Relevant FAP Supermarket Fund. In addition, the Relevant FAP Supermarket Funds may also be terminated if no suitable replacement underlying index fund is found.

The investments of the underlying index funds may be periodically rebalanced and therefore the underlying index funds may incur greater transaction costs than a fund with static allocation strategy.

(ii) risks relating to the underlying indices

The underlying indices may experience volatility and decline, and the price of the units in the underlying index funds will vary or decline accordingly, which in turn may have adverse impact on the performance of the Relevant FAP Supermarket Funds.

No warranty, representation or guarantee is given as to the accuracy or completeness of the underlying indices and their computation or any information related thereto. The process and the basis of computing and compiling the underlying indices and any of their related formulae, constituent companies and factors may at any time be changed or altered by the index provider without notice.

Errors in index data may occur from time to time and may not be identified and corrected for a period of time, and may have an adverse impact on the relevant underlying index fund and its investors (including the Relevant FAP Supermarket Fund).

## D. ISSUE, REALISATION AND SWITCHING OF UNITS

### Initial Application and Subsequent Dealing Instructions

Applications for Units may be made by completing an original executed application form and sending it together with the documents referred to in the application form to the Trustee.

Subsequent applications can be sent either in original or (where the applicant has previously authorised the Trustee to act on facsimile instructions) by facsimile to the Trustee or by such other method as the Trustee may agree. Applicants who choose to send an application form by facsimile bear the risk of the form not being received by the Trustee. Applicants should therefore, for their own benefit, confirm with the Trustee safe receipt of an application form. Neither the Manager nor the Trustee (nor any of their respective officers, employees, agents or delegates) will be responsible to an applicant for any loss resulting from non-receipt or illegibility of any application form sent by facsimile or for any loss caused in respect of any action taken as a consequence of such facsimile believed in good faith to have originated from properly authorised persons.

### Issue of Units

#### *Initial offer*

Units in the Fidelity Advantage Portfolio Fund - World Equity Index Fund and Fidelity Advantage Portfolio Fund - World Government Bond Index Fund will initially be available for subscription and dealing from 31 July 2019 (or such other date as the Manager may determine).

#### *Subsequent offer*

Units in the Sub-Funds (including Units in the Fidelity Advantage Portfolio Fund - World Equity Index Fund and Fidelity Advantage Portfolio Fund - World Government Bond Index Fund following the close of the initial offer period) are offered on each Dealing Day at an issue price per Unit based on the net asset value per Unit of the relevant Sub-Fund.

Applications for the issue of Units in any Sub-Fund will, if received and accepted by the Manager prior to 12 noon (Hong Kong time), or such other time agreed by the Trustee and the Manager on a Dealing Day (the **"Dealing Deadline"**) be dealt with on that Dealing Day.

### Issue Price

The initial issue price for all classes of Units of each of the Fidelity Advantage Portfolio Fund - World Equity Index Fund and Fidelity Advantage Portfolio Fund - World Government Bond Index Fund is HKD100 per Unit.

After the first issue of Units, Units of a class will be issued at the issue price for such Units on the relevant Dealing Day, as described below under "Calculation of Issue and Realisation Prices".

## Minimum Subscription and Subsequent Holding

The minimum amounts for investment and subsequent holding in each of the Sub-Funds are as follows:

		Minimum Initial Subscription*	Minimum Additional Subscription*	Minimum Holding*
	Ordinary Units	USD500,000	Nil	USD500,000
	Administration Units	USD500,000	Nil	USD500,000
Savings Units	All Sub-Funds (other than HK Dollar Money Fund, Hong Kong Equity Fund, Hong Kong Bond Fund, Fidelity Advantage Portfolio Fund - Tracker Fund Portfolio, RMB Bond Fund, Fidelity Advantage Portfolio Fund - World Equity Index Fund and Fidelity Advantage Portfolio Fund - World Government Bond Index Fund)	Nil	USD1,000	Nil
	HK Dollar Money Fund, Hong Kong Equity Fund, Hong Kong Bond Fund, Fidelity Advantage Portfolio Fund - Tracker Fund Portfolio, RMB Bond Fund, Fidelity Advantage Portfolio Fund - World Equity Index Fund and Fidelity Advantage Portfolio Fund - World Government Bond Index Fund	Nil	HKD8,000	Nil

\* inclusive of the initial charge

The Manager has discretion to accept subscriptions for lower amounts than specified above.

## Procedures for Application and Payment

The Manager has an absolute discretion to accept or reject in whole or in part any application for units. In the event that an application is rejected, application monies will be returned without interest by cheque through the post at the risk of the person(s) entitled thereto.

Payment for the issue of Units in any Sub-Fund must be received in cleared funds unless the Manager agrees otherwise. The subscription monies and the initial charge should be forwarded in full at the same time the application form is sent to the Trustee.

Applications received on a day which is not a Business Day in Hong Kong or received after the Dealing Deadline for a Dealing Day will be dealt with on the next following Dealing Day.

Payment should be made in one of the ways set out in the application form.

Cash subscriptions will not be accepted. Subscription monies will not be treated as having been received unless paid in any of the ways described in the application form.

For all Sub-Funds (other than the HK Dollar Money Fund, the Hong Kong Equity Fund, the Hong Kong Bond Fund, the Fidelity Advantage Portfolio Fund - Tracker Fund Portfolio, the RMB Bond Fund, the Fidelity Advantage Portfolio Fund - World Equity Index Fund and the Fidelity Advantage Portfolio Fund - World Government Bond Index Fund), where subscription monies are paid in HKD, they will be converted into USD before being applied (net of all currency conversion costs) in the subscription of Units in the Fund, if necessary.

For the HK Dollar Money Fund, the Hong Kong Equity Fund, the Hong Kong Bond Fund, the Fidelity Advantage Portfolio Fund - Tracker Fund Portfolio, the RMB Bond Fund, the Fidelity Advantage Portfolio Fund - World Equity Index Fund and the Fidelity Advantage Portfolio Fund - World Government Bond Index Fund, where subscription monies are paid in USD, they will be converted into HKD before being applied (net of all currency conversion costs) in the subscription of Units in the Fund, if necessary.

Payment in other freely convertible currencies may be accepted. Such payments will be converted into USD or HKD as appropriate and the proceeds of conversion (after deducting the costs of such conversion) will be applied towards payment of the subscription monies. Conversion of currencies other than HKD may involve some delay.

No money should be paid to any intermediary in Hong Kong who is not a licensed or registered to carry on Type 1 regulated activity under Part V of the Securities and Futures Ordinance or otherwise exempt from such licensing requirement.

Fractions of not less than one-thousandth of a Unit may be issued. Application monies representing smaller fractions of a Unit will be retained by the Fund. Investors may add to an existing holding without limit.

Units issued by the Fund will be held for investors in registered form. Certificates will not be issued. A contract note will be issued upon acceptance of an investor's application and the receipt of cleared funds and will be forwarded by ordinary post (at the risk of the person entitled thereto).

