MPF 強積金

Fidelity Retirement Master Trust

MPF Scheme Brochure For Fidelity Retirement Master Trust

Investment Manager: FIL Investment Management (Hong Kong) Limited
Trustee: HSBC Institutional Trust Services (Asia) Limited
Version date: March 2020
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Investment Manager's website: www.fidelity.com.hk*

* This website has not been reviewed by the SFC.

Fidelity 富達 INTERNATIONAL

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

FIL Investment Management (Hong Kong) Limited accepts full responsibility for the accuracy of the information contained in this Brochure as at the date of this Brochure 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.

The Master Trust has been authorised by the SFC and approved by the MPF Authority. Such authorization and approval does not imply that investment in the Master Trust is recommended by the SFC or the MPF Authority. SFC authorisation is not a recommendation or endorsement of the Master Trust nor does it guarantee the commercial merits of the Master Trust or its performance. It does not mean the Master Trust is suitable for all participants of the Master Trust nor is it an endorsement of its suitability for any particular participant of the Master Trust.

Fidelity Retirement Master Trust
Please note:

- The MPF Conservative Fund under the Fidelity Retirement Master Trust does not guarantee the repayment of capital.

- Fidelity SaveEasy Funds are not savings deposits and involve investment risks and this product may not be suitable for everyone. Investors should also consider factors other than age and review their own investment objectives.

- You should consider your own risk tolerance level and financial circumstances before making any investment choices or invest according to the Default Investment Strategy. When, in your selection of funds or the Default Investment Strategy, you are in doubt as to whether a certain fund or the Default Investment Strategy is suitable for you (including whether it is consistent with your investment objectives), you should seek financial and/or professional advice and make investment choices most suitable for you taking into account your circumstances.

- In the event that you do not make any investment choices, please be reminded that your contribution made and/or benefits transferred into the Master Trust will unless otherwise provided in this Brochure be invested in accordance with the Default Investment Strategy which may not necessarily be suitable for you.

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INTRODUCTION

GENERAL DETAILS OF THE MASTER TRUST

Fidelity Retirement Master Trust ("**Master Trust**") is a master trust established by a trust deed dated 31 January 2000 between FIL Investment Management (Hong Kong) Limited and HSBC Institutional Trust Services (Asia) Limited as amended from time to time ("**Trust Deed**"). It is established under and governed by the laws of Hong Kong.

SCHEME STRUCTURE

The Master Trust currently offers 21 Constituent Funds, listed below:

Lifecycle Funds

(i) Growth Fund
(ii) Balanced Fund
(iii) Stable Growth Fund
(iv) Capital Stable Fund

SaveEasy Funds

(v) Fidelity SaveEasy 2020 Fund
(vi) Fidelity SaveEasy 2025 Fund
(vii) Fidelity SaveEasy 2030 Fund
(viii) Fidelity SaveEasy 2035 Fund
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(x) Fidelity SaveEasy 2045 Fund
(xi) Fidelity SaveEasy 2050 Fund

Market Investment Funds - (a) Equity Funds

(xii) Asia Pacific Equity Fund
(xiii) Global Equity Fund
(xiv) Hong Kong Equity Fund

Market Investment Funds - (b) Bond Funds

(xv) Hong Kong Bond Fund
(xvi) RMB Bond Fund
(xvii) World Bond Fund

Index Tracking Funds

(xviii) Fidelity Hong Kong Tracker Fund

MPF Conservative Fund

(xix) MPF Conservative Fund

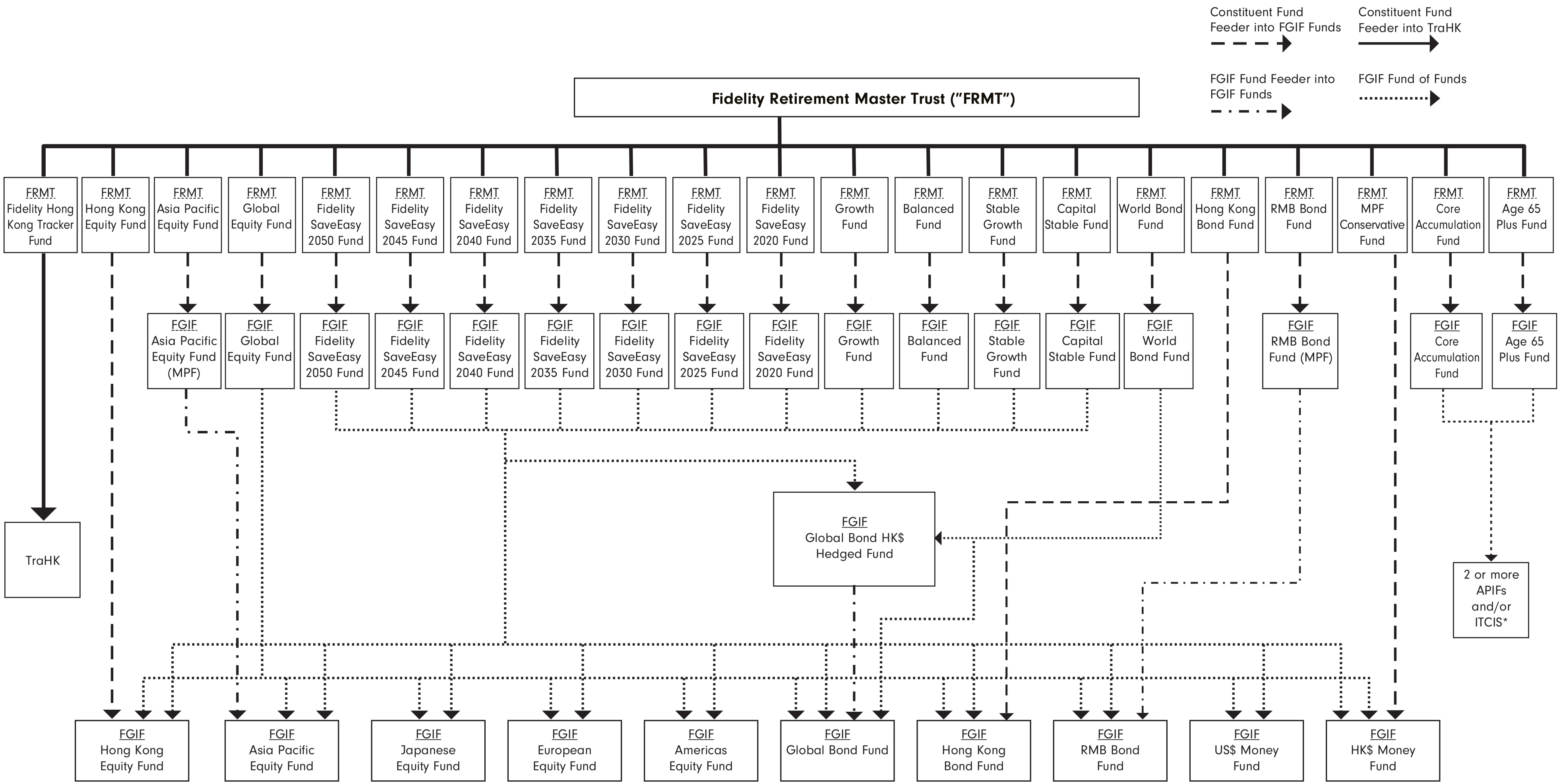
Default Investment Strategy Funds

(xx) Core Accumulation Fund
(xxi) Age 65 Plus Fund

Each Constituent Fund is contained within the trust constituting the Master Trust. Each of the Constituent Funds is unitised and denominated in HKD.

Each Constituent Fund is a feeder fund investing directly into Class B units of the appropriate FGIF Fund (except for (i) the Fidelity Hong Kong Tracker Fund which invests in the TraHK (as defined below), (ii) the MPF Conservative Fund which invests in the Class M units of the FGIF HK$ Money Fund, and (iii) the Core Accumulation Fund and Age 65 Plus Fund which invest in the Class A units of the corresponding FGIF Fund), as described below. The investment structure is shown in the diagram below.

The Explanatory Memorandum for the underlying approved pooled investment funds is available upon request.



* The APIFs and/or ITCIS in which the FGIF Core Accumulation Fund and FGIF Age 65 Plus Fund invest may or may not be sub-fund(s) of FGIF.

DIRECTORY

Trustee, Custodian and Administrator

HSBC Institutional Trust Services (Asia) Limited
1 Queen's Road Central
Hong Kong

Investment Manager

FIL Investment Management (Hong Kong) Limited
Level 21, Two Pacific Place
88 Queensway
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Solicitors to the Investment Manager

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Auditor

PricewaterhouseCoopers
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FUND OPTIONS, INVESTMENT OBJECTIVES AND POLICIES

FUND OPTIONS

No.	Name of Constituent Funds	Investment Manager	Fund Structure	Fund Descriptor	Investment Focus
Lifecycle Funds					
1.	Growth Fund	Fil Investment Management (Hong Kong) Limited	Investing in a single APIF	Mixed Assets Fund - Global - Maximum equity around 90%	Around 90% in equities, 7% in bonds, 3% in cash
2.	Balanced Fund	FIL Investment Management (Hong Kong) Limited	Investing in a single APIF	Mixed Assets Fund - Global - Maximum equity around 70%	Around 70% in equities, 25% in bonds, 5% in cash
3.	Stable Growth Fund	FIL Investment Management (Hong Kong) Limited	Investing in a single APIF	Mixed Assets Fund - Global - Maximum equity around 50%	Around 50% in equities, 45% in bonds, 5% in cash
4.	Capital Stable Fund	FIL Investment Management (Hong Kong) Limited	Investing in a single APIF	Mixed Assets Fund - Global - Maximum equity around 30%	Around 30% in equities, 60% in bonds, 10% in cash
SaveEasy Funds					
5.	Fidelity SaveEasy 2020 Fund	FIL Investment Management (Hong Kong) Limited	Investing in a single APIF	Mixed Assets Fund - Global	Please refer to the sub-section headed "**FURTHER INFORMATION ON SAVEEASY FUNDS**" for the indicative portfolio distributions in respect of the SaveEasy Funds and further information. (i) The indicative asset allocations of the SaveEasy Funds among equities, bond and cash and (ii) the maximum exposure to equities will change over time and is subject to the number of years remaining
6.	Fidelity SaveEasy 2025 Fund	FIL Investment Management (Hong Kong) Limited	Investing in a single APIF	Mixed Assets Fund - Global	
7.	Fidelity SaveEasy 2030 Fund	FIL Investment Management (Hong Kong) Limited	Investing in a single APIF	Mixed Assets Fund - Global	
8.	Fidelity SaveEasy 2035 Fund	FIL Investment Management (Hong Kong) Limited	Investing in a single APIF	Mixed Assets Fund - Global	
9.	Fidelity SaveEasy 2040 Fund	FIL Investment Management (Hong Kong) Limited	Investing in a single APIF	Mixed Assets Fund - Global	

No.	Name of Constituent Funds	Investment Manager	Fund Structure	Fund Descriptor	Investment Focus
10.	Fidelity SaveEasy 2045 Fund	FIL Investment Management (Hong Kong) Limited	Investing in a single APIF	Mixed Assets Fund - Global	before reaching the target year.
11.	Fidelity SaveEasy 2050 Fund	FIL Investment Management (Hong Kong) Limited	Investing in a single APIF	Mixed Assets Fund - Global	
Market Investment Funds					
(a) Equity Funds					
12.	Asia Pacific Equity Fund	FIL Investment Management (Hong Kong) Limited	Investing in a single APIF	Equity Fund - Asia Pacific	At least 70% and up to 100% in equities
13.	Global Equity Fund	FIL Investment Management (Hong Kong) Limited	Investing in a single APIF	Equity Fund - Global	At least 70% and up to 100% in equities
14.	Hong Kong Equity Fund	FIL Investment Management (Hong Kong) Limited	Investing in a single APIF	Equity Fund - Hong Kong	At least 70% and up to 100% in equities
(b) Bond Funds					
15.	Hong Kong Bond Fund	FIL Investment Management (Hong Kong) Limited	Investing in a single APIF	Bond Fund - Hong Kong	At least 70% and up to 100% in bonds
16.	RMB Bond Fund	FIL Investment Management (Hong Kong) Limited	Investing in a single APIF	Bond Fund - Hong Kong and China	At least 70% and up to 100% in bonds
17.	World Bond Fund	FIL Investment Management (Hong Kong) Limited	Investing in a single APIF	Bond Fund - Global	At least 70% and up to 100% in bonds

No.	Name of Constituent Funds	Investment Manager	Fund Structure	Fund Descriptor	Investment Focus
Index Tracking Funds					
18.	Fidelity Hong Kong Tracker Fund	FIL Investment Management (Hong Kong) Limited	Investing in a single ITCIS	Equity Fund - Hong Kong	Up to 100% in equities
MPF Conservative Fund					
19.	MPF Conservative Fund	FIL Investment Management (Hong Kong) Limited	Investing in a single APIF	Money Market Fund - Hong Kong	At least 70% in short term deposits and money market instruments
Default Investment Strategy Funds					
20.	Core Accumulation Fund	FIL Investment Management (Hong Kong) Limited	Investing in a single APIF	Mixed Assets Fund - Global - Maximum equity 65%	60% in equities, and 40% in bonds with balance in cash
21.	Age 65 Plus Fund	FIL Investment Management (Hong Kong) Limited	Investing in a single APIF	Mixed Assets Fund - Global - Maximum equity 25%	20% in equities, 80% in bonds with balance in cash

The maximum equity exposure set out in the "Fund Descriptor" column of the Lifecycle Funds and the asset allocation under the "Investment Focus" column show the indicative portfolio distributions (in percentage terms) of the relevant Constituent Fund as at the date of this Brochure. Investors should note that actual asset allocations will at times vary considerably from that shown above as market, political, structural, economic and other conditions change and subject to the views of the investment manager of the underlying funds.

For further details and information on the actual asset allocations of each Constituent Fund, Members may refer to the Monthly Investment Report of the relevant Constituent Fund which is available on the Investment Manager's website at: www.fidelity.com.hk*

* This website has not been reviewed by the SFC.

INVESTMENT OBJECTIVES AND POLICIES

The investment objective and investment policy, for each Constituent Fund are set out below. Investors should note that the actual portfolios will at times vary considerably from that shown below in the paragraph headed "**(b) Balance of investments**" in the "**Statement of investment policy**" of each Constituent Fund, as market, political, structural, economic and other conditions change. In addition, the actual asset allocation of the Lifecycle Funds may change from time to time according to the views of the investment manager of the underlying funds of various factors including but not limited to fundamental economic and market conditions, investment trends across the globe, relative attractiveness of individual asset class, securities and issuers available in the market.

Lifecycle Funds – all the Lifecycle Funds aim to maintain a broad geographic diversification with a bias towards Hong Kong

1. Growth Fund

Statement of investment policy

(a) Objective and policy

- The Growth Fund aims to build real wealth over the long term by investing predominantly into the global equity markets, whilst having the flexibility to invest in global bonds, and cash and cash equivalents.
- The Growth Fund intends to manage the volatility of returns in the short term.
- As the Growth Fund may invest globally, it may be exposed to countries/regions considered to be emerging markets.

Notes:

- The Growth Fund invests in the Growth Fund of FGIF, which in turn invests into the FGIF Market Investment Funds, the FGIF Money Market Funds and the FGIF Global Bond Currency Hedged Fund.

(b) Balance of investments

The Growth Fund (via its investments in the underlying funds) will invest around 90% of its latest available net asset value in equities, 7% of its latest available net asset value in bonds and 3% of its latest available net asset value in cash.

(c) Security lending and repurchase agreements

The Investment Manager will not engage in security lending and repurchase agreements in respect of the Growth Fund.

(d) Futures and options

The Growth Fund will not invest in currency forward contracts, financial futures contracts or financial option contracts.

(e) Risks

The performance of the Growth Fund is subject to a number of risks including the following: general risk, equities risk, bonds and other debt instruments risk, multi-asset risk, emerging markets risk, derivatives/counterparty related risks, asset allocation – dynamic risk and risks of investing in underlying funds.

Please refer to the section headed "**RISKS**" for a detailed description of each of the risks listed above.

2. Balanced Fund

Statement of investment policy

(a) Objective and policy

- The Balanced Fund aims to build capital value over the long term by focusing investment into the global equity markets, whilst providing a degree of asset diversification by investing the remaining assets in global bonds, and cash and cash equivalents.
- The Balanced Fund intends to manage the volatility of returns in the short term.
- As the Balanced Fund may invest globally, it may be exposed to countries/regions considered to be emerging markets.

Notes:

- The Balanced Fund invests in the Balanced Fund of FGIF, which in turn invests into the FGIF Market Investment Funds, the FGIF Money Market Funds and the FGIF Global Bond Currency Hedged Fund.

(b) Balance of investments

The Balanced Fund (via its investments in the underlying funds) will invest around 70% of its latest available net asset value in equities, 25% of its latest available net asset value in bonds and 5% of its latest available net asset value in cash.

(c) Security lending and repurchase agreements

The Investment Manager will not engage in security lending and repurchase agreements in respect of the Balanced Fund.

(d) Futures and options

The Balanced Fund will not invest in currency forward contracts, financial futures contracts or financial option contracts.

(e) Risks

The performance of the Balanced Fund is subject to a number of risks, including the following: general risk, equities risk, bonds and other debt instruments risk, multi-asset risk, emerging markets risk, derivatives/counterparty related risks, asset allocation – dynamic risk and risks of investing in underlying funds.

Please refer to the section headed "**RISKS**" for a detailed description of each of the risks listed above.

3. Stable Growth Fund

Statement of investment policy

(a) Objective and policy

- The Stable Growth Fund aims to generate a positive return over the long term through investing in a broadly diversified portfolio of global equities, global bonds, and cash and cash equivalents.
- The Stable Growth Fund intends to limit the volatility of returns in the short term.
- As the Stable Growth Fund may invest globally, it may be exposed to countries/regions considered to be emerging markets.

Notes:

- The Stable Growth Fund invests in the Stable Growth Fund of FGIF, which in turn invests into the FGIF Market Investment Funds, the FGIF Money Market Funds and the FGIF Global Bond Currency Hedged Fund.

(b) Balance of investments

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% of its latest available net asset value in bonds and 5% of its latest available net asset value in cash.

(c) Security lending and repurchase agreements

The Investment Manager will not engage in security lending and repurchase agreements in respect of the Stable Growth Fund.

(d) Futures and options

The Stable Growth Fund will not invest in currency forward contracts, financial futures contracts or financial option contracts.

(e) Risks

The performance of the Stable Growth Fund is subject to a number of risks, including the following: general risk, equities risk, bonds and other debt instruments risk, multi-asset risk, emerging markets risk, derivatives/counterparty related risks, asset allocation – dynamic risk and risks of investing in underlying funds.

Please refer to the section headed "**RISKS**" for a detailed description of each of the risks listed above.

4. Capital Stable Fund

Statement of investment policy

(a) Objective and policy

- The Capital Stable Fund aims to produce a positive return over the long term by focusing investment towards less volatile assets of global bonds, and cash and cash equivalents, whilst retaining limited exposure to global equities.
- The Capital Stable Fund intends to limit the risk to the capital base in the short term.
- As the Capital Stable Fund may invest globally, it may be exposed to countries/ regions considered to be emerging markets.

Notes:

- The Capital Stable Fund invests in the Capital Stable Fund of FGIF, which in turn invests into the FGIF Market Investment Funds, the FGIF Money Market Funds and the FGIF Global Bond Currency Hedged Fund.

(b) Balance of investments

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% of its latest available net asset value in bonds and 10% of its latest available net asset value in cash.

(c) Security lending and repurchase agreements

The Investment Manager will not engage in security lending and repurchase agreements in respect of the Capital Stable Fund.

(d) Futures and options

The Capital Stable Fund will not invest in currency forward contracts, financial futures contracts or financial option contracts.

(e) Risks

The performance of the Capital Stable Fund is subject to a number of risks, including the following: general risk, equities risk, bonds and other debt instruments risk, multi-asset risk, emerging markets risk, derivatives/counterparty related risks, asset allocation – dynamic risk and risks of investing in underlying funds.

Please refer to the section headed "**RISKS**" for a detailed description of each of the risks listed above.

SaveEasy Funds – all the SaveEasy Funds aim to maintain an asset allocation appropriate to achieve a combination of income and long term capital growth as the relevant target year approaches whilst managing the volatility of returns in the short term.

5. Fidelity SaveEasy 2020 Fund

Statement of investment policy

(a) Objective and policy

- to achieve long term capital growth for investors to 2020, and
- to invest typically in a wide range of investments covering markets throughout the world (including emerging markets), initially with a greater exposure to equities and thereafter, as the year 2020 is approached, greater exposure to bonds and cash.

Notes:

- The Fidelity SaveEasy 2020 Fund invests in the Fidelity SaveEasy 2020 Fund of FGIF, which in turn invests in the FGIF Market Investment Funds, the FGIF Money Market Funds and the FGIF Global Bond Currency Hedged Fund.

(b) Balance of investments

The SaveEasy Funds will initially have greater exposure to underlying funds investing into equities. However, as the SaveEasy Funds draw closer to the applicable target year, the SaveEasy Funds would have a greater exposure to underlying funds investing into bonds and cash. Please refer to the chart displaying the Fidelity SaveEasy Funds Asset Rolldown in the sub-section headed "**FURTHER INFORMATION ON SAVEEASY FUNDS**" for further details.

(c) Security lending and repurchase agreements

The Investment Manager will not engage in security lending and repurchase agreements in respect of the Fidelity SaveEasy 2020 Fund.

(d) Futures and options

The Fidelity SaveEasy 2020 Fund will not invest in currency forward contracts, financial futures contracts or financial option contracts.

(e) Risks

The performance of the Fidelity SaveEasy 2020 Fund is subject to a number of risks, including the following: general risk, equities risk, bonds and other debt instruments risk, multi-asset risk, emerging markets risk, derivatives/counterparty related risks, asset allocation – target date risk and risks of investing in underlying funds.

Please refer to the section headed "**RISKS**" for a detailed description of each of the risks listed above.

6. Fidelity SaveEasy 2025 Fund

Statement of investment policy

(a) Objective and policy

- to achieve long term capital growth for investors to 2025, and
- to invest typically in a wide range of investments covering markets throughout the world (including emerging markets), initially with a greater exposure to equities and thereafter, as the year 2025 is approached, greater exposure to bonds and cash.

Notes:

- The Fidelity SaveEasy 2025 Fund invests in the Fidelity SaveEasy 2025 Fund of FGIF, which in turn invests in the FGIF Market Investment Funds, the FGIF Money Market Funds and the FGIF Global Bond Currency Hedged Fund.

(b) Balance of investments

The SaveEasy Funds will initially have greater exposure to underlying funds investing into equities. However, as the SaveEasy Funds draw closer to the applicable target year, the SaveEasy Funds would have a greater exposure to underlying funds investing into bonds and cash. Please refer to the chart displaying the Fidelity SaveEasy Funds Asset Rolldown in the sub-section headed "**FURTHER INFORMATION ON SAVEEASY FUNDS**" for further details.

(c) Security lending and repurchase agreements

The Investment Manager will not engage in security lending and repurchase agreements in respect of the Fidelity SaveEasy 2025 Fund.

(d) Futures and options

The Fidelity SaveEasy 2025 Fund will not invest in currency forward contracts, financial futures contracts or financial option contracts.

(e) Risks

The performance of the Fidelity SaveEasy 2025 Fund is subject to a number of risks, including the following: general risk, equities risk, bonds and other debt instruments risk, multi-asset risk, emerging markets risk, derivatives/counterparty related risks, asset allocation – target date risk and risks of investing in underlying funds.

Please refer to the section headed "**RISKS**" for a detailed description of each of the risks listed above.