## **Switching**

Unitholders have the right (subject to any suspension in the determination of the net asset value of any Sub-Fund) to switch all or part of their Units of any class in any Sub-Fund into Units in another Sub-Fund by giving notice in writing, either in original or (where the relevant Unitholder has previously authorised the Trustee to act on facsimile instructions) by facsimile, to the Trustee or by such other method as the Trustee may agree. Unitholders who choose to send a switching notice by facsimile bear the risk of the notice not being received by the Trustee. Unitholders should therefore, for their own benefit, confirm with the Trustee safe receipt of a switching notice. Neither the Manager nor the Trustee (nor any of their respective officers, employees, agents or delegates) will be responsible to a unitholder for any loss resulting from non-receipt or illegibility of any switching notice sent by facsimile or for any loss caused in respect of any action taken as a consequence of such facsimile believed in good faith to have originated from properly authorised persons.

Subject to such number of free switching as may be agreed among the Unitholder, Manager and Trustee from time to time, switches in respect of Administration Units or Ordinary Units may be effected on any Dealing Day subject to a switching fee as described below.

Switching by holders of Savings Units may be effected on any Dealing Day. There is currently no switching fee payable on switching of Savings Units of the Fund.

In order for switching to take effect on a Dealing Day, the switching notice must be received by the Trustee not later than the Dealing Deadline in respect of that Dealing Day.

The rate at which the whole or any part of a holding of units in any Sub-Fund (the **"Existing Sub-Fund"**) will be switched on any Dealing Day into units of another Sub-Fund (the **"New Sub-Fund"**) will be determined in accordance with the following formula:-

$$N = \frac{(E \times R)}{S}$$

where:-

- N = the number of units in the New Sub-Fund to be issued;
- E = the number of units in the Existing Sub-Fund to be switched;
- R = the realisation price per unit of the Existing Sub-Fund on the relevant Dealing Day on which switching is to take effect; and
- S = the issue price per unit of the New Sub-Fund on the Dealing Day on which switching is to take effect plus a switching fee of up to 5% of that issue price (or such smaller amount as may be applicable or as the Manager may determine).

Any fraction smaller than one-thousandth of a unit of the new Sub-Fund so arising will be ignored and monies representing any such fraction will be retained as part of the Existing Sub-Fund.

No switching will be made if as a result thereof a Unitholder would hold less than the minimum holding of units of the relevant class in any Sub-Fund. There is no minimum holding of Savings Units.

### **Realisation of Units**

Subject to any suspension of the determination of the net asset value of any relevant Sub-Fund (please see for "Limitation and Suspension" section for details) and subject as mentioned below, any Unitholder may redeem his Units on any Dealing Day in whole, or in part. There is no realisation charge.

A realisation request must be given in writing, in original or (where the relevant Unitholder has previously authorised the Trustee to act on facsimile instructions) by facsimile or by such other method as the Trustee may agree, and must specify the number and class of units in the relevant Sub-Fund to be redeemed, the name(s) of the registered holder(s), and give payment instructions for the realisation proceeds. In order for realisation to take effect on a particular Dealing Day, the realisation request must be received by the Trustee not later than the Dealing Deadline on that Dealing Day. If the request is received after that time it will be dealt with on the next Dealing Day. If the relevant Unitholder has not previously authorised the Trustee and

the Manager to act on facsimile instructions, the original of any realisation request made by facsimile must be sent to the Trustee forthwith.

Unitholders who choose to send a realisation request by facsimile bear the risk of the request not being received by the Trustee. Unitholders should therefore, for their own benefit, confirm with the Trustee safe receipt of a realisation request. Neither the Manager nor the Trustee (nor any of their respective officers, employees, agents or delegates) will be responsible to a Unitholder for any loss resulting from non-receipt or illegibility of any realisation request sent by facsimile or for any loss caused in respect of any action taken as a consequence of such facsimile believed in good faith to have originated from properly authorised persons.

Units of a class will be realised at the realisation price for such Units on the relevant Dealing Day, as described below under "Calculation of Issue and Realisation Prices".

Where realisation monies are to be paid to any person other than the realising Unitholder or by telegraphic transfer, realisation monies may not be paid until the signature of the Unitholder (or each joint Unitholder) has been verified to the satisfaction of the Trustee. The realisation monies from a realisation of Savings Units will only be paid to the redeeming Unitholder.

Subject as mentioned above and except where the redeeming Unitholder gives alternative payment instructions, such amount will be paid to the redeeming Unitholder (or to the first-named of joint Unitholders) at their risk by cheque, in USD for all Sub-Funds (other than HK Dollar Money Fund, the Hong Kong Equity Fund, the Hong Kong Bond Fund, the Fidelity Advantage Portfolio Fund - Tracker Fund Portfolio, the RMB Bond Fund, the Fidelity Advantage Portfolio Fund - World Equity Index Fund and the Fidelity Advantage Portfolio Fund - World Government Bond Index Fund), in HKD for the HK Dollar Money Fund, the Hong Kong Equity Fund, the Hong Kong Bond Fund, the Fidelity Advantage Portfolio Fund - Tracker Fund Portfolio, the RMB Bond Fund, the Fidelity Advantage Portfolio Fund - World Equity Index Fund and the Fidelity Advantage Portfolio Fund - World Government Bond Index Fund, not later than one calendar month after receipt of a properly documented request for realisation of Units unless the redeeming Unitholder has previously authorised the Trustee and the Manager to act on facsimile instructions.

## **Limitation and Suspension**

### *Limitation*

With a view to protecting the interests of Unitholders, the Manager is entitled at its discretion and with the approval of the Trustee to limit the number of Units of any class in any Sub-Fund realised on any Dealing Day (whether by sale to the Manager or by cancellation by the Trustee) to 10% of the total number of Units of that Sub-Fund of the relevant class in issue. In this event, the limitation will apply pro rata so that all Unitholders wishing to realise Units of the same class on that Dealing Day will realise the same proportion of such Units, and Units not realised (but which would otherwise have been realised) will be carried forward for realisation, subject to the same limitation, on the next Dealing Day. If requests for realisation are so carried forward, the Manager will inform the Unitholders concerned. Where the Manager postpones realisations in exercise of this power, the Manager may make exceptions (with the approval of the Trustee) in cases of hardship or otherwise to allow particular realisation requests to be processed.

## *Suspension*

The Manager may, in consultation with the Trustee and having regard to the best interests of the Unitholders, declare a suspension of the determination of the net asset value of any Sub-Fund for the whole or any part of any period during which:

- (a) there is a closure of or the restriction or suspension of trading on any securities market on which a substantial part of the investments of that Sub-Fund is normally traded or a breakdown in any of the means normally employed by the Manager in ascertaining the prices of investments; or
- (b) for any other reason the prices of investments of that Sub-Fund cannot, in the opinion of the Manager, reasonably be ascertained; or
- (c) circumstances exist as a result of which, in the opinion of the Manager, it is not reasonably practicable to realise any investments of that Sub-Fund; or
- (d) the remittance or repatriation of funds which will or may be involved in the realisation of, or in the payment for, the investments of that Sub-Fund or the subscription or realisation of Units is delayed or cannot, in the opinion of the Manager, be carried out promptly at normal rates of exchange.