7. **Fidelity SaveEasy 2030 Fund**

Statement of investment policy

(a) Objective and policy

- to achieve long term capital growth for investors to 2030, and
- to invest typically in a wide range of investments covering markets throughout the world (including emerging markets), initially with a greater exposure to equities and thereafter, as the year 2030 is approached, greater exposure to bonds and cash.

Notes:

- The Fidelity SaveEasy 2030 Fund invests in the Fidelity SaveEasy 2030 Fund of FGIF, which in turn invests in the FGIF Market Investment Funds, the FGIF Money Market Funds and the FGIF Global Bond Currency Hedged Fund.

(b) Balance of investments

The SaveEasy Funds will initially have greater exposure to underlying funds investing into equities. However, as the SaveEasy Funds draw closer to the applicable target year, the SaveEasy Funds would have a greater exposure to underlying funds investing into bonds and cash. Please refer to the chart displaying the Fidelity SaveEasy Funds Asset Rolldown in the sub-section headed "**FURTHER INFORMATION ON SAVEEASY FUNDS**" for further details.

(c) Security lending and repurchase agreements

The Investment Manager will not engage in security lending and repurchase agreements in respect of the Fidelity SaveEasy 2030 Fund.

(d) Futures and options

The Fidelity SaveEasy 2030 Fund will not invest in currency forward contracts, financial futures contracts or financial option contracts.

(e) Risks

The performance of the Fidelity SaveEasy 2030 Fund is subject to a number of risks, including the following: general risk, equities risk, bonds and other debt instruments risk, multi-asset risk, emerging markets risk, derivatives/counterparty related risks, asset allocation – target date risk and risks of investing in underlying funds.

Please refer to the section headed "**RISKS**" for a detailed description of each of the risks listed above.

8. **Fidelity SaveEasy 2035 Fund**

Statement of investment policy

(a) Objective and policy

- to achieve long term capital growth for investors to 2035, and
- to invest typically in a wide range of investments covering markets throughout the world (including emerging markets), initially with a greater exposure to equities and thereafter, as the year 2035 is approached, greater exposure to bonds and cash.

Notes:

- The Fidelity SaveEasy 2035 Fund invests in the Fidelity SaveEasy 2035 Fund of FGIF, which in turn invests in the FGIF Market Investment Funds, the FGIF Money Market Funds and the FGIF Global Bond Currency Hedged Fund.

(b) Balance of investments

The SaveEasy Funds will initially have greater exposure to underlying funds investing into equities. However, as the SaveEasy Funds draw closer to the applicable target year, the SaveEasy Funds would have a greater exposure to underlying funds investing into bonds and cash. Please refer to the chart displaying the Fidelity SaveEasy Funds Asset Rolldown in the sub-section headed "**FURTHER INFORMATION ON SAVEEASY FUNDS**" for further details.

(c) Security lending and repurchase agreements

The Investment Manager will not engage in security lending and repurchase agreements in respect of the Fidelity SaveEasy 2035 Fund.

(d) Futures and options

The Fidelity SaveEasy 2035 Fund will not invest in currency forward contracts, financial futures contracts or financial option contracts.

(e) Risks

The performance of the Fidelity SaveEasy 2035 Fund is subject to a number of risks, including the following: general risk, equities risk, bonds and other debt instruments risk, multi-asset risk, emerging markets risk, derivatives/counterparty related risks, asset allocation – target date risk and risks of investing in underlying funds.

Please refer to the section headed "**RISKS**" for a detailed description of each of the risks listed above.

9. Fidelity SaveEasy 2040 Fund

Statement of investment policy

(a) Objective and policy

- to achieve long term capital growth for investors to 2040, and
- to invest typically in a wide range of investments covering markets throughout the world (including emerging markets), initially with a greater exposure to equities and thereafter, as the year 2040 is approached, greater exposure to bonds and cash.

Notes:

- The Fidelity SaveEasy 2040 Fund invests in the Fidelity SaveEasy 2040 Fund of FGIF, which in turn invests in the FGIF Market Investment Funds, the FGIF Money Market Funds and the FGIF Global Bond Currency Hedged Fund.

(b) Balance of investments

The SaveEasy Funds will initially have greater exposure to underlying funds investing into equities. However, as the SaveEasy Funds draw closer to the applicable target year, the SaveEasy Funds would have a greater exposure to underlying funds investing into bonds and cash. Please refer to the chart displaying the Fidelity SaveEasy Funds Asset Rolldown in the sub-section headed "**FURTHER INFORMATION ON SAVEEASY FUNDS**" for further details.

(c) Security lending and repurchase agreements

The Investment Manager will not engage in security lending and repurchase agreements in respect of the Fidelity SaveEasy 2040 Fund.

(d) Futures and options

The Fidelity SaveEasy 2040 Fund will not invest in currency forward contracts, financial futures contracts or financial option contracts.

(e) Risks

The performance of the Fidelity SaveEasy 2040 Fund is subject to a number of risks, including the following: general risk, equities risk, bonds and other debt instruments risk, multi-asset risk, emerging markets risk, derivatives/counterparty related risks, asset allocation – target date risk and risks of investing in underlying fund.

Please refer to the section headed "**RISKS**" for a detailed description of each of the risks listed above.

10. Fidelity SaveEasy 2045 Fund

Statement of investment policy

(a) Objective and policy

- to achieve long term capital growth for investors to 2045, and
- to invest typically in a wide range of investments covering markets throughout the world (including emerging markets), initially with a greater exposure to equities and thereafter, as the year 2045 is approached, greater exposure to bonds and cash.

Notes:

- The Fidelity SaveEasy 2045 Fund invests in the Fidelity SaveEasy 2045 Fund of FGIF, which in turn invests in the FGIF Market Investment Funds, the FGIF Money Market Funds and the FGIF Global Bond Currency Hedged Fund.

(b) Balance of investments

The SaveEasy Funds will initially have greater exposure to underlying funds investing into equities. However, as the SaveEasy Funds draw closer to the applicable target year, the SaveEasy Funds would have a greater exposure to underlying funds investing into bonds and cash. Please refer to the chart displaying the Fidelity SaveEasy Funds Asset Rolldown in the sub-section headed "**FURTHER INFORMATION ON SAVEEASY FUNDS**" for further details.

(c) Security lending and repurchase agreements

The Investment Manager will not engage in security lending and repurchase agreements in respect of the Fidelity SaveEasy 2045 Fund.

(d) Futures and options

The Fidelity SaveEasy 2045 Fund will not invest in currency forward contracts, financial futures contracts or financial option contracts.

(e) Risks

The performance of the Fidelity SaveEasy 2045 Fund is subject to a number of risks, including the following: general risk, equities risk, bonds and other debt instruments risk, multi-asset risk, emerging markets risk, derivatives/counterparty related risks, asset allocation – target date risk and risks of investing in underlying fund.

Please refer to the section headed "**RISKS**" for a detailed description of each of the risks listed above.

11. Fidelity SaveEasy 2050 Fund

Statement of investment policy

(a) Objective and policy

- to achieve long term capital growth for investors to 2050, and
- to invest typically in a wide range of investments covering markets throughout the world (including emerging markets), initially with a greater exposure to equities and thereafter, as the year 2050 is approached, greater exposure to bonds and cash.

Notes:

- The Fidelity SaveEasy 2050 Fund invests in the Fidelity SaveEasy 2050 Fund of FGIF, which in turn invests in the FGIF Market Investment Funds, the FGIF Money Market Funds and the FGIF Global Bond Currency Hedged Fund.

(b) Balance of investments

The SaveEasy Funds will initially have greater exposure to underlying funds investing into equities. However, as the SaveEasy Funds draw closer to the applicable target year, the SaveEasy Funds would have a greater exposure to underlying funds investing into bonds and cash. Please refer to the chart displaying the Fidelity SaveEasy Funds Asset Rolldown in the sub-section headed "**FURTHER INFORMATION ON SAVEEASY FUNDS**" for further details.

(c) Security lending and repurchase agreements

The Investment Manager will not engage in security lending and repurchase agreements in respect of the Fidelity SaveEasy 2050 Fund.

(d) Futures and options

The Fidelity SaveEasy 2050 Fund will not invest in currency forward contracts, financial futures contracts or financial option contracts.

(e) Risks

The performance of the Fidelity SaveEasy 2050 Fund is subject to a number of risks, including the following: general risk, equities risk, bonds and other debt instruments risk, multi-asset risk, emerging markets risk, derivatives/counterparty related risks, asset allocation – target date risk and risks of investing in underlying fund.

Please refer to the section headed "**RISKS**" for a detailed description of each of the risks listed above.

12. Asia Pacific Equity Fund

Statement of investment policy

(a) Objective and policy

- The Asia Pacific Equity Fund aims to produce returns that are related to those achieved on the major stock market indices of Asia Pacific by focusing 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 offices 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 Asia Pacific Equity Fund intends to manage the volatility of returns in the short term.

Notes:

- The Asia Pacific Equity Fund invests in the Asia Pacific Equity Fund (MPF) within the FGIF Level 1 Funds of FGIF. The Asia Pacific Equity Fund (MPF) of FGIF in turn invests in the Asia Pacific Equity Fund of FGIF, which in turn invests directly in the market.
- Up to 10% of the net asset value of the Asia Pacific Equity Fund of FGIF may be invested in shares listed on a stock exchange that is not an approved stock exchange as defined in the General Regulation.

(b) Balance of investments

The Asia Pacific Equity Fund (via its investments in the underlying fund) will invest up to 100% of its latest available net asset value in equities.

(c) Security lending and repurchase agreements

The Investment Manager will not engage in security lending and repurchase agreements in respect of the Asia Pacific Equity Fund.

(d) Futures and options

The Asia Pacific Equity Fund will not invest in currency forward contracts, financial futures contracts or financial option contracts.

(e) Risks

The performance of the Asia Pacific Equity Fund is subject to a number of risks, including the following: general risk, equities risk, emerging markets risk, Mainland China related risks, derivatives/counterparty related risks and risks of investing in underlying funds.

Please refer to the section headed “**RISKS**” for a detailed description of each of the risks listed above.

13. Global Equity Fund

Statement of investment policy

(a) Objective and policy

- The Global Equity Fund aims to produce returns that are related to those achieved on the major world stock market indices by focusing investment (i.e. at least 70% of its net asset value) into the global equity markets. As the Global Equity Fund may invest globally, it may be exposed to countries/regions considered to be emerging markets.
- The Global Equity Fund intends to manage the volatility of returns in the short term.

Notes:

- The Global Equity Fund invests in the Global Equity Fund within the FGIF Level 1 Funds of FGIF, which in turn invests into the FGIF Market Investment Funds and the FGIF Money Market Funds.

(b) Balance of investments

The Global Equity Fund (via its investments in the underlying fund) will invest up to 100% of its latest available net asset value in equities.

(c) Security lending and repurchase agreements

The Investment Manager will not engage in security lending and repurchase agreements in respect of the Global Equity Fund.

(d) Futures and options

The Global Equity Fund will not invest in currency forward contracts, financial futures contracts or financial option contracts.

(e) Risks

The performance of the Global Equity Fund is subject to a number of risks, including the following: general risk, equities risk, derivatives/counterparty related risks and risks of investing in underlying funds. Please refer to the section headed "**RISKS**" for a detailed description of each of the risks listed above.

14. Hong Kong Equity Fund

Statement of investment policy

(a) Objective and policy

- The 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.

Notes:

- The Hong Kong Equity Fund invests in the Hong Kong Equity Fund of FGIF, which in turn invests directly in the market.
- Up to 10% of the net asset value of the Hong Kong Equity Fund of FGIF may be invested in shares listed on a stock exchange that is not an approved stock exchange as defined in the General Regulation.
- 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.

(b) Balance of investments

The Hong Kong Equity Fund (via its investments in the underlying fund) will invest up to 100% of its latest available net asset value in equities.

(c) Security lending and repurchase agreements

The Investment Manager will not engage in security lending and repurchase agreements in respect of the Hong Kong Equity Fund.

(d) Futures and options

The Hong Kong Equity Fund will not invest in currency forward contracts, financial futures contracts or financial option contracts.

(e) Risks

The performance of the Hong Kong Equity Fund is subject to a number of risks, including the following: general risk, equities risk, investment concentration risk, geographical concentration risk, emerging markets risk, Mainland China related risks, derivatives/counterparty related risks and risks of investing in underlying funds.

Please refer to the section headed "**RISKS**" for a detailed description of each of the risks listed above.

Market Investment Funds *– (b) Bond Funds*

15. Hong Kong Bond Fund

Statement of investment policy

(a) Objective and policy

- The Hong Kong 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 HK dollar denominated debt securities (including but are not limited to convertible bonds, corporate bonds and government bonds) globally (including emerging markets).
- The Hong Kong Bond Fund intends to limit the volatility of returns in the short term in HK dollar market terms.

Notes:

- The Hong Kong Bond Fund invests in the Hong Kong Bond Fund of FGIF, which in turn invests directly in the market.

- 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).
- 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).

(b) Balance of investments

The Hong Kong Bond Fund (via its investments in the underlying fund) will invest up to 100% of its latest available net asset value in bonds.

(c) Security lending and repurchase agreements

The Investment Manager will not engage in security lending and repurchase agreements in respect of the Hong Kong Bond Fund.

(d) Futures and options

The Hong Kong Bond Fund will not invest in currency forward contracts, financial futures contracts or financial option contracts.

(e) Risks

The performance of the Hong Kong Bond Fund is subject to a number of risks, including the following: general risk, bonds and other debt instruments risk, geographical concentration risk, emerging markets risk, risks of investing in hybrids, risks of investing in instruments with loss-absorption features, derivatives/counterparty related risks and risks of investing in underlying funds.

Please refer to the section headed "**RISKS**" for a detailed description of each of the risks listed above.

16. RMB Bond Fund

Statement of investment policy

(a) Objective and policy

- Prior to 29 May 2020, the RMB Bond Fund aims to achieve income and capital appreciation primarily via indirect exposure (i.e. at least 70% of its net asset value) to RMB denominated debt securities issued or distributed outside Mainland China as well as deposits (including but are 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 Fund aims to achieve income and capital appreciation primarily via indirect exposure (i.e. at least 70% of its net asset value) to RMB denominated debt securities issued or distributed inside or outside Mainland China as well as deposits (including but are 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).
- The RMB Bond Fund intends to limit the volatility of returns in the short term.

Notes:

- The RMB Bond Fund invests in the RMB Bond Fund (MPF) within the FGIF Level 1 Funds of FGIF. The RMB Bond Fund (MPF) invests in the FGIF RMB Bond Fund, which in turn invests directly in the market.
- Subject to the requirements under the General Regulation and the requirements and guidance issued by the SFC, the RMB Bond Fund (MPF) of FGIF may indirectly 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 Fund (MPF) of FGIF will not invest in contingent convertible securities (CoCos).
- The RMB Bond Fund (MPF) of FGIF seeks to minimize currency volatility by implementing a minimum 30% of its net asset value in a HKD hedging strategy.
- The RMB Bond Fund (MPF) of FGIF may enter into currency forward contracts for hedging purposes only.
- The largest ten holdings/securities to which the RMB Bond Fund (MPF) of FGIF may have exposure may account for 50% or more of its net asset value, resulting in a reasonably concentrated portfolio.

(b) Balance of investments

The RMB Bond Fund (via its investments in the underlying fund) will invest up to 100% of its latest available net asset value in bonds.

(c) Security lending and repurchase agreements

The Investment Manager will not engage in security lending and repurchase agreements in respect of the RMB Bond Fund.

(d) Futures and options

The RMB Bond Fund will not invest in currency forward contracts, financial futures contracts or financial option contracts.

(e) Risks

The performance of the RMB Bond Fund is subject to a number of risks, including the following: general risk, bonds and other debt instruments risk, investment concentration risk, geographical concentration risk, emerging markets risk, Mainland China related risks (including Dim Sum bond market risk), risks of investing in hybrids, risks of investing in instruments with loss-absorption features, derivatives/counterparty related risks and risks of investing in underlying funds.

Please refer to the section headed "**RISKS**" for a detailed description of each of the risks listed above.

17. World Bond Fund

Statement of investment policy

(a) Objective and policy

- The World 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 World Bond Fund intends to limit the volatility of returns in the short term.

Notes:

- The World Bond Fund invests in the World Bond Fund within the FGIF Level 1 Funds of FGIF, which in turn invests into the FGIF Global Bond HK$ Hedged Fund and the FGIF Global Bond Fund.
- Subject to the requirements under the General Regulation and the requirements and guidance issued by the SFC, the World Bond Fund of FGIF may indirectly 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 World Bond Fund of FGIF will not invest in contingent convertible securities (CoCos).
- The World Bond Fund of FGIF may indirectly invest up to 10% of its net asset value in onshore Mainland China debt securities.
- The largest ten holdings/securities to which the World Bond Fund of FGIF may have exposure may account for 50% or more of its net asset value, resulting in a reasonably concentrated portfolio.

(b) Balance of investments

The World Bond Fund (via its investments in the underlying fund) will invest up to 100% of its latest available net asset value in bonds.

(c) Security lending and repurchase agreements

The Investment Manager will not engage in security lending and repurchase agreements in respect of the World Bond Fund.

(d) Futures and options

The World Bond Fund will not invest in currency forward contracts, financial futures contracts or financial option contracts.

(e) Risks

The performance of the World Bond Fund is subject to a number of risks, including the following: general risk, bonds and other debt instruments risk, investment concentration risk, emerging markets risk, Eurozone risk, Mainland China related risks, risks of investing in instruments with loss-absorption features, derivatives/counterparty related risks and risks of investing in underlying funds.

Please refer to the section headed "**RISKS**" for a detailed description of each of the risks listed above.

Index Tracking Funds

18. Fidelity Hong Kong Tracker Fund

Statement of investment policy

(a) Objective and policy

- to achieve long-term capital growth by investing all or substantially all of the fund assets into the Tracker Fund of Hong Kong ("**TraHK**").
- the TraHK's investment objective is to provide investment results that closely correspond to the performance of the Hang Seng Index of Hong Kong. The manager of TraHK (State Street Global Advisors Asia Limited) seeks to achieve the investment objective of TraHK by investing all, or substantially all, of TraHK's assets in the shares in the constituent companies of the Hang Seng Index in substantially the same weightings as they appear in the Hang Seng Index.
- The Hang Seng Index measures the performance of largest and most liquid companies listed on the Main Board of the SEHK and is compiled by adopting free float-adjusted market capitalisation weighted methodology. Details of the index methodology and further information in relation to the Hang Seng Index are available at www.hsi.com.hk*. As for other important news of the Hang Seng Index, Hang Seng Indexes Company Limited will also make announcements through press releases and at www.hsi.com.hk*. Please also refer to the sub-section headed "**FURTHER INFORMATION ON THE HANG SENG INDEX**" below for further information on the Hang Seng Index including the disclaimer of the index provider.

* This website has not been reviewed by the SFC.

Notes:

- The Fidelity Hong Kong Tracker Fund invests directly in the TraHK which is an Approved Index-Tracking Fund. The TraHK may use futures contracts and options for hedging purposes or to achieve its investment objective. The TraHK will not engage in security lending.
- The Fidelity Hong Kong Tracker Fund may hold cash and bank deposits for ancillary purposes, such as for meeting redemption requests or defraying operating expenses.

(b) Balance of investments

The Fidelity Hong Kong Tracker Fund (via its investments in the underlying fund) will invest up to 100% of its latest available net asset value in equities.

(c) Security lending and repurchase agreements

The Investment Manager will not engage in security lending and repurchase agreements in respect of the Fidelity Hong Kong Tracker Fund.

(d) Futures and options

The Fidelity Hong Kong Tracker Fund will not invest in currency forward contracts, financial futures contracts or financial option contracts.

(e) Risks

The performance of the Fidelity Hong Kong Tracker Fund is subject to a number of risks, including the following: general risk, equities risk, investment concentration risk, geographical concentration risk, emerging markets risk, derivatives/counterparty related risks, risk of investing in index-tracking fund and risks of investing in underlying funds.

Please refer to the section headed "**RISKS**" for a detailed description of each of the risks listed above.

MPF Conservative Fund

19. MPF Conservative Fund

Statement of investment policy

(a) Objective and policy

- The MPF Conservative Fund aims to provide a positive return each month equal to or better than the HKD savings account rate by focusing investments (i.e. at least 70% of its net asset value) into HKD denominated short term deposits and money market instruments issued globally (including emerging markets).
- The MPF Conservative Fund intends to minimize risk to the capital.

Notes:

- The MPF Conservative Fund invests in the HK$ Money Fund of FGIF, which in turn invests directly in the market. 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 Section 37 of the General Regulation.
- 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.

(b) Balance of investments

The MPF Conservative Fund (via its investments in the underlying fund) will invest around 95% of its latest available net asset value in short term deposits and money market instruments, and 5% of its latest available net asset value in bonds.

(c) Security lending and repurchase agreements

The Investment Manager will not engage in security lending and repurchase agreements in respect of the MPF Conservative Fund.

(d) Futures and options

The MPF Conservative Fund will not invest in currency forward contracts, financial futures contracts or financial option contracts.

(e) Risks

The performance of the MPF Conservative Fund is subject to a number of risks, including the following: general risk, bonds and other debt instruments risk, investment concentration risk, emerging markets risk, derivatives/counterparty related risks, MPF Conservative Fund risk and risks of investing in underlying funds.

Please refer to the section headed "**RISKS**" for a detailed description of each of the risks listed above.

Default Investment Strategy Funds

20. Core Accumulation Fund

Statement of investment policy

(a) Objective and policy

- The Core Accumulation Fund aims to achieve capital growth by investing in a globally diversified manner.
- The Core Accumulation Fund targets to invest 60% of its NAV in higher risk assets (such as global equities), with the remainder investing in lower risk assets (such as global debt securities, cash and cash equivalents, and other permissible investments under the General Regulation). The asset allocation to higher risk assets may vary between 55% and 65% due to market movements.

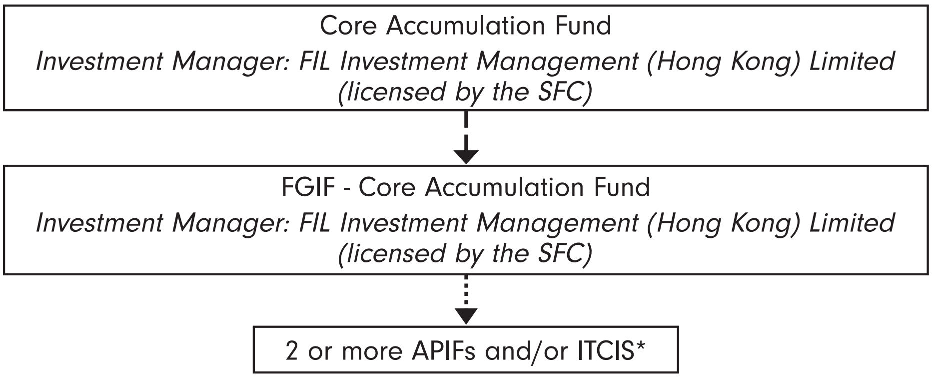
Notes:

- The Core Accumulation Fund invests in the Core Accumulation Fund of FGIF, which is a fund of funds investing in two or more APIFs (which may include actively managed APIFs) and/or ITCIS as allowed under the General Regulation.
- The investments of the Core Accumulation Fund of FGIF in the underlying APIFs and/or ITCIS are expected to be determined and managed at the discretion of the investment manager of the Core Accumulation Fund of FGIF with regard to the Reference Portfolio for the "Core Accumulation Fund" as defined in the MPF Ordinance. The assets of the Core Accumulation Fund of FGIF will be allocated between the underlying APIFs and/or ITCIS in such proportion and in such manner as are consistent with its investment objective, in particular, allocation of 60% of its net asset value in higher risk assets with the remainder in lower risk assets.

- The key reason for adopting this strategy is to enable the investment manager of FGIF to manage the exposure of the Core Accumulation Fund of FGIF broadly in accordance with the Reference Portfolio for the "Core Accumulation Fund" as defined in the MPF Ordinance, whilst retaining the flexibility to pick and choose the underlying APIFs and/or ITCIS when more appropriate or economically efficient APIFs and/or ITCIS are available (e.g. having regard to factors such as available APIFs and/or ITCIS, fees and performance, etc.).

Investment structure:

The investment structure of the Core Accumulation Fund is shown in the diagram below:



* The APIFs and/or ITCIS in which the FGIF - Core Accumulation Fund invests may or may not be sub-fund(s) of FGIF.

HKD currency exposure:

The Core Accumulation Fund will maintain an effective currency exposure to HKD of at least 30% through investing in the FGIF - Core Accumulation Fund. The FGIF - Core Accumulation Fund will maintain an effective currency exposure to HKD of at least 30% through currency hedging or through investing in underlying APIFs and/or ITCIS.

(b) Balance of investments

- Higher risk assets (such as global equities): 60%
- Lower risk assets (such as global debt securities, money market instruments and other permissible investments under the General Regulation): 40%

The asset allocation of the Core Accumulation Fund to higher risk assets may vary between 55% and 65% due to market movements. Accordingly, the asset allocation of the Core Accumulation Fund to lower risk assets may vary between 35% and 45%.

There is no prescribed allocation for investments in any specific countries or currencies.

(c) Security lending and repurchase agreements

The Investment Manager will not engage in security lending and repurchase agreements in respect of the Core Accumulation Fund.

(d) Futures and options

The Core Accumulation Fund will not invest directly in currency forward contracts, financial futures contracts or financial option contracts. The FGIF - Core Accumulation Fund may invest in currency forward contracts, financial futures contracts or financial option contracts to hedge the portfolio's exposure to certain currencies, assets or instruments and the underlying APIFs and/or ITCIS may also invest in currency forward contracts, financial futures contracts or financial option contracts for hedging purposes.

(e) Risks

The performance of the Core Accumulation Fund is subject to a number of risks, including the following: general risk, equities risk, bonds and other debt instruments risk, multi-asset risk, derivatives/counterparty related risks, asset allocation - Default Investment Strategy Funds risk and risks of investing in underlying funds.

Please refer to the section headed "**RISKS**" for a detailed description of each of the risks listed above.

21. Age 65 Plus Fund

Statement of investment policy

(a) Objective and policy

- The Age 65 Plus Fund aims to achieve stable growth by investing in a globally diversified manner.
- The Age 65 Plus Fund targets to invest 20% of its NAV in higher risk assets (such as global equities), with the remainder investing in lower risk assets (such as global debt securities, cash and cash equivalents, and other permissible investments under the General Regulation). The asset allocation to higher risk assets may vary between 15% and 25% due to market movements.

Notes:

- The Age 65 Plus Fund invests in the Age 65 Plus Fund of FGIF, which is a fund of funds investing in two or more APIFs (which may include actively managed APIFs) and/or ITCIS as allowed under the General Regulation.
- The investments of the Age 65 Plus Fund of FGIF in the underlying APIFs and/or ITCIS are expected to be determined and managed at the discretion of the investment manager of the Age 65 Plus Fund of FGIF with regard to the Reference Portfolio for the "Age 65 Plus Fund" as defined in the MPF Ordinance. The assets of the Age 65 Plus Fund of FGIF will be allocated between the underlying APIFs and/or ITCIS in such proportion and in such manner as are consistent with its investment objective, in particular, allocation of 20% of its net asset value in higher risk assets with the remainder in lower risk assets.
- The largest ten holdings/securities to which the Age 65 Plus Fund of FGIF may have exposure may account for 50% or more of its net asset value, resulting in a reasonably concentrated portfolio.

- The key reason for adopting this strategy is to enable the investment manager of FGIF to manage the exposure of the Age 65 Plus Fund of FGIF broadly in accordance with the Reference Portfolio for the "Age 65 Plus Fund" as defined in the MPF Ordinance, whilst retaining the flexibility to pick and choose the underlying APIFs and/or ITCIS when more appropriate or economically efficient APIFs and/or ITCIS are available (e.g. having regard to factors such as available APIFs and/or ITCIS, fees and performance, etc.).

Investment structure:

The investment structure of the Age 65 Plus Fund is shown in the diagram below:

Age 65 Plus Fund
Investment Manager: FIL Investment Management (Hong Kong) Limited (licensed by the SFC)

↓

FGIF - Age 65 Plus Fund
Investment Manager: FIL Investment Management (Hong Kong) Limited (licensed by the SFC)

↓

2 or more APIFs and/or ITCIS*

* The APIFs and/or ITCIS in which the FGIF - Age 65 Plus Fund invests may or may not be sub-fund(s) of FGIF.

HKD currency exposure:

The Age 65 Plus Fund will maintain an effective currency exposure to HKD of at least 30% through investing in the FGIF - Age 65 Plus Fund. The FGIF - Age 65 Plus Fund will maintain an effective currency exposure to HKD of at least 30% through currency hedging or through investing in underlying APIFs and/or ITCIS.

(b) Balance of investments

- Higher risk assets (such as global equities): 20%
- Lower risk assets (such as global debt securities, money market instruments and other permissible investments under the General Regulation): 80%

The asset allocation of the Age 65 Plus Fund to higher risk assets may vary between 15% and 25% due to market movements. Accordingly, the asset allocation of the Age 65 Plus Fund to lower risk assets may vary between 75% and 85%.

There is no prescribed allocation for investments in any specific countries or currencies.

(c) Security lending and repurchase agreements

The Investment Manager will not engage in security lending and repurchase agreements in respect of the Age 65 Plus Fund.

(d) **Futures and options**

The Age 65 Plus Fund will not directly invest in currency forward contracts, financial futures contracts or financial option contracts. The FGIF - Age 65 Plus Fund may invest in currency forward contracts, financial futures contracts or financial option contracts to hedge the portfolio's exposure to certain currencies, assets or instruments and the underlying APIFs and/or ITCIS may also invest in currency forward contracts, financial futures contracts or financial option contracts for hedging purposes.

(e) **Risks**

The performance of the Age 65 Plus Fund is subject to a number of risks, including the following: general risk, equities risk, bonds and other debt instruments risk, multi-asset risk, investment concentration risk, derivatives/counterparty related risks, asset allocation - Default Investment Strategy Funds risk and risks of investing in underlying funds.

Please refer to the section headed "**RISKS**" for a detailed description of each of the risks listed above.

Members and Participating Employers will be notified by at least one month's prior notice (or such other notice period as the MPF Authority or the SFC may approve) of any changes to the above investment objective and investment policy.

Use of Currency Forward Contracts, Financial Futures Contracts and Financial Option Contracts by the Underlying Funds

Except for underlying FGIF Funds which are feeder funds which may only invest in currency forward contracts, each of the underlying FGIF Funds in which the Constituent Funds invest may enter into financial futures contracts, financial option contracts and/or currency forward contracts, subject to the General Regulation and the terms of FGIF's trust deed. TraHK in which the Fidelity Hong Kong Tracker Fund invests may use financial futures and options for hedging purposes or to achieve its investment objective.

Security Lending, Repurchase Agreements and Reverse Repurchase Agreements by the Underlying Funds

Except for the Fidelity Hong Kong Tracker Fund, the underlying funds in which the Constituent Funds invest will not engage in security lending, repurchase agreements and reverse repurchase agreements. The underlying fund of the Fidelity Hong Kong Tracker Fund will not engage in security lending.

INVESTMENT AND BORROWING RESTRICTIONS

Each Constituent Fund is subject to the investment and borrowing restrictions in Schedule 1 of the General Regulation.

Each Constituent Fund will not incur any leverage arising from the use of derivatives.

DEFAULT ARRANGEMENTS AND DEFAULT INVESTMENT STRATEGY

If a Member fails to give a specific investment instruction to the Trustee in respect of an account setting out how contributions made by and on behalf of the Member are to be invested, the Trustee will invest the relevant contributions as follows.

Default Arrangements

For Pre-existing Accounts, contributions and accrued benefits transferred from another scheme will generally be invested in the manner set out below:

<table>
<tr><th>Member</th><th>Date of Participation</th><th>Applicable Constituent Fund</th></tr>
<tr><td>Employee Member</td><td>Before 27 October 2008[1]</td><td>■ Constituent Fund selected by the Employer under the terms of their participation agreement, or
■ if none is selected, the MPF Conservative Fund.</td></tr>
<tr><td>Self-employed Member, Personal Account Member or SVC Member</td><td>Before 27 October 2008</td><td>MPF Conservative Fund</td></tr>
<tr><td>Employee Member, Self-employed Member, Personal Account Member or SVC Member</td><td>From 27 October 2008 to immediately before 1 April 2017</td><td>Unless otherwise requested by the relevant Member:-
<table>
<tr><th>Year-of-birth</th><th>Expected retirement year</th><th>Applicable Constituent Fund</th></tr>
<tr><td>after 1989</td><td>after 2054</td><td>Fidelity SaveEasy 2050 Fund</td></tr>
<tr><td>1985 - 1989</td><td>2050 - 2054</td><td>Fidelity SaveEasy 2050 Fund</td></tr>
<tr><td>1980 - 1984</td><td>2045 - 2049</td><td>Fidelity SaveEasy 2045 Fund</td></tr>
<tr><td>1975 - 1979</td><td>2040 - 2044</td><td>Fidelity SaveEasy 2040 Fund</td></tr>
<tr><td>1970 - 1974</td><td>2035 - 2039</td><td>Fidelity SaveEasy 2035 Fund</td></tr>
<tr><td>1965 - 1969</td><td>2030 - 2034</td><td>Fidelity SaveEasy 2030 Fund</td></tr>
<tr><td>1960 - 1964</td><td>2025 - 2029</td><td>Fidelity SaveEasy 2025 Fund</td></tr>
<tr><td>1955 - 1959</td><td>2020 - 2024</td><td>Fidelity SaveEasy 2020 Fund</td></tr>
<tr><td>before 1955</td><td>before 2020</td><td>Capital Stable Fund</td></tr>
</table>
</td></tr>
</table>

[1] The date of participation in respect of an Employee Member's refers to the date of participation of his Participating Employer.

If the Member's year of birth is after 1989, the applicable Constituent Fund under the Master Trust's Default Arrangement immediately before 1 April 2017 is the Fidelity SaveEasy 2050 Fund.

The Default Investment Strategy (as described below) was introduced from 1 April 2017, and in connection therewith, a transitional arrangement was put in place whereby subject to compliance with the requirements under the MPF Ordinance, the accrued benefits in the relevant Pre-existing Account which were invested in accordance with the Default Arrangements above have been invested according to the Default Investment Strategy. Please see "**Circumstances for Accrued Benefits to be Invested in accordance with the Default Arrangements or the DIS**" below for the rules applicable to accrued benefits, contributions and transfers in respect of Pre-existing Accounts on or after 1 April 2017.

Default Investment Strategy ("DIS")

DIS is a ready-made investment arrangement mainly designed for those Members who are not interested or do not wish to make a fund choice, and is also available as an investment choice itself for Members who find it suitable for their own circumstances. For those Members who do not make an investment choice, their contributions and accrued benefits transferred from another scheme will be invested in accordance with the DIS. The DIS is required by law to be offered in every MPF scheme and is designed to be substantially similar in all schemes. For the circumstances in which DIS will apply, please refer to the sub-section headed "**Circumstances for Accrued Benefits to be Invested in accordance with the Default Arrangements or the DIS**" below.

The key features about the DIS:

Asset Allocation of the DIS

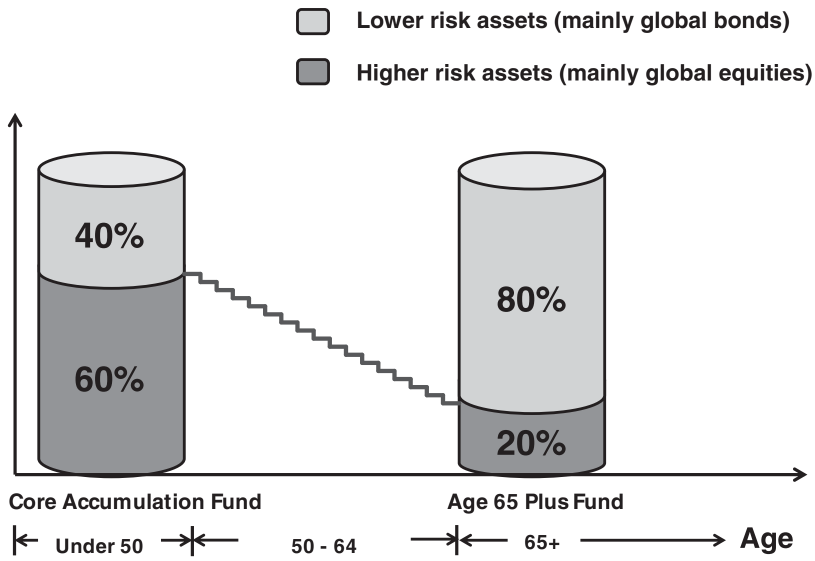
The DIS aims to balance the long term effects of investment risk and return through investing in two Constituent Funds of the Master Trust, namely the CAF and the A65F, according to the pre-set allocation percentages at different ages. The CAF will indirectly invest around 60% in higher risk assets (higher risk assets generally mean equities or similar investments) and 40% in lower risk assets (lower risk assets generally mean debt securities or similar investments) of its NAV whereas the A65F will indirectly invest around 20% in higher risk assets and 80% in lower risk assets. Both DIS Funds adopt globally diversified investment principles and use different classes of assets, including global equities, debt securities, money market instruments and cash, and other types of assets allowed under the MPF legislation. For further information on the investment objective and policies of each of the DIS Funds, please refer to the sub-section headed "**INVESTMENT OBJECTIVES AND POLICIES**" above.

De-risking of the DIS

Accrued benefits invested through the DIS will be invested in a way that adjusts investment risk depending on a Member's age. The DIS will manage investment risk exposure by automatically reducing the exposure to higher risk assets and correspondingly increasing the exposure to lower risk assets as the Member gets older. Such de-risking is to be achieved by way of reducing the holding in

CAF and increasing the holding in A65F throughout the prescribed time span as detailed below. **Diagram 1** below shows the target proportion of investment in riskier assets over time. The asset allocation stays the same up until 50 years of age, then reduces steadily until age 64, after which it stays steady again.

Diagram 1: Asset Allocation between DIS Funds according to the DIS



Note: The exact proportion of the portfolio in higher risk assets/lower risk assets at any point in time may deviate from the target glide path due to market fluctuations.

The above de-risking is to be achieved by annual adjustments of asset allocation gradually from the CAF to the A65F under the DIS. Switching of the existing accrued benefits among the CAF and A65F will be automatically carried out each year ("**annual de-risking**") generally, on the relevant Member's birthday and according to the allocation percentages as shown in the **DIS De-risking Table** as shown in **Diagram 2** below. Please refer to the following sub-section for details of dealing day of annual de-risking.

Dealing Day of annual de-risking

If a Member's birthday falls on a day which is not on a Dealing Day, then the annual de-risking will be carried out on the next available Dealing Day. If the birthday of the relevant Member falls on the 29th of February and in the year which is not a leap year, then the annual de-risking will be carried out on 1st of March or the next available Dealing Day.

When one or more of the specified instructions (including but not limited to subscription, redemption, transfer or switching instructions) are being processed or are to take effect on the annual date of de-risking for a relevant Member, the annual de-risking in respect of such Member will only take place on the next Dealing Day after completion of these instructions where necessary. Members should note that the annual de-risking may be deferred as a result.

If a Member would like to switch out of the DIS before the annual de-risking takes place, the switching instructions must be received by the Trustee before the following dealing cut-off time in order for the switching instructions to be processed before the annual de-risking takes place:

- for switching instruction submitted via the website of the Investment Manager at www.fidelity.com.hk*, 11:59 p.m. on a day which is 1 Business Day before the relevant Member's birthday; or
- for switching instruction submitted via other means, 4:00 p.m. on a day which is 1 Business Day before the relevant Member's birthday.

If such switching instruction for partial switching out of the DIS received by the Trustee before the dealing cut-off time above is still being processed on the annual date of de-risking in respect of such Member, the annual de-risking will be deferred until the completion of the switching instruction and the de-risking in respect of the remaining accrued benefits invested in the DIS will only take place on the next Dealing Day after completion of such switching instruction.

However, if a switching instruction is received by the Trustee after the abovementioned dealing cut-off time and before the completion of the de-risking process, such switching instruction will be deferred and the annual de-risking will take place as scheduled. Such switching instruction will only be processed after the completion of the de-risking process.

Please refer to the sub-sections headed "**APPLICATION, WITHDRAWAL AND TRANSFER**" and "**CONTRIBUTIONS, SWITCHING AND PAYMENT OF BENEFITS**" under the section headed "**ADMINISTRATIVE PROCEDURES**" regarding the procedures for application, withdrawal, transfers, contributions and switching respectively.

Members should be aware that the above de-risking will not apply where a Member chooses the CAF and A65F as individual fund choices (rather than as part of the DIS).

In summary under the DIS:

- When a Member is below the age of 50, all his contributions and accrued benefits under the DIS (including those transferred from another scheme) will be invested in the CAF.
- When a Member is between the ages of 50 and 64, all his contributions and accrued benefits under the DIS (including those transferred from another scheme) will be invested according to the allocation percentages between the CAF and A65F as shown in the **DIS De-risking Table** below. The de-risking on the existing accrued benefits will be automatically carried out as described above.
- When a Member reaches the age of 64, all his contributions and accrued benefits under the DIS (including those transferred from another scheme) will be invested in the A65F.

A de-risking notice will be sent at least 60 days prior to a Member reaching the age of 50, and a de-risking confirmation statement will be sent to Members no later than 5 Business Days after each annual de-risking is completed.

* This website has not been reviewed by the SFC.

If the Trustee does not have the full date of birth of the relevant Member, the de-risking will be carried out as follows:

- If only the year and month of birth is available, the annual de-risking will use the last calendar day of the birth month, or if it is not a Dealing Day, the next available Dealing Day.
- If only the year of birth is available, the annual de-risking will use the last calendar day of the year, or if it is not a Dealing Day, the next available Dealing Day.
- If no information at all on the date of birth, Member's accrued benefits will be fully invested in A65F with no de-risking applied.

If the relevant Member subsequently provides satisfactory evidence as to his year, month and/or day of birth, the relevant Member's birthday based on such new evidence will be adopted and the corresponding allocation percentage will be applied as soon as practicable.

Diagram 2: DIS De-risking Table

Age	Core Accumulation Fund ("CAF")	Age 65 Plus Fund ("A65F")
Below 50	100.0%	0.0%
50	93.3%	6.7%
51	86.7%	13.3%
52	80.0%	20.0%
53	73.3%	26.7%
54	66.7%	33.3%
55	60.0%	40.0%
56	53.3%	46.7%
57	46.7%	53.3%
58	40.0%	60.0%
59	33.3%	66.7%
60	26.7%	73.3%
61	20.0%	80.0%
62	13.3%	86.7%
63	6.7%	93.3%
64 and above	0.0%	100.0%

Note: The above allocation between CAF and A65F is made at the point of annual de-risking and the proportion of CAF and A65F in the DIS portfolio may vary during the year due to market fluctuations.

Circumstances for Accrued Benefits to be Invested in accordance with the Default Arrangements or the DIS

1. *Switching in and out of the DIS (applicable to existing accrued benefits):*

   As explained further below, Member can switch into or out of the DIS at any time, subject to the Trust Deed. If a Member wishes to switch out of the DIS, he may elect to switch all or part of his accrued benefits to other Constituent Funds. Members should, however, bear in mind that the DIS has been designed as a long-term investment arrangement. If a Member switches out of the DIS, such switching may negatively affect the balance between risk and return attributes that has been built into the DIS as a long-term strategy.

   Members should note that switching instructions only apply to accrued benefits and are not equivalent to a change of the specific investment instructions for future contributions, and vice versa.

   Members may elect to switch their existing accrued benefits in each category of contributions (as applicable) into:

   - the DIS; and/or
   - one or more Constituent Funds of their own choice from the list under the section headed "**FUND OPTIONS, INVESTMENT OBJECTIVES AND POLICIES**" (including the CAF and the A65F) and according to their assigned allocation percentage(s) to relevant Constituent Fund(s) of their choice.

   For details on switching, please refer to the heading "**Switching between Constituent Funds and/or Switching in and out of DIS**" under the sub-section headed "**CONTRIBUTIONS, SWITCHING AND PAYMENT OF BENEFITS**" in the section headed "**ADMINISTRATIVE PROCEDURES**".

2. *New accounts set up on or after 1 April 2017:*

   (a) When Members join the Master Trust or set up a new account in the Master Trust, they have the opportunity to give a specific investment instruction in respect of each of their categories of contributions for their future contributions and accrued benefits transferred from another scheme. They may choose to invest their future contributions and accrued benefits transferred from another scheme into:

   - the DIS; and/or
   - one or more Constituent Funds of their own choice from the list under the sub-section headed "**FUND OPTIONS**" (including the CAF and the A65F) and according to their assigned allocation percentage(s) to relevant Constituent Fund(s) of their choice.

   Members should note that, if investments in CAF or A65F are made under the Member's specific investment instructions as a standalone fund choice rather than as part of the DIS offered as a choice ("**standalone investments**"), those investments/benefits will not be subject to the de-risking process. If a Member's accrued benefits are invested in any combination of (i) in CAF and/or A65F as standalone investments and

(ii) the DIS (no matter by default or by specific investment instruction) ("**DIS Investments**"), accrued benefits invested under (i) will not be subject to the de-risking mechanism whereas accrued benefits under (ii) will be subject to the de-risking process. In this connection, Members should pay attention to the different on-going administration arrangements applicable to accrued benefits invested in (i) standalone investments and (ii) DIS Investments. In particular, Members will, when giving a fund switching instruction, be required to specify to which part of the benefits (namely, under (i) standalone investments or (ii) DIS Investments) the instruction relates.

(b) If a Member does not give any specific investment instructions, his future contributions will be automatically invested in the DIS. In respect of accrued benefits transferred from another scheme, if the transfer is made to an account in the Master Trust with a specific investment instruction, the accrued benefits will be automatically invested in accordance with such specific investment instruction. However, if the transfer is made to an account in the Master Trust with no specific investment instruction, the accrued benefits will be automatically invested in the DIS.

3. *Existing accounts set up before 1 April 2017:*

There are special rules to be applied for Pre-existing Accounts and these rules **only apply to a Member who is under or becoming 60 years of age on 1 April 2017**.