Such suspension shall take effect forthwith upon the declaration thereof and thereafter there shall be no determination of the net asset value of that Sub-Fund until the Manager shall declare the suspension at an end, except that the suspension shall terminate in any event on the day following the first Business Day on which (i) the condition giving rise to the suspension shall have ceased to exist and (ii) no other condition under which suspension is authorised shall exist. Whenever the Manager shall declare such a suspension it shall, immediately following any such declaration and at least once a month during the period of such suspension, publish a notice on the Manager's website at: <http://www.fidelity.com.hk><sup>1</sup> and/or cause a notice to be given to Unitholders and to all those (whether Unitholders or not) whose applications to subscribe for or realise Units shall have been affected by such suspension stating that such declaration has been made.

## **Calculation of Net Asset Value**

The Trust Deed provides for the net asset value of each Sub-Fund and the net asset value per Unit of each class to be determined as at the valuation point on each day, normally 9:00 am (Hong Kong time) on the Business Day immediately following each Dealing Day. However, the Trust Deed provides that the value of Units may be calculated on such other Business Day as the Manager may determine on giving one calendar month's prior notice to Unitholders.

The value of interests in any collective investment scheme is the latest available net asset value per unit, share or other interest in such scheme (where the same is available and is considered by the Manager to be appropriate) or (if such net asset value is not available or not considered by the Manager to be appropriate) the last available bid price for such unit, share or other interest. Cash, deposits and similar investments are valued at their face value (together with accrued interest) unless, in the opinion of the Manager, any adjustment should be made to reflect the value thereof.

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



The Trust Deed permits the Manager, in consultation with the Trustee, to adjust the value of any investment or permit some other method of valuation to be used if the Manager considers that such adjustment or other method of valuation is required to reflect more fairly the value of the relevant investment.

### **Calculation of Issue and Realisation Prices**

The net asset value per Unit of each class in any Sub-Fund is calculated by valuing the assets of that Sub-Fund, deducting the liabilities attributable to that Sub-Fund and dividing the proportion of the resultant sum attributable to the class of Units in question by the number of Units of that class in issue.

The price at which Units of a class are issued or realised in respect of any Dealing Day is the net asset value per Unit of that class, rounded to the nearest cent, or in the case of half a cent, rounded up.

Please note that charges may apply to the issue and realisation of Units (please see page 52 for details).

### **Publication of Issue and Realisation Prices**

Issue and realisation prices per Unit of each class of each Sub-Fund will be published daily in the South China Morning Post and Hong Kong Economic Times newspapers.

## **E. FEES, CHARGES AND EXPENSES**

The below table and explanatory notes distinguish between “fees”, “charges” and “expenses”. “**Fees**” are agreed fees payable to the Manager, the Trustee or persons appointed by the Trustee to provide services to the Fund, generally determined by reference to a Sub-Fund’s net asset value. “**Charges**” are set charges payable to the Manager, the Trustee or persons appointed by the Trustee to provide services to the Fund, generally applied when a particular service or transaction is provided. “**Expenses**” are expenses paid and properly relating to the operation of the Fund. Expenses may be paid by the Fund directly or incurred by the Trustee or the Manager, which may then seek reimbursement from the Fund. Expenses are accrued daily, based on estimates.

All expenses incurred are charged to the Sub-Funds on an accrual basis except for establishment costs, which are charged over 5 years<sup>1</sup>. All expenses are charged to the Sub-Funds.

No initial charge or realisation charge is applicable with respect to the investment by a Sub-Fund into a fund managed by members of the Fidelity International<sup>2</sup>. As the Sub-Funds (save for the FAP Supermarket Fund) will only invest in class(es) of units of the underlying funds managed by members of the Fidelity International that do not bear any investment management fee there is no double charging of investment management fee between the Sub-Funds and the underlying funds. In respect of the FAP Supermarket Funds, the Manager and its Connected Persons receives servicing fees in respect of the FAP Supermarket Funds and the underlying manager(s) receive the investment management fee of the relevant underlying funds.

<sup>1</sup> *Establishment Costs*

Establishment costs for the Sub-Funds are apportioned between and borne by the Sub-Funds in proportion to their respective net asset values and will be charged over a period of five years starting at a date (the "Amortisation Date") being, for Sub-Funds established prior to 1 September 2005, the date of establishment of each particular Sub-Fund and, for Sub-Funds established on or after 1 September 2005, a date after the first anniversary of each particular Sub-Fund and before the fourth anniversary of such Sub-Fund, as determined by the Manager. Prospective investors should note that such amortisation does not comply with International Financial Reporting Standards. As at the date of this Explanatory Memorandum (as supplemented), the establishment costs for the Lifecycle Funds, the Money Market Funds, the FAP Supermarket Funds and the Market Investment Funds (except RMB Bond Fund, Fidelity Advantage Portfolio Fund - World Equity Index Fund and Fidelity Advantage Portfolio Fund - World Government Bond Index Fund) have been fully amortised.

The establishment costs, apportionment and Amortisation Date with respect to the RMB Bond Fund, Fidelity Advantage Portfolio Fund - World Equity Index Fund and Fidelity Advantage Portfolio Fund - World Government Bond Index Fund are set out below:

<b>Sub-Fund</b>	<b>Establishment Costs</b>	<b>Apportionment</b>	<b>Amortisation Date</b>
RMB Bond Fund	HKD250,780	N/A	1 September 2019
Fidelity Advantage Portfolio Fund - World Equity Index Fund and Fidelity Advantage Portfolio Fund - World Government Bond Index Fund	HKD474,220	In proportion to their respective net asset values as at 31 December 2020	1 July 2023

<sup>2</sup> The Manager and its Connected Persons are entitled to retain management fees received by them arising out of the investment by the Sub-Funds in any fund managed by the Manager or a Connected Person at the rate of up to 2.00% per annum at the underlying fund level for Sub-Funds established on or after 18 November 2005 and up to 0.75% per annum at the underlying fund level for Sub-Funds established prior to 18 November 2005. The excess (if any) of such fees received by the Manager (and/or by its Connected Persons) over such rate shall be rebated to the relevant Sub-Funds.

The fees and charges described below represent both the maximum and current levels that may be paid to the Manager or the Trustee. The current fees, charges and expenses may be waived, reduced or, in the case of establishment costs, deferred at the discretion of the Trustee and the Manager. Once such change has occurred they may be reset again or returned to the prior levels without notice.

No fee payable to the Manager or the Trustee may exceed the current level unless not less than three months' notice is given to relevant Unitholders.

No advertising, promotional or other selling expenses will be charged to the Sub-Funds.

Please note that the fee tables in the next page do not take into account any rebates or waivers with respect to fees and charges that may be offered to specific investors from time to time.

The fees and charges described below use terminology that may not match the description of the fees, charges and expenses used in the Trust Deed.