(a) For a Member's Pre-existing Account with all accrued benefits being invested according to the Default Arrangements but no specific investment instruction has been given:

Subject to (c) below, if the accrued benefits in a Member's Pre-existing Account are only invested according to the Default Arrangements but no specific investment instruction has been given, special rules and arrangements will be applied, in due course, to determine whether the accrued benefits in such Pre-Existing Account will be transferred to the DIS and whether the future contributions and accrued benefits transferred from another scheme for such account will be invested in DIS (except where the Trustee reasonably believes that it has received specific investment instruction from the Member for such Pre-existing Account). If the Member's Pre-existing Account is the one described above, a notice called the **DIS Re-investment Notice** may be sent to the Member within 6 months from 1 April 2017 explaining the impact on such account and giving the Member an opportunity to give a specific investment instruction to the Trustee before the accrued benefits, future contributions and accrued benefits transferred from another scheme are invested into the DIS. **Members should note that the risk inherent in the arrangement, in particular, the risk of the original Default Arrangements may be different from that of the DIS.** For information relating to the latest risk class of the DIS Funds and the relevant Constituent Funds under the original Default Arrangements, please refer to the latest fund fact sheet of the Master Trust and the website www.fidelity.com.hk*. Please consult the Trustee or call the Fidelity Investor Hotline if you have any questions on your applicable Constituent Fund under the Default Arrangement. On this basis there may be periods of

* This website has not been reviewed by the SFC.

time where the risk level of the applicable Constituent Fund under the Default Arrangement is considered higher or lower than that of the DIS. **Members will also be subject to market risks during the redemption and reinvestment process.**

Notwithstanding the aforesaid, in the case of any transfer from one account to another account within the Master Trust (e.g. from a contribution account to a personal account following situations such as the cessation of employment), the accrued benefits so transferred will remain invested in the same manner as they were invested immediately before the transfer, unless otherwise instructed by or agreed with the relevant Member. Accordingly, if the accrued benefits of a Member's Pre-existing Account are invested according to the Default Arrangements as a result of a transfer from one account to another account within the Master Trust, the special rules and arrangements relating to DIS and the DIS Re-investment Notice as described above will not apply. For the avoidance of doubt, the investment instructions applicable to the original account will not apply to future contributions or accrued benefits transferred from another scheme that are made to the new account. Unless specific investment instructions are received by the Trustee, future contributions and accrued benefits transferred from another scheme to the new account will be invested according to the DIS.

For details of the arrangement, Members should refer to the DIS Re-investment Notice.

(b) For a Member's Pre-existing Account with part of the accrued benefits invested in the Default Arrangements:

For a Member's Pre-existing Account which part of the accrued benefits is invested according to the Default Arrangements immediately before 1 April 2017, unless the Trustee has received any specific investment instructions, accrued benefits of the Member will be invested in the same manner as accrued benefits were invested immediately before 1 April 2017. Future contribution and accrued benefits transferred from another scheme will be invested in the same manner as immediately before 1 April 2017, unless the Trustee has received any specific investment instructions.

(c) Members with Pre-existing Account and aged 60 or above before 1 April 2017:

In the case of a Member who is aged 60 or above before 1 April 2017 and who holds a Pre-existing Account, the accrued benefits, future contributions and accrued benefits transferred from another scheme in the Pre-existing Account will continue to be invested in the same manner as immediately before 1 April 2017, unless the Trustee receives any specific investment instructions.

Members should note that the implementation of the legislation governing the DIS may have impact on their MPF investments or accrued benefits. Please consult the Trustee or call the Fidelity Investor Hotline if you have any doubts or questions on how your MPF investments or accrued benefits are being affected.

4. *Pursuant to specific investment instruction (applicable to future contributions and accrued benefits transferred from another scheme):*

   Notwithstanding paragraphs 2 and 3 above, a Member may subsequently provide or change his specific investment instruction to invest in the DIS, and/or one or more Constituent Funds of his own choice. In this event, all future contributions and accrued benefits transferred from another scheme after the effective date of such subsequent specific investment instruction will be invested in accordance with the subsequent specific investment instruction.

Fees and out-of-pocket expenses of the DIS Funds

In accordance with the MPF legislation, the aggregate of the payments for services of the CAF and A65F must not, in a single day, exceed a daily rate of 0.75% per annum of the NAV of each of the DIS Funds divided by the number of days in the year.

The above aggregate payments for services include, but is not limited to, the fees paid or payable for the services provided by the trustee, the administrator, the investment manager(s), the custodian and the sponsor and/or promoter of the Master Trust and the underlying fund(s) of the respective DIS Fund, and any of the delegates from these parties and such fees are calculated as a percentage of the NAV of the respective DIS Fund and its underlying fund(s), but does not include any out-of-pocket expenses incurred by each DIS Fund and its underlying fund(s).

In accordance with the MPF legislation, the total amount of all payments that are charged to or imposed on a DIS Fund or Members who invest in a DIS Fund, for out-of-pocket expenses incurred by the Trustee on a recurrent basis in the discharge of the Trustee's duties to provide services in relation to a DIS Fund, shall not in a single year exceed 0.2% of the NAV of the DIS Fund. For this purpose, out-of-pocket expenses include, for example, annual audit expenses, printing or postage expenses relating to recurrent activities (such as issuing annual benefit statements), recurrent legal and professional expenses, safe custody charges which are customarily not calculated as a percentage of NAV and transaction costs incurred by a DIS Fund in connection with recurrent acquisition of investments for the DIS Fund (including, for example, costs incurred in acquiring underlying funds) and annual statutory expenses (such as compensation fund levy where relevant) of the DIS Fund. Members should note that out-of-pocket expenses that are not incurred on a recurrent basis may still be charged to or imposed on a DIS Fund or Members who invests in a DIS Fund and such out-of-pocket expenses are not subject to the above statutory limit.

For further details, please refer to the section headed "**FEES AND CHARGES**".

Key risks associated with Default Investment Strategy

Members should note that there are a number of attributes of the design of the DIS strategy as set out below, which affect the types of risks associated with the DIS.

Limitations on the strategy

(i) Age as the sole factor in determining the asset allocation under the DIS

   As set out in more detail under the heading "*De-risking of the DIS*" above, Members should note that the DIS adopts pre-determined asset allocation and automatically adjusts asset allocation based only upon a Member's age. The DIS does not take into account factors other than age, such as market and economic conditions nor Member's personal circumstances including investment objectives, financial needs, risk tolerance or likely retirement date. Members who want their MPF portfolio to reflect their own personal circumstances can make their own selection of Constituent Funds from the range available in the Master Trust.

(ii) Pre-set asset allocation

Members should note that the two DIS Funds have to follow the prescribed allocation between higher risk assets and lower risk assets at all times subject to a tolerance level of + or -5%. The prescribed exposure between higher risk assets and lower risk assets of CAF and A65F will limit the ability of the investment manager of the underlying funds to adjust asset allocations in response to sudden market fluctuations; for example through the adoption of either a more defensive asset allocation approach (being an approach which seeks to reduce higher risk assets exposure), or alternatively a more aggressive asset allocation approach (being an approach which seeks to increase higher risk assets exposure) even if, for some reason, the investment manager thought it appropriate to do so. In other words, during market crash, despite the higher risk assets may be underperforming as compared with the lower risk assets, the investment manager of the relevant underlying fund may still sell the lower risk assets and buy the higher risk assets in order to maintain the prescribed asset allocation in accordance with the underlying fund's investment strategy. This may not be advantageous to the performance of the relevant DIS Fund.

(iii) Annual de-risking between the DIS Funds

Members should note that de-risking for each relevant Member will generally be carried out on a Member's birthday, regardless of the prevailing market conditions. While the de-risking process aims at managing risks of the investments through reducing exposure to higher risk assets, it may preclude the DIS from fully capturing the upside in rising equity markets during the de-risking process and therefore would underperform as compared with funds not adopting the de-risking process under the same market conditions. It is possible that the de-risking process is done at a time which may result in Members reducing exposure to an asset class which outperforms and increasing exposure to an asset class which underperforms. The asset allocation changes gradually over a 15-year time period. Members should be aware that the de-risking operates automatically regardless of the wish of a Member to adopt a strategy which might catch market upside or avoid market downside.

Also, the de-risking process cannot insulate Members from "systemic risk", such as broad-based recessions and other economic crises, which will affect the prices of most asset classes at the same time.

(iv) Potential rebalancing within each DIS Fund

In order to maintain the prescribed allocation between the higher risk assets and lower risk assets within each of the CAF and A65F, the investments of each of the CAF and A65F may have to be continuously rebalanced. For example, when the higher risk assets perform poorly, the CAF's or A65F's asset allocation may fall outside the respective prescribed limit. In this case, each of the CAF and A65F will have to liquidate some of the better performing lower risk assets in order to invest more in the higher risk assets, even if the Investment Manager is of the view that the higher risk assets might continue to perform poorly.

(v) Additional transaction costs

Due to (a) the potential rebalancing of higher risk assets and lower risk assets in the process of maintaining the prescribed allocation within each of the CAF and A65F and (b) the annual reallocation of accrued benefits for Members under the de-risking process, the DIS may incur greater transaction costs than a fund/strategy with more static allocation.

General investment risk related to DIS

Although DIS is a statutory arrangement, it does not guarantee capital repayment nor positive investment returns (in particular for those Members with only a short investment horizon before retirement). The two DIS Funds are mixed asset funds investing in a mix of equities and debt securities. Members should note that the DIS which invests in the DIS Funds is subject to the general investment risks that apply to mixed asset funds. For general key risks relating to investment funds, please refer to the section headed "**RISKS**".

Risk on early withdrawal and switching

Since the DIS has been developed having regard to the long-term balance between risks and likely returns, and assumes retirement at the age of 65, any cessation of the strategy (for example through early withdrawal of accrued benefits or switching into other funds) will affect that balance.

Impact on members keeping benefits in the DIS beyond the age of 64

Members should note that the de-risking process will discontinue upon reaching the age of 64. Members should be aware that all accrued benefits (including accrued benefits transferred from another scheme)/on-going contribution, if any, will be invested in the A65F which holds around 20% of its assets in higher risk assets which may not be suitable for all Members beyond the age of 64.

Information on performance of DIS Funds

The fund performance and fund expense ratio of the CAF and A65F will be published in the fund fact sheet. The fund fact sheets will be attached to annual benefit statement, Members can visit www.fidelity.com.hk* or call the Fidelity Investor Hotline: 2629 2629 for information. Members may also obtain the fund performance information at the website of the Mandatory Provident Fund Schemes Authority (www.mpfa.org.hk).

To provide a common reference point for performance and asset allocation of the CAF and A65F, the Reference Portfolio is adopted for the purpose of each of the DIS Funds. The fund performance will be reported against the Reference Portfolio published by the Hong Kong Investment Funds Association, please visit www.hkifa.org.hk for further information regarding the performance of the Reference Portfolio.

* This website has not been reviewed by the SFC.

The fund performance is calculated in Hong Kong dollar on NAV-to-NAV basis. Past performance is not indicative of future performance. There is no assurance that investment returns and Members' accrued benefits may not suffer significant loss. Members should regularly review the performance of the funds and consider whether the investments still suit their personal needs and circumstances.

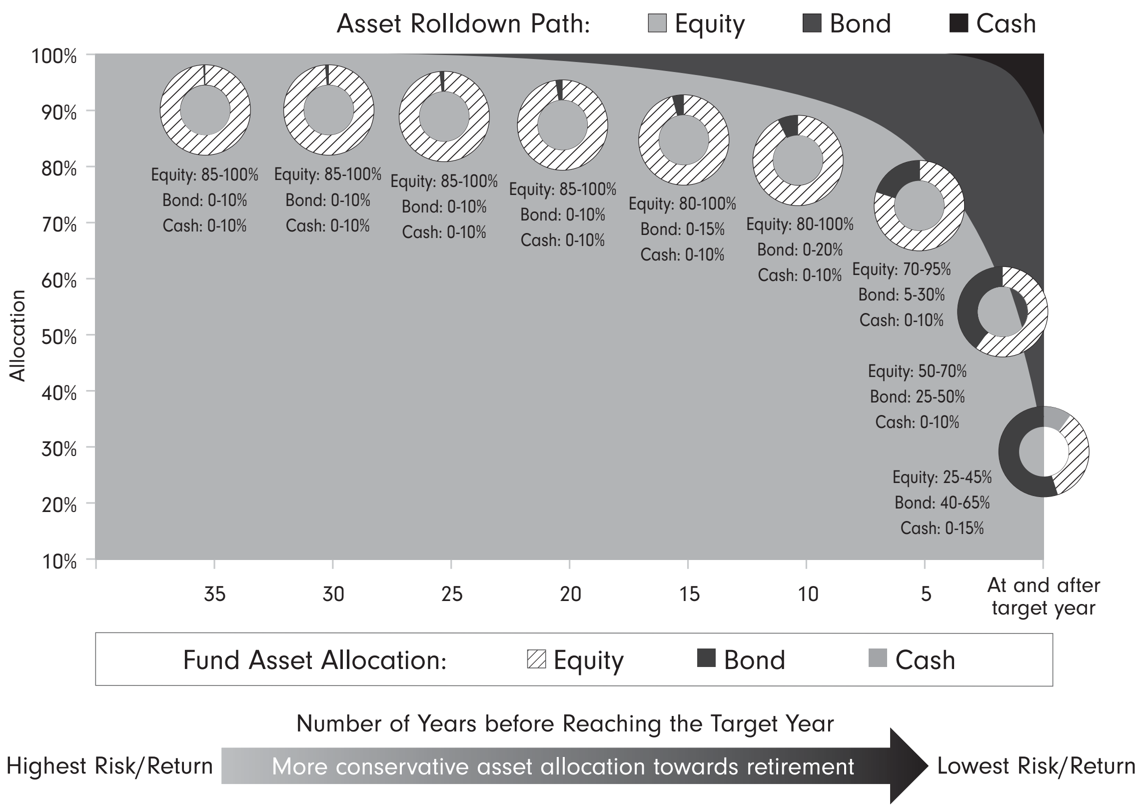
The Trustee and/or the Investment Manager may, without liability, treat any information received from the Participating Employer or Member from time to time as being accurate and the Trustee and/or the Investment Manager may reasonably act in reliance on such information.

FURTHER INFORMATION ON SAVEEASY FUNDS

FGIF SaveEasy Funds

The FGIF SaveEasy Funds will not invest in (a) asset backed securities (including mortgage backed securities and asset backed commercial papers), structured deposits, or structured products, or (b) 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.

Fidelity SaveEasy Funds Asset Rolldown Chart



The Fidelity SaveEasy Funds Asset Rolldown Chart above provides a simple method for investors to view the **indicative** asset allocations over the duration of the particular SaveEasy Fund. Investors are reminded that this is an **indicative** rolldown and at any particular point in time actual portfolios may vary considerably from that shown above as market, political, structural, economic and other conditions change. The actual asset allocations in respect of the SaveEasy Funds may change at the Investment Manager's discretion without Unitholders' approval, notice to Unitholders or approval from the SFC/MPF Authority.

Each SaveEasy Fund aims to provide long-term capital growth for investors planning to dispose of their investment in such fund in the target year, i.e. the year specified in its name.

Investors should note that the selection of a SaveEasy Fund that does not most closely align with their expected date of disposal of their investments in such fund may result in their having a higher risk of potential mismatch between their investment horizon and their investment type.

The SaveEasy Funds may remain in existence for a period of up to five (5) years after the designated target year. A particular SaveEasy Fund is expected to terminate with effect from 31 December in the year that is up to five (5) years after its target year (the fund's "**Maturity Date**").

One or more notices will be issued to the Member before the Maturity Date of a SaveEasy Fund advising him that the Maturity Date is close to being reached and offering the Member an opportunity to switch his holdings in the particular SaveEasy Fund to any other Constituent Fund. If the Member does not give any instructions to dispose of his holdings in the particular SaveEasy Fund before its Maturity Date, the Investment Manager and Trustee shall have the right, without further notice or consent from the Member, to switch the Member's holdings in the particular SaveEasy Fund into the SaveEasy Fund with the next upcoming Maturity Date. Such switch shall take place on a Business Day up to fourteen (14) Business Days before the Maturity Date of the existing SaveEasy Fund that the member is invested in. Where applicable, any subsequent contributions received from a Member following the Maturity Date of the particular SaveEasy Fund will be invested in the applicable SaveEasy Fund with the next upcoming Maturity Date.

For further details and information on the SaveEasy Funds, Members may contact the Trustee or the Investment Manager at Fidelity Investor Hotline: 2629 2629 or visit the Investment Manager's website at: www.fidelity.com.hk*.

Members should note that the aforesaid website of the Investment Manager is not authorised by the SFC and may contain information which is not targeted to Hong Kong investors.

FURTHER INFORMATION ON THE HANG SENG INDEX

The Hang Seng Index is one of the earliest stock market indexes in Hong Kong, which measures the performance of largest and most liquid companies listed on the Main Board of the SEHK and is compiled by Hang Seng Indexes Company Limited ("**HSIL**") by adopting free float-adjusted market capitalisation weighted methodology.

* This website has not been reviewed by the SFC.

Constituent stocks of the Hang Seng Index are selected by a rigorous process of detailed analysis. Only companies with a primary listing on the Main Board of the SEHK are eligible potential constituents. Mainland China enterprises that have H share listing in Hong Kong will be eligible for inclusion in the Hang Seng Index if they meet certain conditions.

The constituent stocks are grouped under finance, utilities, properties, and commerce and industry sub-indexes. The Hang Seng Index is reviewed quarterly. The composition of the Hang Seng Index may change if one of the constituent stocks was changed or if any of the constituent companies were to delist its shares or if a new company were to list its shares on the SEHK and be added to the Hang Seng Index.

The Hang Seng Index currently comprises 50 constituent stocks which are representative of the Hong Kong stock market. As at 31 January 2020, the respective weightings of the top 10 largest constituent stocks of the Hang Seng Index are:

Code	Stock Name	Weighting
700	Tencent Holdings Ltd.	11.30%
1299	AIA Group Ltd.	9.87%
5	HSBC Holdings plc	9.84%
939	China Construction Bank Corporation	7.40%
2318	Ping An Insurance (Group) Co. of China, Ltd.	5.70%
941	China Mobile Ltd.	4.53%
1398	Industrial and Commercial Bank of China Ltd.	4.43%
388	Hong Kong Exchanges and Clearing Ltd.	3.56%
3988	Bank of China Ltd.	2.77%
883	CNOOC Ltd.	2.43%

Real-time update of the Hang Seng Index can be obtained through Thomson Reuters, Bloomberg and the website of HSIL at www.hsi.com.hk*. The index rules and further information in relation to the Hang Seng Index are available at www.hsi.com.hk*. As for other important news of the Hang Seng Index, HSIL will also make announcements through press releases and at www.hsi.com.hk*.

HSIL is the Index Provider of the Hang Seng Index. The Investment Manager and its connected persons are independent of HSIL.

In the event that the Hang Seng Index is terminated, ceases to operate or is not available, the Investment Manager may subject to the approval of the MPF Authority and the SFC, seek a replacement of the Hang Seng Index with another index that it deems appropriate as suitable benchmark representing the overall performance of the Hong Kong stock market. If no suitable index is found, subject to the approval of the SFC and the MPF Authority, the Fidelity Hong Kong Tracker Fund may be terminated. Unless otherwise agreed with the SFC and the MPF Authority, the Trustee will give not less than one month's notice of any change in the underlying index.

* This website has not been reviewed by the SFC.

Disclaimer of Index Provider

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 Investment Manager in connection with the Master Trust, **BUT NEITHER HSIL NOR HSDS WARRANTS OR REPRESENTS OR GUARANTEES TO ANY BROKER OR HOLDER OF THE MASTER TRUST 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 INVESTMENT MANAGER IN CONNECTION WITH THE MASTER TRUST; 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 MASTER TRUST OR ANY OTHER PERSON DEALING WITH THE MASTER TRUST 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 Master Trust in any manner whatsoever by any broker, holder or other person dealing with the Master Trust. Any broker, holder or other person dealing with the Master Trust 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.

Members investing in the Fidelity Hong Kong Tracker Fund will be regarded as having acknowledged, understood and accepted the disclaimer above and will be bound by it. The level of the Hang Seng Index at any time for the purposes of the Fidelity Hong Kong Tracker Fund will be the level as calculated by HSIL in its sole discretion.

RISKS

Risk Factors

		Asset Class Specific Risk				Investment Focus / Style-Related Risks						Specific Instrument Related Risks				
												Mainland China Related		Fixed Income Related		
Constituent Fund	**General**	**Equities**	**Bonds and other Debt Instruments**	**Real Estate Related**	**Multi Asset**	**Investment Concentration**	**Geographical Concentration**	**Sector Concentration**	**Below Investment Grade/Unrated Securities and High Yielding Debt Instruments**	**Emerging Markets**	**Eurozone Risk**	**General**	**Dim Sum Bond Market**	**Convertible Bonds, Hybrids and instruments with loss-absorption features**	**Derivatives / Counterparty Risk - General and Specific**	**Additional Risk Factors**
Growth Fund	x	x	x		x					x					x	3, 6
Balanced Fund	x	x	x		x					x					x	3, 6
Stable Growth Fund	x	x	x		x					x					x	3, 6
Capital Stable Fund	x	x	x		x					x					x	3, 6
Fidelity SaveEasy 2020 Fund	x	x	x		x					x					x	2, 6
Fidelity SaveEasy 2025 Fund	x	x	x		x					x					x	2, 6
Fidelity SaveEasy 2030 Fund	x	x	x		x					x					x	2, 6
Fidelity SaveEasy 2035 Fund	x	x	x		x					x					x	2, 6
Fidelity SaveEasy 2040 Fund	x	x	x		x					x					x	2, 6
Fidelity SaveEasy 2045 Fund	x	x	x		x					x					x	2, 6
Fidelity SaveEasy 2050 Fund	x	x	x		x					x					x	2, 6
Asia Pacific Equity Fund	x	x								x		x			x	6
Global Equity Fund	x	x													x	6
Hong Kong Equity Fund	x	x				x	x			x		x			x	6
Hong Kong Bond Fund	x		x				x			x				x	x	6
RMB Bond Fund	x		x			x	x			x		x	x	x	x	6
World Bond Fund	x		x			x				x	x	x		x	x	6
Fidelity Hong Kong Tracker Fund	x	x				x	x			x					x	1, 6
MPF Conservative Fund	x		x			x				x					x	5, 6
Core Accumulation Fund	x	x	x		x										x	4, 6
Age 65 Plus Fund	x	x	x		x	x									x	4, 6

The following risk factors do not purport to be a complete explanation of the risks involved in investing in the Units. Prospective investors should read the entire Brochure and consult with their legal, tax and financial advisors before making any decision to invest in the Constituent Fund.

General Risks

1. *Risk to Capital and Income*

   The underlying assets of an Underlying Fund in which a Constituent Fund invests 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. This will in turn impact on the value of the relevant Constituent Fund. Therefore, your investment in the relevant Constituent Fund 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 the assets of an Underlying Fund in which a Constituent Fund invests may be denominated in currencies other than the base currency of the Underlying 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 Underlying Fund's net asset value and consequently, the relevant Constituent Fund's NAV. The Underlying 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 an Underlying 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*

   An Underlying Fund in which a Constituent Fund invests 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 Underlying Fund, investing in cash may mean that Underlying Fund is not fully participating in the movements of the market(s) on which it focuses. This may affect the performance of the Constituent Fund.

4. *Liquidity*

   In normal market conditions, the assets of an Underlying Fund in which a Constituent Fund invests comprise mainly realisable investments which can be readily sold. An Underlying Fund's main liability is meeting the realisation requests of any units which its investors wish to sell. In general, the Underlying 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 Underlying Fund and consequently, the NAV of the relevant Constituent Fund.

5. *Pricing & Valuation*

   The assets of an Underlying Fund in which a Constituent Fund invests comprise mainly quoted investments where a valuation price can be obtained from an exchange or similarly verifiable source. However, an Underlying Fund may also invest in unquoted and/or illiquid investments which will increase the risk of mispricing. Further, an Underlying Fund may compute its net asset value when some markets are closed for holidays or other reasons. In circumstances described in the "**VALUATION OF CONSTITUENT FUNDS AND BENEFITS**" section, the Investment Manager with the consent of the Trustee may invoke a process which will determine a fair value price for the relevant investment; this process involves assumptions, uncertainty and subjectivity. If such valuation turns out to be incorrect, this will also affect the NAV of the relevant Constituent Fund.

6. *Counterparty Credit & Settlement*

   All security investments of an Underlying Fund are transacted through brokers who have been approved by the investment manager of the Underlying Fund 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 Underlying Fund, 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 Underlying 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. This will in turn has impact on the value of the relevant Constituent Fund.