## Fees and Charges Payable Directly by Investors

Charge	Payable Upon	Payable To	Maximum Amount	Current Amount
Initial Charge <sup>3</sup>	Subscription for Units	Manager	5.0% of issue price	Currently waived
Realisation Charge	N/A	N/A	N/A	N/A
Switching Charge (Administration Units and Ordinary Units) <sup>4</sup>	Switching of Units	Manager	5.0% of issue price of Unit in New Sub-Fund	5.0% of issue price of Unit in New Sub-Fund

<sup>3</sup> No initial charge is made on the issue of Units of the Money Market Funds or on subscriptions for USD2 million or more.

<sup>4</sup> No switching charge is levied for such number of switches as may be agreed between the Unitholder, Manager and Trustee from time to time.

## Fees, Charges and Expenses Payable by the Sub-Funds

Fee	Payable To	Sub-Funds	Maximum Level	Current Level
Investment Management Fee	Manager	Lifecycle Funds	2.0% per annum of net asset value	0.75% per annum of net asset value
		Money Market Funds	2.0% per annum of net asset value	Prior to 1 January 2020, 0.40% per annum of net asset value  With effect from 1 January 2020, 0.25% per annum of net asset value
		Market Investment Funds	2.0% per annum of net asset value	0.75% per annum of net asset value
		Fidelity Advantage Portfolio Fund - World Equity Index Fund and Fidelity Advantage Portfolio Fund - World Government Bond Index Fund	2.0% per annum of net asset value	0.10% per annum of net asset value (covering a separate investment management fee payable by the Manager to the investment manager of the underlying funds in respect of the relevant Sub-Fund's investment in the corresponding underlying fund)

Fee	Payable To	Sub-Funds	Maximum Level	Current Level
Servicing Fee <sup>5</sup>	Manager	Fidelity Advantage Portfolio Fund - Tracker Fund Portfolio	2.0% per annum of net asset value	0.35% per annum of net asset value
		Fidelity Advantage Portfolio Fund - Invesco Asian Equity Fund	2.0% per annum of net asset value	up to 1.5% per annum of net asset value
		Fidelity Advantage Portfolio Fund - World Equity Index Fund and Fidelity Advantage Portfolio Fund - World Government Bond Index Fund	2.0% per annum of net asset value	0.35% per annum of net asset value
Trustee Fee	Trustee	Lifecycle Funds	0.07% per annum of net asset value	Currently waived
		Money Market Funds	0.07% per annum of net asset value	Currently waived
		Market Investment Funds	0.07% per annum of net asset value	Currently waived
		FAP Supermarket Funds	0.07% per annum of net asset value	0.07% per annum of net asset value
Administration Fee	Trustee	Administration Units of all Sub-Funds	0.45% per annum of net asset value attributable to Administration Units	0.45% per annum of net asset value attributable to Administration Units
		Savings Units of all Sub-Funds	0.50% per annum of net asset value attributable to Savings Units	0.50% per annum of net asset value attributable to Savings Units
		Ordinary Units of all Sub-Funds	N/A	N/A

<sup>5</sup> Servicing Fee for FAP Supermarket Funds

The FAP Supermarket Funds are feeder funds, each investing into a Third Party Fund. (1) For the Fidelity Advantage Portfolio Fund - Invesco Asian Equity Fund, the Manager intends to procure an investment management fee rebate from the investment manager of the underlying Third Party Fund. The rebate will be paid to and form part of the assets of the Fidelity Advantage Portfolio Fund - Invesco Asian Equity Fund, with the intention that the total of the investment management fee payable to the investment manager of the relevant underlying Third Party Fund, as reduced by the rebate, and the servicing fee for the Fidelity Advantage Portfolio Fund - Invesco Asian Equity Fund payable to the Manager will not exceed the management fee payable on a direct investment in the Third Party Fund prior to any rebate. (2) The servicing fee for the Fidelity Advantage Portfolio Fund - Tracker Fund Portfolio is in addition to the investment management fee payable to the investment manager of the Third Party Fund in which it invests. (3) The servicing fee for the Fidelity Advantage Portfolio Fund - World Equity Index Fund and Fidelity Advantage Portfolio Fund - World Government Bond Index Fund is in addition to the investment management fee payable to the Manager. Please refer to "Feeder Fund Fees and Charges" on page 55 for further details of the management fees of the underlying Third Party Funds.

### *Expenses*

Each Sub-Fund will bear (in proportion to its respective net asset value) the cost of (a) all stamp and other duties, taxes, governmental charges, brokerages, commissions, exchange costs and commissions, bank charges, transfer fees and expenses, registration fees and expenses, transaction fees of the Trustee or its Connected Persons, custodian or sub-custodian and proxy fees and expenses, collection fees and expenses, insurance and security costs, and any other costs, charges or expenses payable in respect of the acquisition, holding and realisation of any investment or other property or any cash, deposit or loan (including the claiming or collection of income or other rights in respect thereof and including any fees or expenses charged or incurred by the Trustee or the Manager or any Connected Person in the event of the Trustee or the Manager or such Connected Person rendering services or effecting transactions giving rise to such fees or expenses), (b) the fees and expenses of the Auditor and the registrar, (c) fees charged by the Trustee in connection with valuing the assets of the Fund or any part thereof calculating the issue and realisation prices of Units and preparing financial statements, (d) all legal charges incurred by the Manager or the Trustee in connection with the Fund, (e) out-of-pocket expenses incurred by the Trustee wholly and exclusively in the performance of its duties, (f) the expenses of or incidental to the preparation of deeds supplemental to the Trust Deed, (g) the expenses of holding meetings of Unitholders and of giving notices to Unitholders, (h) the costs and expenses of obtaining and maintaining a listing for the units on any stock exchange or exchanges selected by the Manager and approved by the Trustee and/or in obtaining and maintaining any approval or authorisation of the Fund or in complying with any undertaking given, or agreement entered into in connection with, or any rules governing such listing approval or authorisation, and (i) without prejudice to the generality of the foregoing, all costs incurred in publishing the issue and realisation prices of units, all costs of preparing, printing and distributing all statements, accounts and reports pursuant to the provisions of the Trust Deed (including the Auditor's fees), the expenses of preparing and printing any explanatory memorandum, and any other expenses, deemed by the Manager to have been incurred in compliance with or in connection with any change in or introduction of any law or regulation or directive (whether or not having the force of law) of any governmental or other regulatory authority or with the provisions of any code relating to unit trusts.

### *Feeder Fund Fees and Charges*

Each Sub-Fund that is a feeder fund will indirectly bear a proportion of the fees and charges of the underlying fund in which it invests.