7. *Custody*

   Each Constituent Fund's assets are safe kept by the Trustee and the Custodian, this exposes the Constituent Fund to the risk of loss of assets placed in custody as a result of insolvency, negligence or fraud by the Trustee and the Custodian. The Trustee and the Custodian do not keep all the assets of the Constituent 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 Constituent Fund may invest in an Underlying Fund which invests 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 Underlying 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 Underlying Fund to suffer a loss. The Underlying 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 Underlying 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 Underlying Fund.

8. *Dealing Arrangements Risks*

In certain circumstances set out in the "**DEFERRAL AND SUSPENSION OF DEALING**" section below, the investor's right to realise Units may be suspended or realisation requests may be deferred.

9. *Cyber Events*

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

10. *Hedging Risk*

The Investment Manager of the Underlying Fund 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. An Underlying 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 Underlying Fund and hence the Constituent Fund.

11. *Early Termination Risk*

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

If a Constituent Fund is terminated, an affected Member may elect to transfer his accrued benefits invested in the terminating Constituent Fund to such other Constituent Fund. Members should note that such amount to be transferred from the terminating Constituent Fund may be less than the amount contributed by them if the terminating Constituent Fund incurred losses at the point of termination.

If no election is made by an affected Member, his accrued benefits shall after the termination of the Constituent Fund be invested in such manner as the Investment Manager may determine and notify to such affected Member.

Further, the Trustee may, on the occurrence of certain terminating events as set out in the section headed "Restructure, Termination or Cancellation of Registration", wind-up the Master Trust. Upon winding-up, the Trustee must realise the trust assets and apply net realisation proceeds in accordance with the Trust Deed, the MPF Ordinance and the General Regulation. Members should note that such net realisation proceeds may be less that the amount contributed by them.

Asset Class Specific Risks

1. *Equities*

   For Constituent Funds which underlying investments are 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 Constituent Funds which underlying investments are in bonds or other debt instruments, the value of those investments and hence the NAV of the relevant Constituent 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 underlying investment is other than the base currency of the Constituent 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 Underlying 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 Underlying Funds, 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. This may have impact on the value of the relevant Constituent Fund.

   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 Underlying 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 Underlying Funds to participate in restructuring such debts. The relevant Underlying 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 an Underlying Fund's investments may involve uncertainties and judgmental determination. If such valuation turns out to be incorrect, this may affect the calculation of the Underlying Fund's net asset value and hence the Constituent Fund's NAV.

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 Constituent 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*

Constituent Funds which underlying investments are 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 Constituent Fund that diversifies across a larger number of investments or issuers.

2. *Geographical Concentration*

Constituent Funds which underlying investments are concentrated 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 Constituent Fund which diversifies across a number of countries/localities, thereby making the Constituent Fund more susceptible to any adverse events affecting those countries/localities. This may result in lower liquidity of the Constituent Fund's assets and/or a higher volatility of the NAV than a Constituent Fund that diversifies across more countries/localities.

3. *Sector Concentration*

Constituent Funds which concentrate its underlying 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 Constituent Fund which diversifies across a number of sectors, thereby making such Constituent Funds more susceptible to any adverse events affecting those sectors. This may result in lower liquidity of such Constituent Funds' assets and/or a higher volatility of the NAV than a Constituent Fund that diversifies across more sectors.

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

Certain Constituent Funds may have underlying investments 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 Constituent Funds may have underlying investments, 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 Constituent Funds will ultimately bear the risks associated with investing in these markets.

6. *Eurozone Risk*

The performance of certain Constituent 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 Constituent Funds. In light of the ongoing concerns on the sovereign debt risk of certain countries within the Eurozone, the relevant Constituent 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 Constituent 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. Accordingly, the relevant Constituent Funds may be exposed to greater foreign exchange risks. Members who invest in Constituent Funds which have exposure to RMB are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the relevant Constituent Funds' base currencies will not depreciate. Any depreciation of RMB could adversely affect the value of a Member's investment in the relevant Constituent Fund.

   ii. Mainland Chinese Assets

   Investments in RMB by an Underlying 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 an Underlying 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 Underlying Funds and consequently the NAV of the relevant Constituent Funds.

iii. *Stock Connect*

Certain Underlying Funds may invest and have indirect access 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 Constituent 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. 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 Underlying Funds' ability to access the Mainland Chinese market. Where a suspension in the trading through the programme is effected, the relevant Underlying 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 Underlying Funds) cannot carry out any China A Shares trading. The relevant Underlying 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 Constituent 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 realised and dividends/interest on an Underlying Fund's investments in Mainland China (which may have retrospective effect). Any increased tax liabilities on the Underlying Fund may adversely affect the relevant Constituent Fund's value.

Based on professional and independent tax advice, currently:

- No provision is made by any of the Underlying Funds (A) for tax on capital gains on disposals of (i) China A Shares and B Shares, or (ii) China fixed income securities listed or traded on exchanges or the Mainland 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 Underlying Fund's assets, and may adversely affect the Underlying 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 Investment Manager may make tax provision going forward where appropriate. Whilst the Investment Manager reviews the tax provisioning policy on an on-going basis, members 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 Constituent Fund's assets, and will adversely affect the Constituent 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, members 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 People's Bank of China ("**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. An Underlying 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 Underlying Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments.

To the extent that the Underlying Fund transacts in the CIBM, the Underlying 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 Underlying 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 Underlying 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 Underlying Fund's ability to trade the CIBM bonds will be adversely affected. In such event, the Underlying 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 Underlying 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 Constituent Funds may have underlying investments 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 NAV of the relevant Constituent 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*

Constituent 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 Constituent 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 Constituent Funds may use financial derivative instruments ("**FDIs**") for hedging or other limited purposes permitted under Schedule 1 of the General Regulation. Investors may wish to consult their independent financial adviser about the suitability of a particular Constituent 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 Investment 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 Constituent 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 Constituent 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 by the Underlying Funds may give rise to a form of leverage, which may cause the net asset value of the relevant Underlying 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 Underlying 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 Underlying Funds. Exposure to derivatives may lead to a high risk of significant loss by the relevant Underlying Funds, hence impacting the NAV of the relevant Constituent Funds.

e. *Counterparty Credit*

This is the risk that a loss may be sustained by a Constituent 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 Investment 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 Constituent Fund's exposure to an individual counterparty shall not exceed 10% of the relevant Constituent 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 Constituent 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 Constituent 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 Constituent 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 Constituent Fund where liabilities in those agreements are challenged in a court of law.

2. *Specific Derivative Instruments*

For Constituent 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 Constituent 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 Constituent Fund but before receipt by the Constituent Fund of the amount due from the counterparty, then the Constituent Fund will be exposed to the counterparty credit risk of the amount not received and the entire principal of a transaction could be lost.

Additional Risks

1. *Risks of Investing in Index-Tracking Fund*

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

a. *Passive Investment Risk*

The relevant Constituent Fund is subject to the fluctuations and adverse conditions in the sector or market which the relevant index seeks to track. Both the Investment 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 Constituent Fund.

b. *Tracking Error Risk*

While the underlying index-tracking fund in which a Constituent 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 Constituent Fund) may not replicate exactly changes in the relevant index. This is due to, among other factors, the fees and expenses payable by the Constituent 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 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.

c. Other Risks

- The index composition may change from time to time and both the Investment 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 Constituent 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 Investment Manager may seek a replacement of the underlying index-tracking fund, or the Constituent Fund be terminated if no suitable replacement underlying index-tracking fund is found.
- In addition, as the relevant Constituent Fund may hold cash to meet redemption/switching requests and/or to pay for expenses and the calculation of the performance of the Constituent Fund is on an after-fee basis, tracking error resulted from such cash holding and fee deduction from the Constituent Fund would be unavoidable.

2. *Asset Allocation - Target Date Risk*

The SaveEasy Funds allocate capital to asset classes where the weights change according to a pre-determined schedule up to a specific target year. As a SaveEasy Fund moves closer to its target year, it generally allocates more capital to assets with a lower expected risk and return profile. The performance of the SaveEasy Fund is dependent on the success of the asset allocation strategy employed by the SaveEasy Fund and there is a risk that losses will be realised as the asset allocation changes. This target year asset allocation strategy may not achieve the desired results under all circumstances and market conditions. While Members will be provided with investment options at the target year, there is no guarantee that the SaveEasy Fund will closely align with their investment horizon and so Members may suffer loss after the target date. It is important to note that a SaveEasy Fund should not be selected based solely on age or retirement date. If Members had not accurately selected a SaveEasy Fund that most closely aligns with their investment horizon, there will be a risk of potential mismatch between their investment horizon and the SaveEasy Fund's investment horizon. There is no guarantee that Members will receive the principal invested at the target year.

3. *Asset Allocation – Dynamic Risk*

Certain Constituent Funds may periodically change their allocation across asset classes and therefore may incur greater transaction costs than a fund with static allocation strategy.

4. *Asset Allocation - Default Investment Strategy Funds*

   Asset allocation for the Default Investment Strategy Funds will be made with regard to the reference portfolio developed by the MPF industry and published by the Hong Kong Investment Funds Association. This may limit the Investment Manager's ability to adjust the portfolio allocation in accordance with market conditions.

5. *MPF Conservative Fund*

   An investment in the MPF Conservative Fund is neither insured nor guaranteed by any government, government agencies or government-sponsored agencies or any bank guarantee fund. Units in the MPF Conservative Fund 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 Investment Manager has no obligation to redeem the Units at the subscription price. In addition, the MPF Conservative Fund is not subject to the supervision of the Hong Kong Monetary Authority. Although the MPF Conservative Fund seeks to maintain capital value and liquidity whilst producing a return in line with money market rates to the investor, the MPF Conservative Fund does not guarantee a stable NAV. 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 the MPF Conservative 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 NAV of the MPF Conservative Fund may be adversely affected.

6. *Risks of investing in Underlying Funds*

   Certain Constituent Funds may invest in Underlying Funds and will be subject to the risks associated with the Underlying Funds. The relevant Constituent 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 NAV of the relevant Constituent Funds. The Underlying Funds in which the relevant Constituent 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 Constituent Funds' redemption requests as and when made.

RISK CLASS

Information about the latest risk class of each Constituent Fund under the Master Trust is available in the latest fund fact sheet of the Master Trust and the website www.fidelity.com.hk*.

* This website has not been reviewed by the SFC.

FEES AND CHARGES

All expenses incurred are charged to the Constituent Funds on an accrual basis except for establishment costs, which are charged over 5 years[(a)]. All costs and expenses are charged to the Constituent Funds, except where the Trustee determines to be reasonably practicable, any costs and expenses which the Investment Manager determines are wholly attributable to a specific Participating Employer, Self-employed Member, Personal Account Member, SVC Member or TVC Member, which will normally be borne by that Participating Employer, Self-employed Member, Personal Account Member, SVC Member or TVC Member. Please refer to paragraph (D) of the fee table below on fees and charges that are payable by a Member in respect of provision of additional services.

The fees, charges and expenses described in the table below and explanatory notes include fees, charges and expenses that may be charged to the Constituent Funds or to the FGIF Funds (the "**Underlying FGIF Funds**") or to the underlying Approved Index-Tracking Fund that underlie the Constituent Funds. Such fees, charges and expenses are indirectly borne by Members through their investment in the Constituent Funds.

The Investment Manager is also the investment manager of the FGIF Funds. No initial charge or redemption charge is applicable with respect to the investment by a Constituent Fund into a FGIF Fund and/or the investment by a FGIF Fund into another FGIF Fund. As the Constituent Funds invest in classes of units of the FGIF Funds which do not charge investment management fees, there is no double charging of investment management fees between the Constituent Funds and the Underlying FGIF Funds.

The fees and charges described below represent both the maximum and current levels that may be paid to the Service Providers or the Trustee. Fees and charges may be waived, reduced or deferred at the discretion of the Trustee and the Investment Manager, subject to the MPF Ordinance and the General Regulation.

Any interest that is earned on any amount in transit (i.e. prior to investment into a Constituent Fund) will not be credited to any MPF Balance, Voluntary Balance or TVC Balance of any Member, but instead will be applied to reduce the expenses of the Master Trust or treated as income of the Master Trust, for the benefit of Members generally.

The issue price and realisation price of the Constituent Funds may include the Actual and Reasonable Expenses incurred by the Trustee and the Constituent Fund as a result of the issuing or redeeming of Units in a Constituent Fund.

Fees, charges and expenses will only be payable out of the MPF Conservative Fund to the extent permitted by the MPF Ordinance or the General Regulation. Fees and charges of MPF conservative funds can be deducted from either (i) the assets of the fund or (ii) members' account by way of unit deduction. This MPF Conservative Fund uses method (i) and, therefore, its unit prices/NAV/fund performance have incorporated the impact of fees and charges.

Fees, charges and expenses in connection with the MPF Conservative Fund may only be charged in accordance with the General Regulation. Given this, where applicable, the fees, charges and expenses applicable with respect to the MPF Conservative Fund are considered separately from the other Constituent Funds. Where a fee shown in the table below or described in the explanatory notes is a fixed amount, such fixed amount shall only apply to Members with a balance greater than HKD5,000.

In accordance with the MPF legislation, the aggregate of the payments for services of the DIS Funds, i.e. the Core Accumulation Fund and Age 65 Plus Fund, must not, in a single day, exceed a daily rate of 0.75% per annum of the NAV of each of the DIS Funds divided by the number of days in the year.

The above aggregate payments for services include, but is not limited to, the fees paid or payable for the services provided by the trustee, the administrator, the investment manager(s), the custodian and the sponsor and/or promoter of the Master Trust and the underlying fund(s) of the respective DIS Fund, and any of the delegates from these parties and such fees are calculated as a percentage of the NAV of the respective DIS Fund and its underlying fund(s), but does not include any out-of-pocket expenses incurred by each DIS Fund and its underlying fund(s).

In addition, in accordance with the MPF legislation, the total amount of all payments that are charged to or imposed on a DIS Fund or a Member who invests in a DIS Fund, for out-of-pocket expenses incurred by the Trustee on a recurrent basis in the discharge of the Trustee's duties to provide services in relation to a DIS Fund, shall not in a single year exceed 0.2% of the NAV of the DIS Fund. For this purpose, out-of-pocket expenses include, for example, annual audit expenses, printing or postage expenses relating to recurrent activities (such as issuing annual benefit statements), recurrent legal and professional expenses, safe custody charges which are customarily not calculated as a percentage of NAV and transaction costs incurred by a DIS Fund in connection with recurrent acquisition of investments for the DIS Fund (including, for example, costs incurred in acquiring underlying funds) and annual statutory expenses (such as compensation fund levy where relevant) of the DIS Fund. Members should note that out-of-pocket expenses that are not incurred on a recurrent basis may still be charged to or imposed on a DIS Fund or Members who invests in a DIS Fund and such out-of-pocket expenses are not subject to the above statutory limit.

No advertising, promotional or other selling expenses may be charged to the Constituent Funds or the FGIF Funds.

Please note that the fee table below does not take into account any rebates or waivers with respect to fees and charges that may be offered to specific Participating Employers and/or Members from time to time.

The following table describes the fees, charges and expenses that Participating Employers and Members may pay upon and after joining the scheme. Important explanatory notes and definitions are set out at the bottom of the table.

(A) JOINING FEE & ANNUAL FEE		
Type of Fees	**Current Amount (HKD)**	**Payable by**
Joining fee[1] (d)	N/A(b)(c)	Self-employed Member
	HKD250 per SVC Member(b)(c)	SVC Member
	N/A(b)(c)	TVC Member
	HKD50,000 per Participating Employer or HKD250 per Employee or both(b)(c)	Participating Employer
Annual fee[2]	N/A	

(B) FEES, EXPENSES AND CHARGES PAYABLE ARISING FROM TRANSACTIONS IN INDIVIDUAL MEMBER'S ACCOUNT			
Type of Fees, Expenses & Charges	**Name of Constituent Fund**	**Current Level**	**Payable by**
Contribution charge[3] (d)(e)(f)	MPF Conservative Fund	N/A	
	All other Constituent Funds	Currently waived	N/A
Offer spread[4]	MPF Conservative Fund	N/A	
	All other Constituent Funds	N/A	N/A
Bid spread[5]	MPF Conservative Fund	N/A	
	All other Constituent Funds	N/A	N/A
Withdrawal charge[6] (d)(g)	MPF Conservative Fund	N/A	
	All other Constituent Funds	Currently waived	N/A

<table>
<tr><th colspan="4">(C) FEES, EXPENSES AND CHARGES OF CONSTITUENT FUNDS (INCLUDING UNDERLYING FUNDS)</th></tr>
<tr><th>Type of Fees, Expenses & Charges</th><th colspan="2">Current Level</th><th>Deducted from</th></tr>
<tr><td rowspan="10">Management fees[7] (h)</td><td>Name of Constituent Fund</td><td>Fee</td><td rowspan="10">Relevant Constituent Fund Assets or Underlying FGIF Fund Assets or Assets of Underlying APIF(s) or ITCIS</td></tr>
<tr><td>MPF Conservative Fund</td><td>0.93% p.a. of NAV</td></tr>
<tr><td>Growth Fund, Balanced Fund, Stable Growth Fund, Capital Stable Fund</td><td>Up to 1.45% p.a. of NAV</td></tr>
<tr><td>World Bond Fund, Hong Kong Equity Fund, Asia Pacific Equity Fund, Global Equity Fund</td><td>Up to 1.45% p.a. of NAV</td></tr>
<tr><td>Hong Kong Bond Fund</td><td>Up to 1.20% p.a. of NAV</td></tr>
<tr><td>RMB Bond Fund</td><td>Up to 1.20% p.a. of NAV</td></tr>
<tr><td>Fidelity SaveEasy 2020 Fund, Fidelity SaveEasy 2025 Fund, Fidelity SaveEasy 2030 Fund, Fidelity SaveEasy 2035 Fund, Fidelity SaveEasy 2040 Fund, Fidelity SaveEasy 2045 Fund, Fidelity SaveEasy 2050 Fund</td><td>Up to 1.45% p.a. of NAV and the fee shall reduce to up to 1.2% p.a. of NAV five years prior to reaching the beginning (i.e. 1 January) of the applicable target year for the particular SaveEasy Fund</td></tr>
<tr><td>Fidelity Hong Kong Tracker Fund</td><td>Up to 0.7% p.a. of NAV</td></tr>
<tr><td>Core Accumulation Fund, Age 65 Plus Fund</td><td>Up to 0.75% p.a. of NAV*
* Please also refer to Note 5 to paragraph (h) under the sub-section headed "EXPLANATORY NOTES" below.</td></tr>
</table>

Other Expenses[i] - Safe custody and bank charges - Auditors' remuneration - Regulatory registration fees - Handling fees to Trustee - Interest expenses - Stamp duty - Printing and postage - Scrip fees - Establishment costs[a] - MPF indemnity insurance premium - Compensation fund levy to MPF Authority (if any) - Licence fee (applicable to the Fidelity Hong Kong Tracker Fund only) - Other expenses - Legal and professional fees Certain recurrent out-of-pocket expenses relating to the Core Accumulation Fund and the Age 65 Plus Fund are subject to a statutory annual limit of 0.20% of the net asset value of those funds and will not be charged to or imposed on the fund in excess of that amount. Please refer to the heading "***Fees and out-of-pocket expenses of the DIS Funds***" in the sub-section headed "**DEFAULT ARRANGEMENTS AND DEFAULT INVESTMENT STRATEGY**" under the section headed "**FUND OPTIONS, INVESTMENT OBJECTIVES AND POLICIES**" for details.

(D) OTHER FEES, EXPENSES AND CHARGES FOR PROVIDING ADDITIONAL SERVICES		
Type of Fees & Charges	**Current Level**	**Payable by**
Member Communications[j]	HKD250 per report	Member
SVC Processing Fee	Free of charge	N/A
Processing fee for withdrawal of MPF Balances from each account by instalments	Free of charge	N/A
Processing fee for payment of Voluntary Balances from each account by instalments	Free of charge	N/A

DEFINITIONS

The following are the definitions of the different types of fees and charges.

1. "**Joining fee**" means the one-off fee charged by the trustee/sponsor of a scheme payable by the employers and/or Members upon setting up and joining the scheme.

2. "**Annual fee**" means the fee charged by the trustee/sponsor of a scheme on an annual basis and payable by the employers and/or Members of the scheme.

3. “**Contribution charge**” means the fee charged by the trustee/sponsor of a scheme against any contributions paid to the scheme. This fee would be charged as a percentage of contributions and would be deducted from the contributions. This charge does not apply to the MPF Conservative Fund.

4. “**Offer spread**” is charged by the trustee upon subscription of units of a constituent fund by a Member. Offer spread does not apply to the MPF Conservative Fund. Offer spread for a transfer of benefits to a constituent fund can only include necessary transaction costs incurred or reasonably likely to be incurred in selling or purchasing investments in order to give effect to the transfer and are payable to a party other than the trustee.

5. “**Bid spread**” is charged by the trustee upon redemption of units of a constituent fund by a Member. Bid spread does not apply to the MPF Conservative Fund. Bid spread for a transfer of benefits, withdrawal of benefits in a lump sum, or the first 4 instalments (or such other number of instalments as may be prescribed by the MPF Regulation) of benefits by instalments in a calendar year can only include necessary transaction costs incurred or reasonably likely to be incurred in selling or purchasing investments in order to give effect to the transfer or withdrawal and are payable to a party other than the trustee.

6. “**Withdrawal charge**” means the fee charged by the trustee/sponsor of a scheme upon withdrawal of accrued benefits from the scheme. This fee is usually charged as a percentage of the withdrawal amount and will be deducted from the withdrawal amount. This charge does not apply to the MPF Conservative Fund. A withdrawal charge for a withdrawal of benefits can only include necessary transaction costs incurred or reasonably likely to be incurred in selling or purchasing investments in order to give effect to the withdrawal and are payable to a party other than the trustee.

7. “**Management fees**” include fees paid to the trustee, custodian, administrator, investment manager (including fees based on fund performance, if any) and sponsor or promoter of a scheme for providing their services to the relevant fund. They are usually charged as a percentage of the net asset value of a fund. In the case of the DIS Funds, management fees payable to the parties named above, or their delegates, can only (subject to certain exceptions in the MPF Ordinance) be charged as a percentage of the net asset value of the DIS Fund. These management fees are also subject to a statutory limit, i.e. the aggregate of the payments for services of a DIS Fund must not, in a single day, exceed a daily rate of 0.75% per annum of the net asset value of the relevant DIS Fund divided by the number of days in the year, which applies across both the DIS Fund and its underlying funds. For the avoidance of doubt, currently no sponsor or promoter fee is charged and thus, the same are not included in the Management fees.

EXPLANATORY NOTES

In respect of any increase in fees and charges from the current level as stated, at least three months prior notice (or such shorter period as the MPF Authority and the SFC may permit) must be given to all Members and Participating Employers.

The above table provides information as to the current levels of fees, charges and expenses applicable to the Constituent Funds, the Underlying FGIF Funds and the underlying Approved Index-Tracking Fund. These explanatory notes provide further detail as to the maximum levels of fees and charges, a breakdown of fees and clarifies who receives which fees and charges.

(a) Establishment costs for Constituent Funds and the FGIF Funds are borne by the relevant Constituent Fund and FGIF Fund (as the case may be) or where applicable, are apportioned between and borne by the Constituent Funds and the FGIF Funds (as the case may be) in proportion to their respective NAV and will be charged over a period of five years starting at a date (the "**Amortisation Date**") after the first anniversary of each particular Constituent Fund or FGIF Fund (as the case may be) and before the fourth anniversary of such Constituent Fund or FGIF Fund (as the case may be), as determined by the Investment Manager. Prospective investors should note that such amortisation does not comply with International Financial Reporting Standards.