The investment management fee of the underlying funds as at the date of this Explanatory Memorandum (as supplemented) are set out below. The investment management fee disclosed below and in the product key facts statements is subject to the level set out in the offering documents of the relevant underlying fund and may be subject to changes from time to time:

<b>Sub-Fund</b>	<b>Underlying Fund</b>	<b>Investment Management Fee of Underlying Fund</b>
US Dollar Money Fund	Class B Units of FGIF – US\$ Money Fund	Nil
HK Dollar Money Fund	Class B Units of FGIF – HK\$ Money Fund	Nil
Hong Kong Equity Fund	Class B Units of FGIF – Hong Kong Equity Fund	Nil
Asia Pacific Equity Fund	Class B Units of FGIF – Asia Pacific Equity Fund	Nil
Hong Kong Bond Fund	Class B Units of FGIF – Hong Kong Bond Fund	Nil
World Bond Fund	Class B Units of FGIF – Global Bond Fund	Nil
RMB Bond Fund	Class B Units of FGIF – RMB Bond Fund	Nil
Fidelity Advantage Portfolio Fund - Tracker Fund Portfolio	Tracker Fund of Hong Kong	The annual investment management fee of the underlying fund is calculated as the sum of: 0.050% per annum on the first HK\$15 billion of the net asset value; 0.045% per annum on the next HK\$15 billion of the net asset value; 0.030% per annum on the next HK\$15 billion of the net asset value; and 0.025% per annum on the remaining balance of the net asset value.
Fidelity Advantage Portfolio Fund - Invesco Asian Equity Fund	Invesco Funds - Invesco Asian Equity Fund	1.50% per annum of net asset value

Sub-Fund	Underlying Fund	Investment Management Fee of Underlying Fund
Fidelity Advantage Portfolio Fund - World Equity Index Fund	BlackRock Premier Funds - iShares World Equity Index Fund	Covered in the investment management fee of the Fidelity Advantage Portfolio Fund - World Equity Index Fund
Fidelity Advantage Portfolio Fund - World Government Bond Index Fund	BlackRock Premier Funds - iShares World Government Bond Index Fund	Covered in the investment management fee of the Fidelity Advantage Portfolio Fund - World Government Bond Index Fund

Further details of fees and charges for the underlying funds can be obtained from the explanatory memorandum and annual reports of the relevant underlying fund.

### Cash Rebates and Soft Commissions

The Manager, the Investment Delegate (if any) or any of their Connected Persons shall not retain the benefit of any cash commission or rebate paid or payable by any broker or dealer to the Manager, the Investment Delegate or any of their Connected Persons in respect of any business placed with such broker or dealer by the Manager, the Investment Delegate or any of their Connected Persons. Any such cash commission or rebate received from any such broker or dealer shall be held by the Manager, the Investment Delegate or any of their Connected Persons for the account of the relevant Sub-Fund.

In addition, the Manager, the Investment Delegate or any of their Connected Persons will not receive any soft commissions in connection with its/their management of the Fund. However, with respect to FGIF, the manager of FGIF and any of its Connected Persons may effect transactions by or through a broker or dealer whom the manager, investment sub-manager(s) or any of their Connected Persons have an arrangement under which that broker or dealer will from time to time provide to or procure for the manager, investment sub-manager(s) or any of their Connected Persons goods, services or other benefits the nature of which is such that their provision can reasonably be expected to benefit FGIF as a whole and may contribute to an improvement in the performance of FGIF or of the manager, investment sub-manager(s) or any of their Connected Persons in providing services to FGIF and for which no direct payment is made but instead the manager, investment sub-manager(s) or any of their Connected Persons undertake to place business with that broker or dealer. For the avoidance of doubt, such goods and services do not include travel, accommodation, entertainment, general administrative goods or services, market data services, general office equipment or premises, membership fees, employee salaries or direct money payments.

The Manager and other members of the Fidelity International are permitted, with the consent of the Trustee, to deal with any Sub-Fund both as principal and agent.

## F. GENERAL INFORMATION

### Taxation and Regulatory Requirements

Investors should consult their professional advisers on the consequences to them of acquiring, holding, redeeming, transferring or selling units under the relevant laws of the jurisdictions to which they are subject, including the tax consequences and any exchange control requirements. These consequences, including the availability of, and the value of, tax relief to investors will vary with the law and practice of the investors' country of citizenship, residence, domicile or incorporation and their personal circumstances. The following statements regarding taxation are based on advice received by the Fund regarding the law and practice in force in Hong Kong at the date of this document. Investors should be aware that levels and bases of taxation are subject to change and that the value of any relief from taxation depends upon the individual circumstances of the taxpayer.

#### *Hong Kong*

Under current Hong Kong law and practice:-

- (i) profits of the Fund arising from the sale or disposal of securities, interest received by or accrued to the Fund and certain other profits of the Fund (including those under foreign exchange contracts and futures contracts) will be exempt from profits tax;
- (ii) profits tax will not be payable by any Unitholder on any gains or profits made on the realisation or other disposal of Units unless the Unitholder carries on a trade, profession or business in Hong Kong and the acquisition and disposal of the Units represents a trading venture of such Unitholder;
- (iii) distributions to Unitholders out of the Fund will not be subject to the deduction of any withholding tax; and
- (iv) Units in the Fund should not be regarded as property situated in Hong Kong for the purpose of Hong Kong estate duty.

The realisation of Units by an Unitholder should not be subject to stamp duty. Such charge, if any, may be deducted before the payment of realisation monies to the Unitholder.

### Foreign Account Tax Compliance Act ("FATCA")

The Hiring Incentives to Restore Employment Act (the "**Hire Act**") was signed into US law in March 2010. It includes provisions generally known as Foreign Account Tax Compliance ("**FATCA**"). The objective of FATCA provisions is to impose obligations on non-US financial institutions to identify and appropriately report on US taxpayers holding assets outside the US as a safeguard against US tax evasion.

On 13 November 2014, Hong Kong has entered into an intergovernmental agreement ("**IGA**") with the US to implement FATCA for all Hong Kong based financial institutions, adopting "Model 2" IGA arrangements. Hong Kong financial institutions, including the Fund are required to report to the US tax authorities (the "**IRS**") the details of US taxpayers holding assets with those financial institutions. Pursuant to the IGA, the Fund is classified as a Hong Kong non-reporting financial institution as it has elected to be sponsored by the Manager, FIL Investment Management (Hong Kong) Limited. The Manager has registered with the IRS as a sponsored entity and



been assigned the GIIN PEP287.00000.SP.344 in that capacity, and as sponsor has registered the Fund which has been assigned the GIIN PEP287.00002.SF.344.

The Manager, on behalf of the Fund, is required to obtain mandatory evidence from 1 July 2014 as to whether any new Unitholders is a US person within the meaning of IGA. The Manager is also required to identify any existing Unitholder as a US Person within the meaning of the IGA based on the records the Fund holds.

Further, the Manager on behalf of the Fund is required to disclose such information as maybe required under the IGA and FATCA to the IRS on any Unitholder who is considered to have become a US person within the meaning of the IGA. Investors should consult their own tax advisers regarding any potential obligations that the IGA, or the wider US FATCA regulations, may impose on them.

Under the terms of the IGA, the Fund as a Hong Kong financial institution is not subject to any additional withholding US taxes, unless it is considered to be in material non-compliance with the relevant requirements under FATCA or the IGA.

In addition, as the Fund does not pay US source income to Unitholders the Fund is not required to withhold any US taxes from distribution or redemption payments unless Hong Kong agrees with the US that such withholding should be applied.