The date of establishment, establishment costs, apportionment and Amortisation Date with respect to the Constituent Funds and the FGIF Funds is set out below:

Fund	Date of Establishment	Establishment Costs	Apportionment	Amortisation Date
Constituent Fund: Fidelity Hong Kong Tracker Fund	June 28, 2013	HKD331,000	N/A	June 10, 2017
Constituent Funds: Fidelity SaveEasy 2045 Fund and Fidelity SaveEasy 2050 Fund	November 23, 2015	HKD627,580	In proportion to their respective NAV as at December 31, 2016	November 1, 2019
FGIF Funds: Fidelity SaveEasy 2045 Fund and Fidelity SaveEasy 2050 Fund	November 23, 2015	HKD538,160	In proportion to their respective NAV as at December 31, 2016	November 1, 2019
Constituent Fund: RMB Bond Fund	May 16, 2016	HKD336,220	N/A	May 1, 2020

Fund	Date of Establishment	Establishment Costs	Apportionment	Amortisation Date
FGIF Funds: RMB Bond Fund (MPF)	June 25, 2014	HKD286,000	N/A	June 1, 2018
RMB Bond Fund	June 25, 2014	HKD286,000	N/A	June 1, 2018
Constituent Funds: Core Accumulation Fund and Age 65 Plus Fund	April 1, 2017	HKD1,013,610	In proportion to their respective NAV as at December 31, 2018	March 1, 2021 *The establishment costs will be charged over a period of five years starting at the Amortization Date.*
FGIF Funds: Core Accumulation Fund and Age 65 Plus Fund	April 1, 2017	HKD390,000	In proportion to their respective NAV as at December 31, 2018	March 1, 2021

Save for the Constituent Funds and FGIF Funds set out above, the establishment costs of the other Constituent Funds which invest in FGIF Funds and FGIF Funds have been amortized in full.

(b) The maximum Joining Fee is HKD100,000 per Participating Employer, or HKD1,000 per Employee or both. For Self-employed Member/SVC Member, the maximum Joining Fee is HKD1,000. No Joining Fee is charged to TVC Members. The Joining Fee is paid to the Trustee or Investment Manager, as advised and paid upon setting up and joining the Master Trust.

(c) Joining Fee may be applied, at the discretion of the Investment Manager.

(d) These charges do not apply to a transfer of accrued benefits (i) to or from another Registered Scheme, (ii) to or from an account within the Master Trust or (iii) to or from a constituent fund in the same Member's account within the Master Trust.

(e) The maximum Contribution Charge is 5.0% of the contribution amount or HKD500, whichever is higher. The Contribution Charge is paid to the Investment Manager upon each contribution by deducting the charge from the contribution amount. No Contribution Charge is applied with respect to the MPF Conservative Fund.

(f) The charge is applied to the contribution, which may be from a Participating Employer or a Member.

(g) The maximum Withdrawal Charge is 5.0% of the withdrawal amount or HKD500, whichever is higher. The Withdrawal Charge is paid to the Investment Manager upon withdrawal of accrued benefits from the Master Trust. The Withdrawal Charge is paid to the Investment Manager upon withdrawal by deducting the charge from the withdrawal amount. No Withdrawal Charge is applied with respect to the MPF Conservative Fund.

(h) Each of the Constituent Funds is a feeder fund, investing into Class B of the appropriate Underlying FGIF Fund (except for (i) the Fidelity Hong Kong Tracker Fund which invests in the TraHK, (ii) the MPF Conservative Fund which is a feeder fund investing into Class M of the relevant Underlying FGIF Fund, and (iii) the Core Accumulation Fund and Age 65 Plus Fund which invest in Class A units of the corresponding FGIF Fund). The fees described in this note are those paid from the assets of the Constituent Funds and from the assets of the Underlying FGIF Funds, the underlying APIF(s) or the underlying ITCIS (as the case may be). Currently, no such fees are charged directly to Members' balances.

The Management fees disclosed in Part (C) of the above table represent the total of Management fees payable from the assets of the Constituent Funds (the "**Constituent Fund Management Fees**") and the effective Management fees applicable to the Constituent Funds' investment in the Underlying FGIF Funds, the underlying APIF(s) and the underlying ITCIS (the "**Underlying Funds Management Fees**"), detailed as follows:

Constituent Funds	Constituent Fund Management Fees[1] (% p.a. of NAV)				Underlying Funds Management Fees[1] (% p.a. of NAV)			
	Current			Maximum	Current			Maximum
	Investment management fee	Administration fee	Total		Investment management fee	Trustee fee	Total	
MPF Conservative Fund	0.25%	0.68%	0.93%	3.75%	Nil	Nil	Nil[2]	2.50%
Lifecycle Funds	0.75%	0.60%	1.35%	3.75%	Nil	Up to 0.10%	Up to 0.10%[3]	2.50%
Market Investment Funds (except for the Hong Kong Bond Fund and RMB Bond Fund)	0.75%	0.60%	1.35%	3.75%	Nil	Up to 0.10%	Up to 0.10%[3]	2.50%
SaveEasy Funds	0.75%[4]	0.60%	1.35%[4]	3.75%	Nil	Up to 0.10%	Up to 0.10%[3]	2.50%
Fidelity Hong Kong Tracker Fund	Nil	0.60%	0.60%	3.75%	Up to 0.05%	Up to 0.05%	Up to 0.10%	0.10%

Constituent Funds	Constituent Fund Management Fees[1] (% p.a. of NAV)				Underlying Funds Management Fees[1] (% p.a. of NAV)			
	Current			Maximum	Current			Maximum
	Investment management fee	Administration fee	Total		Investment management fee	Trustee fee	Total	
Hong Kong Bond Fund*	0.75%	0.60%	1.35%	3.75%	Nil	Up to 0.10%	Up to 0.10%[3]	2.50%
RMB Bond Fund*	0.75%	0.60%	1.35%	3.75%	Nil	Up to 0.10%	Up to 0.10%[3]	2.50%
Default Investment Strategy Funds	Nil	0.60%	0.60%	0.75%[5]	Up to 0.10%	Up to 0.10%	Up to 0.15%[6]	0.75%[5]

* Certain rebates will be credited to this Constituent Fund to maintain the current level of Management fees at the level as stated in the sub-section headed "**(C) Fees, Expenses and Charges of Constituent Funds (including Underlying Funds)**" above. The Management fees disclosed under the sub-section headed "**(C) Fees, Expenses and Charges of Constituent Funds (including Underlying Funds)**" above are net of rebates. Fees and charges may be waived, reduced or deferred at the discretion of the Trustee and the Investment Manager, subject to the MPF Ordinance and the General Regulation.

- *Note 1: Constituent Fund Management Fees consist of investment management fee and administration fee. Investment management fee is payable to the Investment Manager for providing investment management services to the Constituent Funds. Administration fee includes member service fee payable to the Investment Manager and member record keeping fee, trustee and master custodian fee, fund administration and accounting fee payable to the Trustee. In any event, the administration fee for each Constituent Fund (except MPF Conservative Fund) will not exceed 0.60% per annum of its net asset value and the administration fee for MPF Conservative Fund will not exceed 0.68% per annum of its net asset value. The proportion of the administration fee payable to the Investment Manager and the Trustee for their respective services may change from time to time, and in respect of the DIS Funds, 0.45% per annum of a DIS Fund's net asset value is payable to the Investment Manager as member service fee whilst 0.15% per annum of the DIS Fund's net asset value is payable to the Trustee in respect of member record keeping fee, trustee and master custodian fee, fund administration and accounting fee. The Underlying Funds Management Fees consist of (i) investment management fee payable to the investment manager(s) of the Underlying FGIF Funds, underlying APIF(s) and/or underlying ITCIS (as the case may be) for providing investment management services to the relevant underlying funds and (ii) the trustee fee payable to the trustee of the Underlying FGIF Funds, underlying APIF(s) and/or underlying ITCIS (as the case may be) for providing trustee and administrative services to the relevant underlying funds.*

- *Note 2: The MPF Conservative Fund invests in Class M of the Underlying FGIF Fund which currently does not bear any Management fees.*

- *Note 3: The Lifecycle Funds, Market Investment Funds and SaveEasy Funds invest in Class B of the appropriate Underlying FGIF Fund which currently does not bear any investment management fee. Therefore, the total current Underlying Funds Management Fees for the appropriate Underlying FGIF Fund as disclosed in the table above only consist of the trustee fee payable by Class B.*

- *Note 4: The investment management fee payable by the SaveEasy Funds will reduce to 0.50% p.a. of NAV five years prior to reaching the beginning (i.e. 1 January) of the applicable target year for the particular SaveEasy Fund. The total Constituent Fund Management Fees of the SaveEasy Funds will reduce to 1.10% p.a. of NAV accordingly.*

- *Note 5: The maximum aggregate of Constituent Fund Management Fees and proportionate Underlying Funds Management Fees payable by each DIS Fund are also subject to a statutory daily limit equivalent to 0.75% per annum of the net asset value of the DIS Fund which applies across both the DIS Fund and its underlying funds.*

- *Note 6: In the event that the underlying investment fund fee (as defined under the MPF Ordinance; including without limitation the aggregate of (i) the investment management fee and trustee fee payable to the investment manager and the trustee of the relevant Underlying FGIF Fund; and (ii) the proportionate investment management fee and trustee fee payable to the investment manager and the trustee of the underlying APIF(s) and/or ITCIS of the relevant Underlying FGIF Fund) exceeds 0.15% per annum of the net asset value of the relevant Underlying FGIF Fund, a rebate will be credited to the relevant Underlying FGIF Fund such that the total underlying investment fund fee will be maintained at the level of up to 0.15% per annum of the net asset value of the Underlying FGIF Fund.*

The Investment Manager is also entitled to collect an *Incentive Fee* in relation to the Underlying FGIF Funds subject to a maximum of 20% of the increase of the NAV of units over an accounting period. This fee is currently waived[k].

The Management fees described above use terminology that may not match the description of the fees, charges and expenses used in the Trust Deed of the Master Trust.

(i) The "other expenses" disclosed in Part (C) of the first table above includes fees and expenses incurred in relation to the Master Trust (the "**Master Trust Expenses**") and fees and expenses incurred in relation to the Underlying FGIF Funds (the "**Underlying FGIF Funds Expenses**") and the underlying Approved Index-Tracking Fund.

Subject to any applicable restrictions in the MPF Ordinance and the General Regulation, the Master Trust Expenses may be charged to the assets of the Constituent Funds so long as permitted under the terms of the trust deed, which may include fees payable to the MPF Authority, the SFC and any other relevant regulatory authority, stamp and other duties, taxes, governmental charges, brokerage commission, foreign exchange costs and commissions, bank charges, fees and expenses in connection with transfer of assets of the Constituent Funds or other property or transfer or payment of accrued benefits (which for the avoidance of doubt, to the extent required by the MPF legislation, may only include necessary transaction costs incurred or reasonably likely to be incurred in selling or purchasing investments in order to give effect to such transfer or payment and are payable to a party other than the Trustee), registration fees and expenses, sub-custodian charges, transactional charges of the Trustee, proxy fees and expenses, collection fees and expenses, insurance and security costs, all costs, charges and expenses payable in respect of the acquisition, holding and realisation of investments, remuneration of any adviser appointed by the Trustee, legal fees, reasonable out of pocket fees incurred by the Trustee and/or Investment Manager and costs and expenses of the Trustee in connection with time and resources incurred by the Trustee reviewing and producing documentation in connection with the operation of any Constituent Fund.

Subject to any applicable restrictions in the MPF Ordinance and the General Regulation, the Underlying FGIF Funds Expenses may be charged to the assets of the Underlying FGIF Funds so long as permitted under the terms of the FGIF trust deed, which may include all stamp and other duties, taxes, governmental charges, brokerage commissions, exchange costs and commissions, bank charges, fees and expenses in connection with transfer of assets of the Underlying FGIF Funds or other property, registration fees and expenses, transaction fees of the Trustee or its Associates, custodian or sub-custodian and proxy fees and expenses, collecting 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 Investment Manager or any Associate in the event of the Trustee or the Investment Manager or such Associate rendering services or effecting transactions giving rise to such fees or expenses, the fees and expenses of the registrar (currently the Trustee's fees include the registrar's fees), fees charged by the Trustee in connection with valuing the assets of the FGIF Funds or any part thereof and calculating the issue and realisation prices of units and preparing financial statements, legal fees, tax advisor fees, translation fees, out-of-pocket expenses incurred by the Trustee wholly and exclusively in the performance of its duties, the expenses of or incidental to the preparation of deeds supplemental to the trust deed of the FGIF Funds, the expenses of holding meetings of unitholders and of giving notices to unitholders, the costs and expenses of obtaining and maintaining a listing for the units on any stock exchange or exchanges selected by the Investment Manager and approved by the Trustee and/or in obtaining and maintaining any approval or authorisation of an FGIF Fund or in complying with any undertaking given, or agreement entered into in connection with, or any rules governing such listing approval or authorisation, 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, the expenses of preparing and printing any explanatory memorandum, and costs and expenses of the Trustee in connection with time and resources incurred by the Trustee reviewing and producing documentation in connection with the operation of any FGIF Fund and any other expenses, deemed by the Investment 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.

A Constituent Fund that invests in one or more Approved Index-Tracking Fund(s) may also be subject to licence fees and expenses relating to such Approved Index-Tracking Fund(s).

Each underlying Approved Index-Tracking Fund will bear its costs and operating expenses which may include but not limited to the fees and expenses of custodians, sub-custodians, registrar, auditors, valuation costs, legal fees, the costs incurred in connection with any listing or regulatory approval, the costs incurred in the preparation and printing of any offering document and the license fee (if any).

(j) The Member Communication charge is intended to cover the costs incurred by the Trustee in handling a Member's request for documentation or reports. The maximum Member Communication charge is HKD500 per report, payable to the Trustee.

(k) Incentive fees are not permitted, and are not charged on, the Constituent Funds. Although an incentive fee may be charged in relation to the FGIF Funds, the Investment Manager does not currently intend to charge an incentive fee. Such a fee, if applied by the Investment Manager, would be calculated as a percentage (which shall not exceed 20%) of the increase of the net asset value of units over an accounting period. The increase of the net asset value of units will be calculated based on the net asset value of a unit on the last Dealing Day for the accounting period and the net asset value of that unit on the initial issue date, or if an incentive fee has been paid, the last Dealing Day for the preceding accounting period in respect of which an incentive fee was paid. If the Investment Manager proposes to charge such incentive fee in the future, then not less than three months' notice (or such shorter period of notice as the SFC may permit) will be given to relevant unitholders. Currently, interest and certain income returns as specified under the Master Trust's Trust Deed are accrued to each Constituent Fund on each day that such funds are valued, which is generally every Business Day (see section headed "**VALUATION OF CONSTITUENT FUNDS AND BENEFITS**"). Any incentive fee will also be accrued on each day the relevant Constituent Funds are valued.

Soft Dollars and Cash Rebates

The Investment Manager and any of its Associates may effect transactions by or through the agency of another person with whom the Investment Manager and any of its associates have an arrangement under which that party will from time to time provide to or procure for the Investment Manager and any of its associates goods, services or other benefits (such as research and advisory services) for which no direct payment is made but instead the Investment Manager and any of its associates undertake to place business with that party. The nature of such goods, services or other benefits must be such that their provision can reasonably be expected to benefit the Master Trust as a whole and may contribute to an improvement in the performance of the Master Trust or of the Investment Manager or any of its associates in providing services to the Master Trust. Neither the Investment Manager nor its associates may retain cash or other rebates from such party in consideration for placing business with that party. 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.

Brokerage rates will not be in excess of customary brokerage rates. All transactions will be done with best execution.

On-going Cost Illustration and Illustrative Example

The On-going Costs Illustrations (for all Constituent Funds of the Master Trust except for the MPF Conservative Fund) that illustrate the on-going costs on contributions to Constituent Funds of the Master Trust and the Illustrative Example (for the MPF Conservative Fund) are distributed with this Brochure. Before making any investment decisions concerning MPF investments, each Member should ensure that he has the latest version of these documents which can be obtained from the Trustee or the Investment Manager at their addresses stated in this Brochure.

APPLICATION, WITHDRAWAL AND TRANSFERS

Application for Participation in the Master Trust

Employers who wish to enrol their employees in the Master Trust should apply to become a Participating Employer by submitting a completed participation agreement, together with the relevant documents stated in the participation agreement from time to time, to the Investment Manager.

Membership in the Master Trust is open to the following persons:

Type of Membership	Who can join	Application Documents	Submission of Documents
Employee Member	■ Eligible employee of a Participating Employer	■ Membership Enrolment Form, together with any other relevant documents which the Trustee or the Investment Manager deems necessary from time to time.	■ Submit to the Trustee.
Self-employed Member	■ Self-employed person	■ Participation Agreement, together with the relevant documents stated in the Participation Agreement from time to time	■ Submit to the Investment Manager.
Personal Account Member	■ Any person who is eligible to join in accordance with the terms of the Trust Deed.	■ Relevant Application Form together with any other relevant documents which the Trustee or the Investment Manager deems necessary from time to time	■ Submit to the Trustee.

Type of Membership	Who can join	Application Documents	Submission of Documents
SVC Member*	■ Any person who wants to make SVC. Currently, the Trustee will only accept a person who falls under any one of the following categories to join as a SVC Member:- ■ an employee (as defined in the MPF Ordinance); or ■ a self-employed person (as defined in the MPF Ordinance); or ■ a person with benefits in a registered scheme (as defined in the MPF Ordinance) or an ORSO exempted scheme or an ORSO registered scheme (each as defined in the General Regulation).	■ SVC Account Membership Application Form, together with any other relevant documents which the Trustee or the Investment Manager deems necessary from time to time	■ Submit to the Trustee.
TVC Member*	■ an employee member of a Registered Scheme; or ■ a self-employed person member of a Registered Scheme; or ■ a personal account holder of a Registered Scheme; or ■ a member of an MPF exempted ORSO scheme (i.e. an occupational retirement scheme (as defined in the MPF Ordinance) exempted under section 5 of the MPF Ordinance)	■ TVC Account Membership Application Form, together with any other relevant documents which the Trustee or the Investment Manager deems necessary from time to time	■ Submit to the Trustee.

* Each eligible person can only have one SVC account and/or one TVC account under the Master Trust.

The Trustee may reject an application to open a TVC account in the event of (i) having reason to know that information and documents provided to the Trustee are incorrect or incomplete; (ii) failure of an applicant to provide information and documents as required by the Trustee to ensure compliance with applicable laws and regulations relating to anti-money laundering/tax reporting; and/or (iii) other circumstances which the Trustee after consultation with the Investment Manager may consider appropriate.

For compliance purposes, there could be circumstances (such as (i) to (iii) set out in the preceding paragraph) in which payment or transfer of TVC to the Master Trust may be rejected. Any rejected TVC (with no interest) will be refunded within 45 days of the determination that any such TVC will be rejected unless for some exceptional regulatory reasons the Trustee is unable to effect a refund within such timeframe.

Copies of this Brochure, participation agreements and enrolment forms may be obtained from the Investment Manager or the Trustee.

Participation in the Master Trust as a TVC Member

Any person, who fulfils the eligibility requirements (as set out in table above under the heading "**Application for Participation in the Master Trust**") can set up a TVC account and pay or transfer TVC into such account. TVC paid into the TVC account will be eligible for tax deduction, subject to a maximum limit per year of assessment, in accordance with the Inland Revenue Ordinance. With effect from 1 April 2019, the Master Trust offers TVC account to eligible persons.

The characteristics of TVC are as follows:

- TVC can only be made directly by eligible persons into TVC account of a Registered Scheme in order to enjoy tax concession, subject to relevant conditions. Please refer to the paragraph headed "*Tax Concession Arrangement in TVC*" below for details;
- Involvement of employers is not required;
- Though it is voluntary in nature, TVC is subject to the same vesting and preservation rules and withdrawal restrictions applicable to mandatory contributions. Accordingly, any accrued benefits derived from TVC (including any TVC made in excess of the maximum tax deductible limit per year of assessment (as discussed in the next paragraph)) will be preserved and can only be withdrawn upon retirement at age 65 or on other statutory grounds under the MPF legislation. Please refer to the sub-section headed "**CONTRIBUTIONS, SWITCHING AND PAYMENT OF BENEFITS**" below for details.

Tax Concession Arrangement in TVC

The maximum tax deductible limit per year of assessment for TVC is set out in the Inland Revenue Ordinance, and, in the year of assessment 2019/2020, is HKD60,000. The aggregate maximum tax deductible limit applicable may change in the future (i.e. after the year of assessment 2019/2020) and any revised limit will be as provided under the Inland Revenue Ordinance. It should be noted that such maximum tax deductible limit is an aggregate limit for TVC and any premiums for qualifying deferred annuity policy ("**qualifying annuity premiums**") paid in a year of assessment, rather than for TVC only, and any claim for tax deductions will be applied to TVC before qualifying annuity premiums.

A "year of assessment" is the period from 1 April in any year to 31 March in the immediately succeeding year, both days inclusive.

Each individual tax payer (not the Trustee, the Investment Manager or other operators of the Master Trust) is responsible for the application for tax deduction and keeping track of how the maximum tax deductible limit is fully utilized. Investment involves risks and the TVC Balance in a TVC account (which is tax incentivized retirement savings) may go up as well as down.

To facilitate the tax return filing by TVC Members, the Trustee will provide a tax deductible voluntary contributions summary to each TVC Member if TVC is made by the TVC Member to the Master Trust during a year of assessment. Such contributions summary will be made available around the 10th of May after the end of the relevant year of assessment (i.e. before the end of a period of 40 days from the beginning of the next year of assessment commencing on 1 April).

Contribution to TVC Account

TVC can only be made into a TVC account, which is separate from a contribution account or a personal account. Any other form of voluntary contribution that are not made into the TVC account are not TVC (for example, voluntary contributions that are made by Employee Members through their Participating Employers will not be eligible for claiming TVC tax deduction).

TVC is subject to the same vesting and preservation rules and withdrawal restrictions as applicable to mandatory contributions. This also applies to contributions that exceed the maximum tax deductible limit per year of assessment.

There is no maximum limit imposed on the amount or frequency of contribution made to the TVC account, unless otherwise specified in the relevant application form. A TVC Member can choose to make regular monthly TVC (subject to a minimum of HKD500 per contribution). Regular TVC may only be effected on a fixed Business Day. Irregular lump sum TVC can be made at any time (subject to a minimum of HKD1,000 per irregular lump sum TVC). TVC will be fully vested in the TVC Members once it is paid into the Master Trust. For further information on making TVC, please refer to "**Voluntary Contributions**" under the heading "**Contributions**" under the sub-section headed "**CONTRIBUTIONS, SWITCHING AND PAYMENT OF BENEFITS**".

For the avoidance of doubt, the protection of accrued benefits under the MPF Ordinance is not applicable to TVC Balances, which means TVC Balances will generally be vested in the trustee-in-bankruptcy or official receiver as part of the property of the bankrupt TVC Member.

TVC Members can make their own fund selection or choose to invest in accordance with the DIS (i.e. the Default Investment Strategy) under the Master Trust according to their circumstances and risk appetite. If a TVC Member fails to submit to the Trustee a specific investment instruction or does not make any investment choice at the time the TVC account is opened, his TVC will be invested in accordance with the DIS. Please refer to sub-section headed "**DEFAULT ARRANGEMENTS AND DEFAULT INVESTMENT STRATEGY**" under the section headed "**FUND OPTIONS, INVESTMENT OBJECTIVES AND POLICIES**" for details of the DIS arrangement.