### **Automatic Exchange of Financial Account Information**

The Inland Revenue (Amendment) (No.3) Ordinance 2016 (the **"Ordinance"**) came into force on 30 June 2016. This is the legislative framework for the implementation in Hong Kong of the Standard for Automatic Exchange of Financial Account Information (**"AEOI"**). The AEOI requires financial institutions (**"FI"**) in Hong Kong to collect information relating to account holders with FIs, and report such information to the Inland Revenue Department of Hong Kong (**"IRD"**) which will be further exchanged with the jurisdiction(s) in which that account holder is a tax resident. Generally, tax information will be exchanged only with jurisdictions with which Hong Kong has a Competent Authority Agreement (**"CAA"**); however, the Fund and/or its agents may further collect information relating to residents of other jurisdictions.

The Fund and the Sub-Funds are required to comply with the requirements of AEOI as implemented by Hong Kong, which means that the Fund, each Sub-Fund and/or its agents shall collect and provide to the IRD tax information relating to Unitholders and prospective investors.

The AEOI rules as implemented by Hong Kong require the Fund to, amongst other things: (i) conduct due diligence on its accounts (i.e., Unitholders) to identify whether any such accounts are considered **"Reportable Accounts"** for AEOI purposes; and (ii) report to the IRD information on such Reportable Accounts. The IRD is expected on an annual basis to transmit the information reported to it to the government authorities of the relevant jurisdictions with which Hong Kong has signed a CAA. Broadly, AEOI contemplates that Hong Kong FIs should report on: (i) individuals or entities that are tax resident in a jurisdiction with which Hong Kong has signed a CAA; and (ii) certain entities controlled by individuals who are tax resident in such other jurisdiction. Under the Ordinance, various information including mandatory evidence of the tax residence of Unitholders would need to be obtained from new Unitholders. The Manager is also required to identify any existing Unitholder who may be reportable under AEOI rules. Such information, together with other details of Unitholders including account details and income or sale/realisation proceeds may be reported to the IRD and subsequently exchanged with government authorities in the relevant jurisdictions of tax residence.

## **Financial Year-end**

The Fund's year-end is 31 December in each calendar year.

## **Trust Deed**

All Unitholders are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Trust Deed.

The Trust Deed (together with a copy of the latest available annual report and accounts of the Fund and any subsequent interim report), may be inspected free of charge during normal office hours on any day (excluding Saturdays, Sundays and public holidays) at the offices of the Manager and copies of such document may be obtained from those addresses at a reasonable charge.

Unitholders and intending applicants are advised to consult the Trust Deed for further details.

## **Modification of the Trust Deed**

The Trustee and the Manager may agree to modify the Trust Deed by supplemental deed provided that in the opinion of the Trustee such modification (i) is not materially prejudicial to the interests of Unitholders, does not operate to release to any material extent the Trustee or the Manager from any responsibility to the Unitholders and (with the exception of the costs of preparing and executing the relevant supplemental deed) does not increase the costs and charges which will be payable out of the assets of any Sub-Fund or (ii) is necessary in order to comply with any fiscal, statutory or official requirement or (iii) is made to correct a manifest error. In all other cases modifications require the sanction of an extraordinary resolution of Unitholders.

## **Termination of the Fund or any Sub-Fund**

The Fund shall continue for a period of 80 years from the date of its establishment (i.e. 10 January 1995) unless it is terminated earlier in one of the following ways set out below.

The Trustee may terminate the Fund if:-

- (a) the Manager goes into forced liquidation; or
- (b) in the opinion of the Trustee, the Manager is incapable of performing its duties properly; or
- (c) the Fund ceases to be authorised or otherwise officially approved pursuant to the Securities and Futures Ordinance or if any law shall be passed which renders it illegal or in the opinion of the Trustee impracticable or inadvisable to continue the Trust; or
- (d) The Manager ceases to manage the Fund and the Trustee fails to appoint a successor Manager within a period of 30 days.

The Manager may terminate the Fund if:-

- (a) the net asset value of the Fund falls below USD25,000,000; or
- (b) any law shall be passed which renders it illegal or in the opinion of the Manager impracticable or inadvisable to continue the Trust.

The Manager may terminate any Sub-Fund if the net asset value of that Sub-Fund falls below USD5,000,000.

The party terminating the Fund or a Sub-Fund (as the case may be) shall be required to give at least three months' notice to Unitholders of the Fund and/or the Sub-Fund (as the case may be). In addition, the Fund may at any time be terminated with the approval of an extraordinary resolution of Unitholders (as described in the Trust Deed).

Upon termination of a Sub-Fund(s), the Trustee may decide to issue Units of one or more other Sub-Fund(s) in exchange for Units of the terminating Sub-Fund or sell all the investments and other assets belonging to the terminating Sub-Fund and distribute cash proceeds to Unitholders in accordance with the provisions of the Trust Deed.

Any unclaimed proceeds or other cash held by the Trustee upon termination of the Fund, a Sub-Fund or a class of Units, as the case may be, may at the expiration of twelve months from the date upon which the same were payable be paid into court, subject to the right of the Trustee to deduct therefrom any expenses it may incur in making such payment.

### **Meetings of Unitholders**

The Trust Deed contains detailed provisions for meetings of Unitholders. Meetings may be convened by the Trustee, the Manager or the holders of at least 10% in value of the units in issue, on not less than 21 days' notice. Notice of meetings will be posted to Unitholders. Unitholders may appoint proxies, who need not themselves be Unitholders. The quorum for a meeting to pass an extraordinary resolution of Unitholders will be Unitholders present in person or by proxy and holding or representing not less than 25% of the units for the time being in issue or, for an adjourned meeting, Unitholders present in person or by proxy whatever their number or the number of units held by them.

An extraordinary resolution is a resolution proposed as such and passed by a majority of 75% of the total number of votes cast.

The Trust Deed contains provisions for the holding of separate meetings of holders of units in different Sub-Funds where only the interest of holders in a particular Sub-Fund is affected.

### **Voting Rights**

The Trust Deed provides that at any meeting of Unitholders, on a show of hands, every Unitholder who (being an individual) is present in person or (being a corporation) is present by a representative or one of its officers as its proxy shall have one vote and, on a poll, every Unitholder who is present as aforesaid or by proxy shall have one vote for every unit of which he is the holder. The Trustee shall ensure that, for as long as the Fund is authorised by the SFC, all resolutions put to a vote at meetings of Unitholders will be determined on a poll.

### **Income Distribution**

It is the current intention of the Manager that distributions of income will not be made from the Fund. Income earned by each Sub-Fund will be reinvested in the relevant Sub-Fund and reflected in the value of units.

## **Reports and Accounts**

The Manager will notify Unitholders where and when the audited accounts can be obtained (in printed and electronic forms) within four months of the end of each financial year, and where and when the unaudited interim reports can be obtained (in printed and electronic forms) within two months of the period which they cover. Printed copies of these reports will be available upon request of Unitholders free of charge at any time during normal business hours on any Business Day at the Manager's offices and such reports will also be available in electronic copies at the website [www.fidelity.com.hk](http://www.fidelity.com.hk). Please note that the website has not been reviewed by the SFC.