Portability

TVC is portable and TVC Members should note that:

- TVC Members may at any time choose to transfer their entire TVC Balances in the Master Trust to their TVC account in another Registered Scheme. Requests to transfer TVC Balances to an account other than a TVC account will not be accepted.
- The transfer must be in a lump sum (full account balance). Requests to transfer TVC Balances in part will not be accepted.
- The TVC account in the Master Trust from which the TVC Balances are transferred (resulting in zero balance) may be terminated upon such transfer. (For further details on cessation of membership of a TVC Member, please refer to the sub-section below headed "Withdrawal from Participation in the Master Trust - Cessation of Membership of a TVC Member" below.)
- For the avoidance of doubt, transfer of accrued benefits derived from a TVC account in one Registered Scheme to a TVC account of another Registered Scheme cannot be claimed as deductions for taxation purpose.
- Accrued benefits derived from TVC transferred to another Registered Scheme will also be subject to the same vesting and preservation rules and withdrawal restrictions applicable to mandatory contributions in the MPF legislation.

For further details on the transfer of TVC Balances from the Master Trust, please refer to the heading "**Transfers from the Master Trust**" in this section below.

Withdrawal from Participation in the Master Trust

Withdrawal of participation by Employer and Self-employed Member

A Participating Employer or a Self-employed Member will cease to participate in the Master Trust upon:

- the Participating Employer or Self-employed Member giving one month's (or such shorter period as the Trustee may agree or be required to accept) notice in writing to the Trustee terminating its liability to contribute to the Master Trust (provided always that a failure to give notice will not hinder the Participating Employer's or Self-employed Member's right to terminate), or
- mutual agreement by the Trustee and the Participating Employer or Self-employed Member to end his/her participation in the Master Trust on a particular date.

Upon such event occurring:

- the Participating Employer or Self-employed Member will cease to participate in the Master Trust as from such date as the Trustee may decide,
- Employee Members employed by the Participating Employer or the relevant Self-employed Member will cease to be Members of the Master Trust,

- the MPF Balances will be transferred to a Registered Scheme nominated by the Participating Employer or Self-employed Member; and failing such nomination, each Employee Member of the relevant Participating Employer or the Self-employed Member will become a Personal Account Member within the Master Trust, and
- the Voluntary Balances will be dealt with in accordance with the Trust Deed and the participation agreement or the relevant prescribed membership application forms.

Withdrawal of participation by SVC Member

An SVC Member will cease to participate in the Master Trust upon:

- the Trustee receiving one month's (or such shorter period as the Trustee may agree) notice in writing from the SVC Member of cessation of membership, or
- if so determined by the Trustee, upon the expiry of a continuous period of 12 months during which the SVC Member has not had any amounts invested in the Master Trust.

Upon such event occurring:

- the SVC Member will cease to participate in the Master Trust, and
- the SVC Balances of the SVC Member will be payable to the SVC Member.

Cessation of Membership of a TVC Member

The membership of a TVC Member may be terminated by the Trustee with the written agreement of the TVC Member given not earlier than 60 days before the termination.

In addition, the membership of a TVC Member may be terminated by the Trustee if at termination, the TVC account has zero balance, and has had no transaction activity for 365 days. In the case of such termination, the requirement for a written agreement of the TVC Member (as described in the preceding paragraph) does not apply.

Cessation of Membership of a Personal Account Member

A Personal Account Member will cease to be a Personal Account Member in the Master Trust upon the date on which he ceases to have any accrued benefits attributable to his membership as a Personal Account Member in the Master Trust.

Transfers from the Master Trust

Subject to the provisions of the MPF Ordinance and the General Regulation, a Member may elect to transfer his accrued benefits in the Master Trust in the following circumstances and manner:-

What can be transferred?	Who can transfer?	When can be transferred?	Where to transfer to?
MPF Balance of Employee Member held in his contribution account	Employee Member	Upon cessation of employment with Participating Employer	■ A personal account of the Employee Member within the Master Trust, ■ An existing account of the Employee Member in an industry scheme, ■ An account in another master trust scheme nominated by the Employee Member, or ■ If such Employee Member subsequently becomes employed by another employer, the contribution account in the Registered Scheme in which the new employer is participating in relation to such Employee Member.
MPF Balance and Voluntary Balance of Self-employed Member held in his contribution account	Self-employed Member	At any time	■ An existing account of the Self-Employed Member in an industry scheme, ■ An account in an industry scheme which that Self-Employed Member is eligible to belong, ■ An account in another master trust scheme nominated by the Self-Employed Member, or ■ if such Self-Employed Member subsequently becomes employed by an employer, the contribution account in the Registered Scheme in which the new employer is participating in relation to such Self-Employed Member.

What can be transferred?	Who can transfer?	When can be transferred?	Where to transfer to?
All MPF Balance derived from the mandatory contributions made by an Employee Member in respect of his current employment with his Participating Employer + and held in his contribution account	Employee Member	Once in every calendar year or at such other higher frequency as may be from time to time agreed with the Trustee and Investment Manager.	■ A personal account of the Employee Member within the Master Trust, or ■ A personal account of the Employee Member within another Registered Scheme which is a master trust scheme or an industry scheme, each as nominated by the Employee Member.
All MPF Balance derived from the mandatory contributions paid by or in respect of an Employee Member that are attributable to his former employments or former self-employments and held in his contribution account #	Employee Member	At any time	■ Another contribution account of the Employee Member within the Master Trust, ■ A contribution account of the Employee Member within another Registered Scheme, ■ A personal account of the Employee Member within the Master Trust, or ■ A personal account of the Employee Member within another Registered Scheme, which is a master trust scheme or an industry scheme, each as nominated by the Employee Member.

\+ In respect of transfer of MPF Balance derived from the mandatory contributions made by an Employee Member in respect of his current employment with his Participating Employer, such MPF Balance shall where sections 12A(6A) and (6B) of the MPF Ordinance are applicable, include accrued benefits derived from the mandatory contributions made by that Employee Member in respect of his employment with the previous employer mentioned in section 12A(6A) of the MPF Ordinance.

In respect of transfer of MPF Balance derived from the mandatory contributions paid by or in respect of an Employee Member that are attributable to his former employments or former self-employments, such MPF Balance shall not where sections 12A(6A) and (6B) of the MPF Ordinance are applicable, include accrued benefits derived from the mandatory contributions paid by or in respect of the Employee Member that are attributable to his employment with the previous employer mentioned in section 12A(6A) of the MPF Ordinance.

What can be transferred?	**Who can transfer?**	**When can be transferred?**	**Where to transfer to?**
All MPF Balance and Voluntary Balance held in Personal Account	Personal Account Member	At any time	▪ A contribution account of the Personal Account Member within the Master Trust, ▪ A contribution account of the Personal Account Member within another Registered Scheme, ▪ Another personal account of the Personal Account Member within the Master Trust, or ▪ A personal account of the Personal Account Member within another Registered Scheme, which is a master trust scheme or an industry scheme, each as nominated by the Personal Account Member.
Voluntary Balance of Employee Member held in his contribution account	Employee Member	Upon cessation of employment with Participating Employer	▪ A personal account of the Employee Member within the Master Trust, ▪ The special voluntary sub-account of the Employee Member within the Master Trust. ▪ Another Registered Scheme or retirement benefits scheme to which the Employee Member is eligible to belong. ▪ If such Employee Member subsequently becomes employed by another employer, the contribution account in the Registered Scheme in which the new employer is participating in relation to such Employee Member.

What can be transferred?	Who can transfer?	When can be transferred?	Where to transfer to?
Voluntary Balance derived from voluntary contributions made by an Employee Member in respect of his current employment with his Participating Employer* and held in his contribution account	Employee Member	Transfer is only allowed if so permitted under the relevant participation agreement of the current Participating Employer and such transfer may be made at such frequency as provided under the relevant participation agreement of the current Participating Employer.	■ Another Registered Scheme to which the Employee Member is eligible to belong.
Voluntary Balance derived from the voluntary contributions paid by or in respect of an Employee Member that are attributable to his former employments or former self-employments^ and held in his contribution account	Employee Member	Transfer is only allowed if so permitted under the relevant participation agreement of the current Participating Employer and such transfer may be made at any time.	■ Another Registered Scheme to which the Employee Member is eligible to belong.
TVC Balance held in TVC account	TVC Member	At any time	■ A TVC account (as defined in the MPF Ordinance) of the TVC Member within another Registered Scheme as nominated by the TVC Member.

* In respect of transfer of Voluntary Balance derived from the voluntary contributions made by an Employee Member in respect of his current employment with his Participating Employer, such Voluntary Balance shall where sections 12A(6A) and (6B) of the MPF Ordinance are applicable, include accrued benefits derived from the voluntary contributions made by that Employee Member in respect of his employment with the previous employer mentioned in section 12A(6A) of the MPF Ordinance.

^ In respect of transfer of Voluntary Balance derived from the voluntary contributions paid by or in respect of an Employee Member that are attributable to his former employments or former self-employments, such Voluntary Balance shall not where sections 12A(6A) and (6B) of the MPF Ordinance are applicable, include accrued benefits derived from the voluntary contributions paid by or in respect of the Employee Member that are attributable to his employment with the previous employer mentioned in section 12A(6A) of the MPF Ordinance.

An election to transfer MPF Balance, Voluntary Balance or TVC Balance must be in the appropriate prescribed form. In the case of a transfer to another account within the Master Trust ("**new account**"), the accrued benefits so transferred will remain invested in the same manner as they were invested immediately before the transfer, unless otherwise instructed by or agreed with the relevant Member. For the avoidance of doubt, a transfer of TVC Balances from a TVC account to another account within the Master Trust is not permitted. For the avoidance of doubt, the instruction applicable to the original account will not apply to future contributions or accrued benefits transferred from another scheme that are made to the new account. Unless specific investment instructions are received by the Trustee, future contributions and accrued benefits transferred from another scheme to the new account will be invested according to the DIS.

Where all outstanding contributions and contribution surcharges have been remitted to the Trustee in respect of the Member, it is expected that the transfer of MPF Balances, Voluntary Balances and TVC Balances will be completed within 20 days from the date of receipt of a transfer request. The Trustee must take all practicable steps to ensure that all the MPF Balances, Voluntary Balances and TVC Balances (as applicable) concerned are transferred in accordance with the election within 30 days from the date of receipt of the election to transfer by the Trustee or if an election is made by an Employee Member who ceases to be employed by the Participating Employer concerned, within 30 days after the last contribution day in respect of that employment that has ceased, whichever is the later. However, in respect of transfer by Participating Employer made in accordance with sections 150 or 150A of the General Regulation, if contributions or contribution surcharges or both are outstanding, then the transfer will occur within 30 days after consent of the MPF Authority is received or all of the outstanding contributions or contribution surcharges or both are received. If the Master Trust is subject to an audit or investigation by or on behalf of the MPF Authority, then any transfer will be made within 30 days after consent has been received from the MPF Authority.

Transfer of SVC Balance of SVC Member

Unless the Trustee otherwise agrees, an SVC Member is not entitled to transfer his SVC Balance. An SVC Member may withdraw all or part of his SVC Balance at any time, as set out below under "**SVC and Voluntary Balances**". Such withdrawals may be subject to applicable charges (see section headed "**FEES AND CHARGES**").

No Fee on Transfer

No fees shall be charged and no financial penalties shall be imposed for transferring accrued benefits from (i) a Registered Scheme to another Registered Scheme; (ii) from an account within a Registered Scheme to another account within the same Registered Scheme; (iii) in the same account within a Registered Scheme, from a Constituent Fund to another Constituent Fund, other than an amount representing the necessary transaction costs that are incurred, or reasonably likely to be incurred, by the Trustee in selling or purchasing investments in order to give effect to the transfer and are payable to a party other than the Trustee. Such necessary transaction costs would include, but are not limited to, items such as brokerage commissions, fiscal charges and levies, government charges, bank charges, exchange fees, costs and commissions, registration fees and charges, collection fees and expenses, etc. Any amount of such transfer fees and charges imposed and received must be used to reimburse the relevant Constituent Fund.

CONTRIBUTIONS, SWITCHING AND PAYMENT OF BENEFITS

Contributions

Contributions to the Master Trust must be paid monthly (or in some cases at such intervals as the Trustee may require or agree), and should only be paid in HKD to the Trustee in accordance with the MPF Ordinance.

Mandatory Contributions

(a) Participating Employer and Employee Member

Every Participating Employer must pay to the Trustee, within such times as are required by the MPF Ordinance, out of the Participating Employer's own funds, mandatory contributions of the prescribed percentage of the Relevant Income of each of his Employee Member (who is 18 years of age or over and below 65 years of age) in accordance with the MPF Ordinance.

At the same time, such Participating Employer must, deduct from such Employee Member's Relevant Income and pay to the Trustee an equivalent amount for that contribution period in accordance with the MPF Ordinance. No such deduction is required if the Employee Member's relevant income falls below the minimum level of income as prescribed by the MPF Ordinance.

(b) Self-employed Member

Every Self-employed Member (who is 18 years of age or over and below 65 years of age) must, before the end of each contribution period, pay to the Trustee a mandatory contribution of the prescribed percentage of his Relevant Income (up to a maximum level of Relevant Income) on a monthly or yearly basis. No such contribution is required if his Relevant Income falls below the minimum level of Relevant Income in accordance with the MPF Ordinance.

(c) Personal Account Member, SVC Member and TVC Member

Personal Account Members, SVC Members and TVC Members are not required to make mandatory contributions.

Employee Members and Self-employed Members who are interested in knowing the current amount of the minimum and maximum level of the Relevant Income may contact the Investment Manager at Fidelity Investor Hotline: 2629 2629 or visit its website at: www.fidelity.com.hk*. Members should note that the aforesaid website of the Investment Manager is not authorised by the SFC and may contain information which is not targeted to Hong Kong investors.

Voluntary Contributions

(a) Participating Employer, Employee Member and Self-employed Member

A Participating Employer, an Employee Member and a Self-employed Member can choose to make regular voluntary contribution in addition to the mandatory contribution by notifying the Trustee and completing the appropriate prescribed form. Irregular lump sum contributions can be made at any time.

* This website has not been reviewed by the SFC.

Voluntary contributions made by an Employee Member or a Self-employed Member will be vested immediately on such Employee Member or Self-employed Member. Voluntary contributions made by a Participating Employer in respect of an Employee Member will vest on that Employee Member in accordance with the provisions, including but not limited to vesting scale set out in the relevant participation agreement of the relevant Participating Employer.

With effect from 1 January 2021, during a financial year of the Master Trust, voluntary contributions made by a Self-employed Member may not in aggregate exceed HKD390,000.

(b) SVC Member

An SVC Member can choose to make regular monthly SVC (subject to a minimum of HKD500 per contribution). Regular SVC may only be effected on a fixed Business Day. Irregular lump sum contributions can be made at any time (subject to a minimum of HKD1,000 per irregular lump sum contribution). With effect from 1 January 2021, during a financial year of the Master Trust, SVC made by a SVC Member may not in aggregate exceed HKD390,000. These contributions are vested immediately in the SVC Member.

An Employee Member, a Self-employed Member, a Personal Account Member and a TVC Member may also join as an SVC Member to make SVC by completing the appropriate prescribed form.

TVC by TVC Members

For information on the minimum amount of TVC per contribution and the method of contribution, please refer to the sub-paragraph headed "Contribution to TVC Account" under the heading "**Participation in the Master Trust as a TVC Member**" under the sub-section headed "**APPLICATION, WITHDRAWAL AND TRANSFERS**".

At all times, the Employee Member, Self-employed Member, Personal Account Member, SVC Member and TVC Member can decide into which Constituent Fund these mandatory contributions, voluntary contributions, SVC and TVC (as the case may be) are invested.

Enhanced Measures for Compliance Purposes

With effect from 30 April 2020, the Trustee may reject all or part of voluntary contributions and/or SVC for compliance purposes. Circumstances for such rejection include (i) the Trustee has reason to know that the information and/or documents provided to the Trustee are incorrect or incomplete; (ii) the relevant Member fails to provide information and/or documents as required by the Trustee to ensure compliance with applicable laws and regulations including those relating to anti-money laundering/tax reporting; and/or (iii) other circumstances which the Trustee may consider appropriate. Any rejected voluntary contributions and/or SVC (as the case may be) (with no interest) will be refunded within 45 days of the determination that any such voluntary contributions and/or SVC (as the case may be) will be rejected, unless for some exceptional regulatory reasons the Trustee is unable to effect a refund within such timeframe.

Switching between Constituent Funds and/or Switching in and out of DIS

Each Member will, prior to making their first contribution to the Master Trust, be given the opportunity to direct how their contributions and accrued benefits are invested in the Constituent Funds available in the Master Trust or according to the DIS by giving the Trustee a specific investment instruction.

Each Member can switch all or part of their existing investments from one Constituent Fund to another within the Master Trust, change his specific investment instruction for future contributions, and/or switch their existing investments into/out of DIS from/into a Constituent Fund through the following means:-

- by completing a form available from the Trustee from time to time and submitting this form to the Trustee by post or by facsimile,
- via the website of the Investment Manager at www.fidelity.com.hk*, or
- by phone by calling the Fidelity Investor Hotline: 2629 2629.

Notwithstanding the above, please refer to "***Default Investment Strategy ("DIS")***" in the sub-section headed "**DEFAULT ARRANGEMENTS AND DEFAULT INVESTMENT STRATEGY**" under the section headed "**FUND OPTIONS, INVESTMENT OBJECTIVES AND POLICIES**" for the dealing cut-off time for switching instruction out of the DIS to be processed before the annual de-risking takes place.

A Member's switching instruction will be regarded as invalid if:

a) the relevant form is not completed in full;

b) where the relevant form is required to be signed, the relevant form is not signed or the Member's signature on the form is different from that in the Trustee's record;

c) the investment allocation is not specified in an integer of 1%;

d) multiple instructions are received within the same Dealing Day where the sum of the specified percentages in the instructions to switch out from a Constituent Fund and/or the DIS is over 100%;

e) more than one instruction is received within a Dealing Day to switch all or part of the investment in a Constituent Fund into another Constituent Fund (either on its own or in combination with other Constituent Fund(s) or the DIS) or the DIS (either on its own or in combination with other Constituent Fund(s)) in multiple times on the same Dealing Day;

f) more than one instruction is received within a Dealing Day to switch all or part of the investment in the DIS into a Constituent Fund (either on its own or in combination with other Constituent Fund(s) or the DIS) in multiple times on the same Dealing Day;

g) the percentage sum of all Constituent Funds and/or the DIS to be switched into under an instruction is over 100%;

h) the instruction is for switching out of a Constituent Fund and switching the entire amount back into the same Constituent Fund;

* This website has not been reviewed by the SFC.

i) the instruction is for switching out of the DIS and switching the entire amount back into the DIS;

j) the instruction for switching out of certain Constituent Fund(s) and/or the DIS is received at the time when a previously submitted switching instruction in respect of the same Constituent Fund(s) and/or the DIS is being processed; or

k) any of the instructions for withdrawal, transfer of accrued benefits, offsetting against long service or severance payment in respect of such Member is being processed.

Members will be notified by the Trustee in such manner as the Trustee considers appropriate in the event that a switching instruction is regarded as invalid.

Payment of Benefits

All benefits from the Master Trust are defined contribution benefits. As such the actual amount paid from the Master Trust will depend upon the value of accrued benefits of the relevant Member in the Master Trust at such time of payment.

All benefits will be paid in HKD unless the Trustee otherwise agrees upon the application of the relevant beneficiary. The Member shall bear the cost of any bank charges or cost of currency conversion. Members should note that payment may be delayed in certain circumstances pursuant to the MPF Ordinance, including where the claimant has failed to satisfy the Trustee that he or she is entitled to the benefits.

(a) Entitlement to Benefits

MPF Balances and TVC Balances

A member will become entitled to his MPF Balances and TVC Balances (as applicable) only in the circumstances set out in the MPF Ordinance. Currently, these circumstances include the following:-

- on a Member reaching 65 years of age,
- on a Member's death (in which case the benefits are paid to the Member's legal personal representative(s)),
- on the terminal illness of a Member,
- on the total incapacity of a Member,
- on the early retirement of a Member on or after his reaching age 60 (with no intention of becoming employed or self-employed again),
- upon a Member's permanent departure from Hong Kong, or
- where the accrued benefits of a Member are less than HKD5,000 and no mandatory contributions have been required to be paid in respect of the Member during the preceding 12 months.

A request for payment of MPF Balances and TVC Balances (as applicable) shall be made in a form specified by the MPF Authority and be accompanied by such documents as may be required by the MPF Ordinance, the General Regulation or by the Trustee from time to time.

SVC and Voluntary Balances

An SVC Member may at any time request payment of all or part only of his SVC Balances by giving notice to the Trustee in the prescribed form. An SVC Member's SVC Balances are also payable on the SVC Member's death (in which case the benefits are payable to the SVC Member's legal personal representative(s)).

Voluntary Balances for other Members are payable in such circumstances as set out in the Trust Deed, which include:

- upon a Member ceasing to be a Member on or after a Member's retirement.
- on a Member's death (in which case the benefits are payable to the Member's legal personal representative(s)),
- on the termination of employment due to the total incapacity of a Member, or
- on a Member leaving the employment of his Participating Employer.

Other than the circumstances set out above:-

- Voluntary Balances held in a contribution account may also be paid in such circumstances as the Participating Employer and the Trustee may determine. These circumstances would include where the Trustee, in its discretion and with the consent of the Participating Employer, considers that a Member requires early payment of the Voluntary Balances for that Member's personal needs. In addition, Voluntary Balances of a Personal Account Member may be paid if the Personal Account Member and the Trustee have agreed to the payment of the Voluntary Balances; and
- In the case of Self-employed Members, Voluntary Balances may also be paid on the ground of terminal illness or where the Self-employed Member elects to be paid the Voluntary Balances in circumstances other than those described above, and the Trustee has agreed to the payment of the Voluntary Balances, subject to such terms and conditions as the Trustee may in its discretion determine.

A request for payment of Voluntary Balances and SVC Balances should be made on the form provided together with such documents as may be required by the Trustee from time to time.

(b) Method of Withdrawal

(i) Withdrawal in One Lump Sum

A Member who is entitled to payment of MPF Balances, Voluntary Balances, SVC Balances and/or TVC Balances may request to withdraw such benefits in one lump sum.

For the payment of MPF Balances, Voluntary Balances, SVC Balances and/or TVC Balances in one lump sum, the normal period for payment will be 20 days after receipt of a request for payment. Subject to the MPF Ordinance and the General Regulation, for the payment of MPF Balances, Voluntary

Balances and TVC Balances, the maximum period between the date of receipt of a request for payment and the date of payment will be the later of (i) 30 days of receipt of a valid request for payment and (ii) 30 days after the contribution day in respect of the last contribution period that ends before the receipt of the request (or such other period as may be prescribed by the MPF Ordinance or the General Regulation). For the payment of SVC Balances, the maximum period between the date of receipt of a request for payment and the date of payment will be 30 days. Notwithstanding the foregoing, if the Master Trust is subject to an audit or investigation by or on behalf of the MPF Authority, then any payment will be made within 30 days after consent has been received from the MPF Authority.

(ii) Withdrawal By Instalments

(1) Withdrawal by instalments upon request

As an alternative to withdrawing the balances in a lump sum, Members may elect to make withdrawals in phases by instalments in the following circumstances:-

a. *MPF Balances and TVC Balances* – Eligible Members (i.e. Members who have attained the age of 65 years, or on early retirement on or after reaching the age of 60 with no intention of becoming employed or self-employed again) may elect to withdraw their MPF Balances and TVC Balances (as applicable) by instalments.

b. *Voluntary Balances*

- Employee Members who are Eligible Members may, subject to their Employer's consent where applicable, elect to withdraw their Voluntary Balances by instalments.
- Self-Employed Members and Personal Account Members may elect to withdraw their Voluntary Balances by instalments.

c. SVC Balances – SVC Members may elect to withdraw their SVC Balances by instalments.

"**Eligible Benefits**" include the MPF Balances and, where applicable, the Voluntary Balances, SVC Balances and TVC Balances as described above.