Such reports will contain a statement of the value of the net assets of each Sub-Fund and the investments comprising its portfolio. In addition, the year end report will contain the investment portfolio of the underlying fund of each Sub-Fund which is a feeder fund as at each financial year end.

The audited accounts and unaudited interim reports will be available in English only.

## **Anti-Money Laundering Regulations**

As part of the Trustee's and the Manager's responsibility to prevent money laundering, they and/or their respective delegates or agents may require detailed verification of a prospective investor's identity and the source of the payment of application monies. Depending on the circumstances of each application, a detailed verification may not be required where: (a) the prospective investor makes payment from an account in the prospective investor's name at a recognised financial institution; (b) the prospective investor is regulated by a recognised regulatory authority; or (c) the application is made through a recognised financial intermediary. The exceptions will only apply if the financial institution, regulatory authority or intermediary referred to above is within a country recognised by Hong Kong as having sufficient anti-money laundering regulations.

The Trustee, the Manager and their respective delegates and agents each reserves the right to request such information as is necessary to verify the identity of an applicant and the source of the payment. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Trustee, the Manager or any of their respective delegates or agents may refuse to accept the application and return the application monies relating to such application.

The Trustee, the Manager and their respective delegates and agents each also reserves the right to refuse to make any redemption payment to a Unitholder if the Trustee, the Manager and/or any of their respective delegates and agents suspect or are advised that the payment of redemption proceeds to such Unitholder might result in a breach of applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction, or if such refusal is considered necessary or appropriate to ensure the compliance by the Trust or the relevant sub-fund(s) or the Trustee or the Manager with any such laws or regulations in any applicable jurisdiction.

None of the Trustee, the Manager or their respective delegates or agents shall be liable to the prospective investor or Unitholder for any loss suffered by such party as a result of the rejection or delay of any subscription application or payment of redemption proceeds.

## Definition of “US Person”

“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 Units in 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 Units or subscription for Units in the Fund may violate any securities law of the United States of America or any state or other jurisdiction thereof. “US Person” shall not include 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 the Manager shall determine that ownership of Units or subscription for Units shall not violate any securities law of the United States of America or any state or other jurisdiction thereof. In this definition, “**United States of America**” includes its states, commonwealths, territories, possessions and the District of Columbia.

## General

The Auditor has given and has not withdrawn its consent to the inclusion of its name in the Explanatory Memorandum and has accepted the appointment as auditors of the Fund.

## Conflicts of Interests

The Manager and the Trustee, Registrar and Custodian may from time to time act as trustee, administrator, transfer agent, manager, custodian, investment manager or investment adviser, representative or otherwise as may be required from time to time in relation to, or be otherwise involved in or with, other funds and clients which have similar investment objectives to those of any Sub-Fund. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the Fund and/or a Sub-Fund. Each will, at all times, have regard in such event to its obligations to the Fund and/or a Sub-Fund and will endeavour to ensure that such conflicts are resolved fairly. In any event, the Manager shall manage and minimize any conflict by appropriate safeguards and measures to ensure fair treatment of investors

In addition, the Manager may enter into trades for the account of a Sub-Fund with (i) the accounts of other clients managed by the Manager or its affiliates, or (ii) its house accounts (i.e. accounts owned by the Manager or any of its Connected Persons over which it can exercise control and influence) ("**cross trades**"). Such cross trades will only be undertaken in accordance with the relevant requirements promulgated by the SFC.

## Liquidity Risk Management Policy

The Manager has established a liquidity risk management policy which enables it to identify, monitor and manage the liquidity risks of each Sub-Fund and to ensure that the liquidity profile of the investments of each Sub-Fund will facilitate compliance with the Sub-Fund's obligation to meet realisation requests. Such policy, combined with the liquidity management tools of the Manager, also seeks to achieve fair treatment of Unitholders and safeguard the interests of remaining Unitholders in case of sizeable realisations.

The Manager's liquidity risk management policy involves liquidity model which assesses liquidity profile for each Sub-Fund under both standard and stressed market scenarios, and modelling of liquidity demands having regard to factors such as investor concentration and realisation activities.

Liquidity risks will also be monitored at different stages of the investment process on an ongoing basis. This includes, for example, regular monitoring of liquidity at both instruments and Sub-Fund levels, and process for liquidity risks oversight and escalation. The liquidity risk management policy is implemented by designated staff and committees. The oversight of risk management staff and other related responsibility are performed by the Manager's chief risk officer.

In addition, the tools which may be employed by the Manager to manage liquidity risks include:

- Deferred realisations – Please refer to the sub-section entitled "**Limitation and Suspension**" in the section headed "**D. ISSUE, REALISATION AND SWITCHING OF UNITS**" for details.
- Borrowing facilities for paying realisation proceeds – Please refer to the sub-section headed "**Investment and Borrowing Restrictions**" under the section headed "**C. INVESTMENT OBJECTIVES AND POLICIES**" for details.

## APPENDIX I INDEX PROVIDER DISCLAIMERS

### **Fidelity Advantage Portfolio Fund – Tracker Fund Portfolio: Hang Seng Index**

The Hang Seng Index (the “**Index**”) is published and compiled by HSIL pursuant to a licence from Hang Seng Data Services Limited (“**HSDS**”). The mark and name of the Index are proprietary to HSDS. HSIL and HSDS have agreed to the use of, and reference to, the Index by the Manager in connection with the Fund, BUT NEITHER HSIL NOR HSDS WARRANTS OR REPRESENTS OR GUARANTEES TO ANY BROKER OR HOLDER OF THE FUND OR ANY OTHER PERSON (i) THE ACCURACY OR COMPLETENESS OF THE INDEX AND ITS COMPUTATION OR ANY INFORMATION RELATED THERETO; OR (ii) THE FITNESS OR SUITABILITY FOR ANY PURPOSE OF THE INDEX OR ANY COMPONENT OR DATA COMPRISED IN IT; OR (iii) THE RESULTS WHICH MAY BE OBTAINED BY ANY PERSON FROM THE USE OF THE INDEX OR ANY COMPONENT OR DATA COMPRISED IN IT FOR ANY PURPOSE, AND NO WARRANTY OR REPRESENTATION OR GUARANTEE OF ANY KIND WHATSOEVER RELATING TO THE INDEX IS GIVEN OR MAY BE IMPLIED. The process and basis of computation and compilation of the Index and any of the related formula or formulae, constituent stocks and factors may at any time be changed or altered by HSIL without notice. TO THE EXTENT PERMITTED BY APPLICABLE LAW, NO RESPONSIBILITY OR LIABILITY IS ACCEPTED BY HSIL OR HSDS (i) IN RESPECT OF THE USE OF AND/OR REFERENCE TO THE INDEX BY THE MANAGER IN CONNECTION WITH THE FUND; OR (ii) FOR ANY INACCURACIES, OMISSIONS, MISTAKES OR ERRORS OF HSIL IN THE COMPUTATION OF THE INDEX; OR (iii) FOR ANY INACCURACIES, OMISSIONS, MISTAKES, ERRORS OR INCOMPLETENESS OF ANY INFORMATION USED IN CONNECTION WITH THE COMPUTATION OF THE INDEX WHICH IS SUPPLIED BY ANY OTHER PERSON; OR (iv) FOR ANY ECONOMIC OR OTHER LOSS WHICH MAY BE DIRECTLY OR INDIRECTLY SUSTAINED BY ANY BROKER OR HOLDER OF THE FUND OR ANY OTHER PERSON DEALING WITH THE FUND AS A RESULT OF ANY OF THE AFORESAID, AND NO CLAIMS, ACTIONS OR LEGAL PROCEEDINGS MAY BE BROUGHT AGAINST HSIL AND/OR HSDS in connection with the Fund in any manner whatsoever by any broker, holder or other person dealing with the Fund. Any broker, holder or other person dealing with the Fund does so therefore in full knowledge of this disclaimer and can place no reliance whatsoever on HSIL and HSDS. For the avoidance of doubt, this disclaimer does not create any contractual or quasi-contractual relationship between any broker, holder or other person and HSIL and/or HSDS and must not be construed to have created such relationship.

Unitholders investing in the Fidelity Advantage Portfolio Fund – Tracker Fund Portfolio will be regarded as having acknowledged, understood and accepted the disclaimer above and will be bound by it. The level of the Index at any time for the purposes of the Fidelity Advantage Portfolio Fund – Tracker Fund Portfolio will be the level as calculated by HSIL in its sole discretion.

**Fidelity Advantage Portfolio Fund - World Equity Index Fund:  
FTSE MPF All-World Index**

**Fidelity Advantage Portfolio Fund - World Government Bond Index Fund:  
FTSE MPF World Government Bond Index**

Fidelity Advantage Portfolio Fund - World Equity Index Fund and Fidelity Advantage Portfolio Fund - World Government Bond Index Fund (the **"Relevant Sub-Funds"**) have been developed solely by FIL Investment Management (Hong Kong) Limited. The Relevant Sub-Funds are not in any way connected to or sponsored, endorsed, sold or promoted by the London Stock Exchange Group plc and its group undertakings (collectively, the **"LSE Group"**). FTSE Russell is a trading name of certain of the LSE Group companies.

All rights in the FTSE MPF All-World Index and FTSE MPF World Government Bond Index (the **"Underlying Indices"**) vest in the relevant LSE Group company which owns the Underlying Indices. "FTSE®" is a trade mark(s) of the relevant LSE Group company and is used by any other LSE Group company under license.

The FTSE MPF All-World Index is calculated by or on behalf of FTSE International Limited or its affiliate, agent or partner, whilst the FTSE MPF World Government Bond Index is calculated by or on behalf of FTSE Fixed Income LLC or its affiliate, agent or partner. The LSE Group does not accept any liability whatsoever to any person arising out of (a) the use of, reliance on or any error in the Underlying Indices or (b) investment in or operation of the Relevant Sub-Funds. The LSE Group makes no claim, prediction, warranty or representation either as to the results to be obtained from the Relevant Sub-Funds or the suitability of the Underlying Indices for the purpose to which it is being put by FIL Investment Management (Hong Kong) Limited.



## 與交易相關的資料披露

### Disclosure of Transaction Related Information

富達基金 (香港) 有限公司 (「富達」) 提供一系列由富達發行的基金 (「基金」)。本文件旨在說明富達擔當的角色、從分銷基金所得或應收的利益及其他與交易相關的資料。

FIL Investment Management (Hong Kong) Limited ("FIMHK") offers a comprehensive range of funds issued by Fidelity ("the funds"). This document explains the role of FIMHK, benefits received or receivable in distributing the funds and other transaction related information.

	<ul style="list-style-type: none"> <li>■ 富達優越投資組合基金</li> <li>■ 富達環球投資基金</li> <li>■ Fidelity Advantage Portfolio Fund</li> <li>■ Fidelity Global Investment Fund</li> </ul>
<b>富達擔當甚麼角色？</b> <b>What role does FIMHK play?</b>	作為產品發行人 (委託人) As product issuer (principal)
<b>我們與產品發行人有何關係？</b> <b>What is FIMHK's relationship with the product issuer?</b>	不適用，富達為產品發行人 N.A. as FIMHK is the product issuer
<b>富達是獨立的中介人？</b> <b>Is FIMHK an independent intermediary?</b>	<p>富達並非獨立的中介人，理由如下：</p> <ol style="list-style-type: none"> <li>1. 我們有收取由其他人士 (可能包括產品發行人) 就我們向閣下分銷基金，或就我們作為產品發行人，而提供的費用、佣金或其他金錢收益；及 / 或</li> <li>2. 我們作為產品發行人有收取由其他人士提供的非金錢收益，或與我們可能向閣下分銷的基金的發行人有緊密聯繫或其他法律或經濟關係。</li> </ol> <p>相關收益和聯繫 / 關係的詳情請參閱本文件“富達與產品發行人有何關係？”和“富達或其關聯公司可獲得甚麼收益？”部份。</p> <p>FIMHK is <b>NOT</b> an independent intermediary because:</p> <ol style="list-style-type: none"> <li>1. we receive fees, commissions, or other monetary benefits from other parties (which may include product issuers) or as product issuer in relation to our distribution of the funds to you; and/or</li> <li>2. we are the product issuer, receive non-monetary benefits from other parties, or have close links or other legal or economic relationships with issuers of the funds that we may distribute to you.</li> </ol> <p>Details of these benefits and links/relationships are set out in this document under the “What is FIMHK's relationship with the product issuer” and “What benefits does FIMHK or its associates receive” sections.</p>
<b>富達或其關聯公司可從分銷基金獲得甚麼利益？</b> <b>What benefits does FIMHK or its associates receive for distributing the funds?</b>	富達將收取投資管理費 (或就閣下的基金選擇而有所不同)。 詳情請參閱有關基金說明書。 FIMHK will receive a management fee, the rate of which may differ depending on your fund choice. Please refer to the Explanatory Memorandum of the funds for details.
<b>認購基金時，如何享有認購費的折扣優惠？</b> <b>How may you enjoy discount in sales fees and charges when subscribing to the funds?</b>	基金認購費，轉換費和贖回費將根據帳戶結餘總額和所牽涉的基金種類釐定。如欲查詢詳情，請與富達聯絡。 Fund subscription, switching and redemption fees will be determined based on the total relationship balance and type of funds involved. Please contact Fidelity for more details.
<b>財務報告採用哪種語言？</b> <b>What is the language of financial reports?</b>	英語 English

投資涉及風險。詳情請細閱有關基金說明書 (包括風險因素)。「富達」、Fidelity、Fidelity International、Fidelity International 標誌及 F 標誌均為 FIL Limited 的商標。本文件由富達基金 (香港) 有限公司發行並未經證監會審核。

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