(2) Other information regarding withdrawal by instalments

For the payment of Eligible Benefits, the normal period for payment will be 20 days after receipt of a request for payment. If Eligible Benefits are to be paid out by instalments, unless otherwise agreed between the Trustee and the Member, the maximum period of each instalment shall be paid no later than 30 days after the requested payment date of such instalment in accordance with the Member's instruction given to the Trustee (or such other period as may be prescribed by the MPF Ordinance or the General Regulation). Notwithstanding the foregoing, if the Master Trust is subject to an audit or investigation by or on behalf of the MPF Authority, then any payment will be made within 30 days after consent has been received from the MPF Authority.

Members who intend to make withdrawals by instalments should specify the amount/percentage of withdrawal and other relevant information in the relevant form which is available from the Investment Manager and the Trustee. Members should note that bank charges may apply if they choose to be paid the withdrawal amount directly to their bank account.

Members should note that in the case of withdrawal of Eligible Benefits by instalments, any balance remaining in a Member's account will continue to be invested in the relevant Constituent Fund(s) and therefore subject to investment risks.

(c) Long service and severance payment

The MPF Balance and Voluntary Balance of an Employee Member derived from contributions made by his Participating Employer can be used to reduce the Participating Employer's liability to pay long service or severance payment (the "**Relevant Amount**") to that Employee Member under the Employment Ordinance. Subject as otherwise provided in the participation agreement (as amended or supplemented from time to time) and to the extent permitted by the MPF Ordinance, the Relevant Amount will be offset against the following amounts in the sequential order:

(i) firstly, out of the Voluntary Balance of the relevant Employee Member derived from voluntary contributions (if any) made by his Participating Employer; and

(ii) secondly, if after payment under paragraph (i) above any part of the Relevant Amount remains outstanding, out of the MPF Balance of the relevant Employee Member derived from mandatory contributions made by his Participating Employer.

DEALING AND INSTRUCTIONS

Dealing for a Constituent Fund will be available on every Dealing Day.

Units will be issued or realised at the issue price or realisation price, adjusted for any applicable charges, except in the case of the MPF Conservative Fund for which Unit will be issued or realised at the NAV per Unit. The value of Units will be published on a daily basis.

Members may allocate contributions to be invested in the Constituent Funds available in the Master Trust or according to the DIS. Members can give an investment instruction for their contributions and for their accrued benefits by completing a form available from the Investment Manager.

Members should give a valid investment instruction (i.e. a "**specific investment instruction**") specifying the investment allocations (in percentage terms) to the Constituent Fund(s) and/or DIS for each of their categories of contributions (e.g. for Employee Member, he should give specific investment instruction specifying the investment allocation for each of his (i) employee's and employer's mandatory contributions; (ii) employee's and employer's voluntary contributions (if any); and (iii) SVC (if any) (each a "**category of contributions**")) or if applicable, accrued benefits transferred into the Master Trust from another scheme.

An investment instruction, in respect of a category of contributions or the transferred accrued benefits, will be regarded as invalid in the following circumstances:

- the relevant form is not completed in full;
- where the relevant form is required to be signed, the relevant form is not signed or the Member's signature on the form is different from that in the Trustee's record;
- no investment allocation is specified;
- the investment allocation to a Constituent Fund and/or the DIS is not specified in an integer of 1%; or
- the total sum of the investment allocations to the selected Constituent Funds and/or the DIS does not equal to 100%.

In respect of new accounts set up on or after 1 April 2017, if a Member on enrolling into the Master Trust fails to give a specific investment instruction to the Trustee on how his contributions are to be invested, his contributions will be invested according to the DIS.

Members will be notified by the Trustee in such manner as the Trustee considers appropriate in the event that an investment instruction is regarded as invalid.

MANAGEMENT AND ADMINISTRATION OF THE MASTER TRUST

Investment Manager

The Investment Manager is a company incorporated with limited liability in Hong Kong and 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.

Trustee, Custodian and Administrator

The Trustee is registered as a trust company in Hong Kong and has been approved by the MPF Authority as an approved trustee for MPF purposes.

Under the Trust Deed, the Trustee is responsible for:

- Ensuring compliance with the Trustee's duties under the MPF Ordinance and the Trust Deed; and
- Safekeeping of the assets of the Master Trust.

In addition to being the Trustee and Custodian of the Master Trust, HSBC Institutional Trust Services (Asia) Limited is also responsible for the administration of the Master Trust and for the following duties:

- Maintenance of full accounting records relating to the allocation and current value of contributions paid.
- Calculation and payment of any benefits due to Members, in accordance with the Trust Deed. Interest will not be paid on the value of any benefits between the date a Member becomes entitled to benefits and the date such benefits are actually paid.
- Valuation of the Constituent Funds.

The Trustee may appoint others to assist it to provide administration services to the Master Trust and/or Members and participating employers, including the Investment Manager and its associates.

Auditor

The Trustee has entered into an engagement letter with the Auditor. Pursuant to the terms of its engagement, the Auditor has limited its liability to the Investment Manager and the Trustee in respect of any claims arising out of or in connection with its engagement, except to the extent finally determined to have resulted from its wilful or intentional misconduct or fraudulent behaviour.

VALUATION OF CONSTITUENT FUNDS AND BENEFITS

Each Constituent Fund will be valued on each Business Day.

The NAV per Unit of a particular class is calculated by apportioning the NAV of the Constituent Fund (calculated in accordance with the governing documentation of the Master Trust) among the shares in the Constituent Fund represented by all Units of each class, accounting for assets and liabilities specifically attributable to that particular class, and then dividing by the number of Units of that class then in issue. The resulting amount will be rounded down to 3 decimal places.

The NAV of each Constituent Fund is calculated by determining the value of each of the investments of the fund on the basis as stated below, adding the value of other assets and not yet completed purchases of investments of the Constituent Fund (excluding any contributions or transferred amounts received since the last valuation), and subtracting from this amount the aggregate amount of borrowings attributable to the Constituent Fund, the value of not yet completed sales of investments, and other accrued or incurred liabilities and expenses of the Constituent Fund (including the Trustee and Investment Manager fees, and any monies held as a result of the redemption of Units which have not yet been paid or transferred).

Quoted investments (other than interests in open-ended collective investment schemes) will normally be valued at the last traded price on the stock exchange or over-the-counter market on which the investment is listed, traded or ordinarily dealt in. The value of unquoted investments will be the value of the investments assessed on the most recent revaluation and approved by the Trustee. The value of each unit in any open-ended collective investment scheme will be the latest available bid price per unit in such collective investment scheme. Cash, deposits and similar property will be valued at their face value, together with accrued interest. There is included in, or deducted from, the assets of the Constituent Fund in respect of each outstanding futures contract entered into on behalf of the Constituent Fund an amount equal to the gain or (as the case may be) loss which would have accrued to the Constituent Fund at the time as at which the relevant valuation is made if the Investment Manager had at that time closed out the position of the Constituent Fund under that contract by entering into an equal and opposite futures contract at market prices prevailing at that time.

The Trust Deed permits the Investment Manager with the consent of the Trustee to adjust the value of any investment or permit some other method of valuation to be used if the Investment Manager considers that such adjustment or other method of valuation is required to reflect more fairly the value of the relevant investment.

DEFERRAL AND SUSPENSION OF DEALING

The Investment Manager may at any time suspend the issue or redemption of Units relating to a Constituent Fund and/or may delay the payment of any moneys in respect of the realisation of Units of such Constituent Fund during any of the following periods:

(i) any period when any stock exchange on which a substantial part of the relevant Constituent Fund's investments is quoted, listed or dealt is closed otherwise than for ordinary holidays,

(ii) any period when dealings on any such exchange are restricted or suspended,

(iii) the existence of any state of affairs as a result of which disposal of some or all of the relevant Constituent Fund's investments cannot, in the absolute discretion of the Investment Manager, be effected normally or without seriously prejudicing the interests of Unitholders,

(iv) the breakdown in the means of communications normally employed in determining the NAV of the relevant Constituent Fund or when for any other reason the value of any of the relevant Constituent Fund's investments cannot be promptly and accurately ascertained,

(v) any period when the realisation of the relevant Constituent Fund's investments or the transfer of funds involved in such realisation cannot, in the opinion of the Investment Manager, be effected at normal prices or normal rates of exchange, and

(vi) any period when the payment or receipt of the proceeds of the realisation of any of the relevant Constituent Fund's investments is the subject of delay.

The Investment Manager must notify the Trustee in writing of such suspension as soon as reasonably practicable following any such suspension. Notice of the imposition and raising of any suspension or deferral will be given to persons who have applied to acquire, switch or realise Units of the relevant Constituent Fund. Unless withdrawn, applications, switching notices and realisation requests will be dealt with on the first Dealing Day relating to the relevant Constituent Fund which follows the lifting of the suspension or deferral.

Any deferral or suspension in dealing of a Constituent Fund shall be consistent with any relevant official rules and regulations.

MPF Hotline and Other Assistance

For any assistance, please call the Fidelity Investor Hotline: 2629 2629.

Taxation

The following is a general summary of the taxation position in Hong Kong of the Master Trust and of Members:

The Master Trust is not expected to be subject to Hong Kong profits tax.

For contributions made by an employer to the Master Trust in respect of an employee, an amount not exceeding 15% of the employee's annual emoluments may be deducted from the assessable profits for Hong Kong profits tax purpose.

Employees, a self-employed person or a partner of a partnership will be able to deduct their mandatory contributions made in accordance with the MPF Ordinance, for Hong Kong tax purpose.

Members who are interested in knowing the current maximum amount of mandatory contributions that may be deducted for Hong Kong tax purpose may contact the

Investment Manager at Fidelity Investor Hotline: 2629 2629 or visit its web site at: www.fidelity.com.hk*. Members should note that the aforesaid website of the Investment Manager is not authorised by the SFC and may contain information which is not targeted to Hong Kong investors.

Benefits attributable to mandatory contributions received on a person's retirement from employment, death, terminal illness, incapacity or permanent departure from Hong Kong should not be taxable for Hong Kong salaries tax purposes.

The amount of TVC made by a TVC Member, subject to a maximum limit per year of assessment, is tax deductible in accordance with the Inland Revenue Ordinance. For further details, please refer to the heading "**Participation in the Master Trust as a TVC Member**" under the sub-section headed "**APPLICATION, WITHDRAWAL AND TRANSFERS**" in the section headed "**ADMINISTRATIVE PROCEDURES**".

Benefits attributable to voluntary contributions may be received by an employee free of Hong Kong salaries tax if paid as a result of retirement, death, terminal illness, or incapacity. In any other case, benefits from voluntary contributions made by the employer may be subject to Hong Kong salaries tax depending on the circumstances.

Dividends or distributions from the Master Trust, and gains from the realisation of Units should not be taxable unless the Member carries on a trade, profession or business in Hong Kong and the acquisition and disposal of the Units represents a trading venture of such Member.

Members are recommended to seek professional advice regarding their own particular tax circumstances.

Automatic Exchange of Financial Account Information

The Inland Revenue Ordinance provides the legislative framework for the implementation in Hong Kong of the Standard for Automatic Exchange of Financial Account Information in Tax Matters ("**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 any reportable jurisdiction(s) in which those account holders are tax residents. If an account holder is not a tax resident in any jurisdiction outside Hong Kong, or is only tax resident in a jurisdiction that is not reportable, the relevant account information will not be reported to the IRD for transmission to any tax authority outside Hong Kong. Account holders include members and employers participating in the Master Trust.

Starting on 1 January 2020, the Master Trust is required to comply with the requirements of AEOI as implemented in Hong Kong, which means that the Master Trust shall collect certain information relating to account holders and prospective participants of the Master Trust and provide such information on relevant account holders to the IRD. This information includes (but is not limited to) in respect of each account holder or where applicable prospective participant, his/her/its name, address, date of birth (for individuals), place of incorporation (for entities), jurisdiction(s) of tax residence, tax identification number(s) in the relevant jurisdiction(s) and account information including account balance income and payments under the Master Trust.

* This website has not been reviewed by the SFC.

The AEOI rules as implemented in Hong Kong require the Master Trust to, amongst other things: (i) register the Master Trust's status as a "Reporting Financial Institution" with the IRD; (ii) conduct due diligence on its accounts to identify whether any such accounts are considered "Reportable Accounts" (as defined in section 50A of the Inland Revenue Ordinance) for AEOI purposes; and (iii) report to the IRD the required information with respect to such Reportable Accounts. Broadly, AEOI contemplates that Hong Kong FIs should report on account holders (individuals and entities) and controlling persons of certain entity account holders that are tax residents in a jurisdiction which Hong Kong identifies as a reportable jurisdiction.

The Trustee through whom the Master Trust operates may, to the extent not prohibited by AEOI and the applicable laws and regulations of Hong Kong, engage, employ or authorise any individual or entity (including but not limited to third-party service providers, the Trustee's affiliates, subsidiaries, associated entities, and any of their branches and offices) (each, for purposes of this section, an "**authorised person**") to assist the Master Trust with the fulfilment of its obligations under AEOI, and to act on the Master Trust's behalf in relation to its obligations under AEOI. The Trustee and its authorised persons may share with each other any information of any Reportable Account of the Master Trust.

On or after 1 January 2020, a valid self-certification form and other information will be required at the time of any application to join the Master Trust, and may be requested by the Trustee and/or any of its authorized person(s) from time to time, for the implementation of AEOI from any individual or entity considered as an account holder of the Master Trust, including information on the controlling person(s) in the case of an entity.

The self-certification forms must be properly and promptly completed, signed and submitted to the Trustee by prospective participants when enrolling into the Master Trust. Members should note that the account opening process will be adversely affected and will not be able to complete if there is delay in submitting the self-certification forms, or if incomplete self-certification forms are submitted.

Account holders and controlling persons must also update the Trustee about any changes in the information they have previously provided within 30 days of such changes. If the information required by the Trustee for AEOI purposes and/or any update in the changes of such information in respect of an account holder or a controlling person is not received, the Trustee and/or any of its authorised person(s) may be required to report such person based on the information they have.

The information provided herein in relation to AEOI is of a general nature only and is not meant to serve as a basis for decision making. Account holders and prospective participants of the Master Trust should consult their own professional advisor(s) on the administrative and substantive implications of AEOI on their current or proposed investment in the Master Trust and the relevant Constituent Fund.

Financial Year-end

The financial year end of the Master Trust is 31 December in each year.

Trust Deed

All Members are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Trust Deed.

Copies of the Trust Deed, the investment management agreement dated 31 January 2000 between the Trustee and the Investment Manager and the delegation agreement dated 17 August 2001 between the Trustee and the Investment Manager, each as amended, may be obtained from the Investment Manager at such price as the Investment Manager may from time to time determine or may be inspected during normal working hours at the offices of the Investment Manager, free of charge.

Restructure, Termination or Cancellation of Registration

Unless terminated earlier as provided in the Trust Deed, the Master Trust will continue until terminated in accordance with the terms of the Trust Deed.

The Trust Deed inter alia provides that the Master Trust may if the Trustee decides, be wound up on the occurrence of any of the following events:

(i) the Investment Manager giving 6 months' notice in writing to the Trustee that the Master Trust is to be wound up,

(ii) if any law shall be passed which renders it illegal or in the opinion of the Trustee impracticable or inadvisable to continue the Master Trust, or

(iii) if within such time as the Trustee considers to be reasonable after the removal of the Investment Manager pursuant to the provision of the Trust Deed the Trustee is unable to find qualified corporation acceptable to the Trustee to act as the new investment manager.

The Master Trust may only be terminated, dissolved or wound-up in accordance with the MPF Ordinance and the General Regulation.

Subject to compliance with the MPF Ordinance, the General Regulation and the Trust Deed and the approval of the MPF Authority and the SFC being obtained, the Investment Manager may terminate a Constituent Fund.

Participating Employers and Members will be given three months' notice (or such other period of notice as may be required by the SFC and the MPF Authority) of the merger, division or termination of a Constituent Fund of the Master Trust, or the restructure of the Master Trust including any restructure by means of merger or division of the Master Trust.

Subject to compliance with the appropriate provisions of the MPF legislation, the Trustee may upon the request of the Investment Manager, apply to the MPF Authority to cancel the registration of the Master Trust.

Reports and Accounts

The following will be made available to Members:

- Member's information booklet and notice of participation on joining
- annual statements within 3 months after the Scheme Year end.

A person who has more than one membership in the Master Trust (e.g. as an Employee Member and as an SVC Member) will receive separate Member's information booklets, notices of participation and annual statements for each membership.

Participating Employers will receive the following:

- notice of participation on joining
- employer's information booklet upon participation in the Master Trust
- monthly investment reports.

Copies of the annual summary of the Master Trust will be provided to Participating Employers and Members from the Investment Manager upon request.

Conflicts of Interests

The Investment Manager, and the Trustee, Custodian and Administrator 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 Constituent Fund. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the Master Trust and/or a Constituent Fund. Each will, at all times, have regard in such event to its obligations to the Master Trust and/or a Constituent Fund and will endeavour to ensure that such conflicts are resolved fairly. In any event, the Investment Manager shall manage and minimize any conflict by appropriate safeguards and measures to ensure fair treatment of investors.

In addition, the Investment Manager may enter into trades for the account of a Constituent Fund with (i) the accounts of other clients managed by the Investment Manager or its affiliates, or (ii) its house accounts (i.e. accounts owned by the Investment 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 Investment Manager has established a liquidity risk management policy which enables it to identify, monitor and manage the liquidity risks of each Constituent Fund and to ensure that the liquidity profile of the investments of each Constituent Fund will facilitate compliance with the Constituent Fund's obligation to meet withdrawal requests. Such policy, combined with the liquidity management tools of the Investment Manager, also seeks to achieve fair treatment of Members and safeguard the interests of remaining Members in case of sizeable withdrawal.

The Investment Manager's liquidity risk management policy involves liquidity model which assesses liquidity profile for each Constituent 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 stage of the investment process on an ongoing basis. This includes, for example, regular monitoring of liquidity at the Constituent Fund level, 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 Investment Manager's chief risk officer.

Anti-Money Laundering Regulations

As part of the Investment Manager's and Trustee's responsibility for the prevention of money laundering, they may require a detailed verification of the applicant's identity and the source of the payment of contributions.

The Investment Manager and the Trustee reserve the right to request such information as is necessary to verify the identity of an applicant and the source of payment of contributions from time to time. In the event of delay or failure by the applicant to produce information and/or documentation the Investment Manager and/or the Trustee require for verification purposes, the Investment Manager and/or the Trustee may refuse to accept the application and the contributions relating thereto. Neither the Investment Manager nor the Trustee will be responsible for any loss arising from rejecting the application or the contribution.

Publication of Fund Prices

The net asset values of the Constituent Funds will be published in the South China Morning Post and the Hong Kong Economic Times.

GLOSSARY

The defined terms used in this Brochure have the following meanings:-

"**A65F**" means the Age 65 Plus Fund.

"**Accrued benefits**" has the meaning in section 2(1) of the MPF Ordinance.

"**Actual and Reasonable Expenses**" means the actual and reasonable expenses incurred by the Trustee as a result of redeeming units in connection with the transfer from a unit trust or similar type of investment and of issuing units in another such investment, where a difference in price of units is normally associated with the redemption of those units and the issue of those units.

"**APIF**" means a collective investment scheme authorised by the SFC and approved by the MPF Authority as an approved pooled investment fund.

"**Approved Index-Tracking Fund**" or "**ITCIS**" means an index-tracking collective investment scheme, as defined in section 1(1) of Schedule 1 to the General Regulation, approved by the MPF Authority for the purposes of section 6A of Schedule 1 to the General Regulation.

"**Associate**" has the meaning in section 2(1) of the MPF Ordinance.

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

"**CAF**" means the Core Accumulation Fund.

"**Charges**" means agreed charges payable to (i) Service Providers or the Trustee by a Constituent Fund, a Participating Employer or a Member or (ii) the service providers or trustee of FGIF by an FGIF Fund (as appropriate to the context), generally applied when a particular service or transaction is provided.

"**China**", "**Mainland China**" or "**PRC**" means the People's Republic of China excluding Hong Kong, Macau and Taiwan for the purpose herein.

"**Constituent Fund**" means an investment fund contained within the trust constituting the Master Trust.

"**Contribution account**" has the meaning ascribed to it in the General Regulation.

"**Contribution Period**" means:-

(i) in respect of an Employer or an Employee, the same as "contribution period" in section 7A(10) of the MPF Ordinance;

(ii) in respect of a Self-Employed Member, the same as "contribution period" in section 7C(2) of the MPF Ordinance.

"**Dealing Day**" means each Business Day (or otherwise as determined by the Trustee and Investment Manager and notified to Members and Participating Employers).

"**Default Arrangement**" means the default arrangements as may be applicable to Employers and Members in the manner set out in the sub-section headed "**DEFAULT ARRANGEMENTS AND DEFAULT INVESTMENT STRATEGY**" under the section headed "**FUND OPTIONS, INVESTMENT OBJECTIVES AND POLICIES**".

"**Default Investment Strategy**" or "**DIS**" means an investment strategy that complies with Part 2, Schedule 10 to the MPF Ordinance, as summarised in the sub-section headed "**DEFAULT ARRANGEMENTS AND DEFAULT INVESTMENT STRATEGY**" under the section headed "**FUND OPTIONS, INVESTMENT OBJECTIVES AND POLICIES**".

"**Default Investment Strategy Funds**" or "**DIS Funds**" means the Core Accumulation Fund and the Age 65 Plus Fund, and the "Default Investment Strategy Fund" or "DIS Fund" means any of them.

"**Employee Member**" means any employee of a Participating Employer who has been admitted as a Member.

"**Eligible Members**" means Members who have attained the age of 65 years or early retirement on or after reaching the age of 60 and are entitled to withdraw their benefits by instalments as described in the heading "**Payment of Benefits**" under the sub-section headed "**CONTRIBUTIONS, SWITCHING AND PAYMENT OF BENEFITS**" in the section headed "**ADMINISTRATIVE PROCEDURES**".

"**Eligible Benefits**" means the benefits payable by instalments as described in "**Withdrawal By Instalments**" under the heading "**Payment of Benefits**" under the sub-section headed "**CONTRIBUTIONS, SWITCHING AND PAYMENT OF BENEFITS**" in the section headed "**ADMINISTRATIVE PROCEDURES**".

"**Expenses**" means (i) in relation to the Master Trust or a Constituent Fund, expenses relating to the operation of the Master Trust or a Constituent Fund and may be paid by the Master Trust or the relevant Constituent Fund directly or incurred by the Trustee or the Investment Manager, which may then seek reimbursement from the Master Trust or the relevant Constituent Fund, as the case may be; (ii) in relation to FGIF, expenses paid and properly relating to the operation of FGIF and may be paid by FGIF directly or incurred by the trustee or the investment manager of FGIF, which may then seek reimbursement from FGIF. Expenses are accrued daily, based on estimates.

"**Fees**" means (i) in relation to the Master Trust or a Constituent Fund, agreed fees payable to Service Providers or the Trustee, generally determined by reference to the Master Trust's or the relevant Constituent Fund's NAV or a Member's balance; (ii) in relation to FGIF, agreed fees payable to service providers or the trustee of FGIF, generally determined by reference to an FGIF Fund's net asset value.

"**Fidelity**" means FIL Limited, a Bermuda-registered company providing investment management services to investors primarily outside the United States of America, with its headquarters in Bermuda.

"**Fidelity Organisation**" means the family of companies beneficially owned by Fidelity, together with the family of companies beneficially owned by FMR LLC., an affiliate of Fidelity which has its headquarters in Boston.

“**FGIF**” means Fidelity Global Investment Fund, an umbrella APIF managed by the Investment Manager.

“**FGIF Fund**” means a sub-fund of FGIF.

“**FGIF Global Bond Currency Hedged Fund**” means the Global Bond HK$ Hedged Fund of FGIF.

“**FGIF Level 1 Funds**” means the Asia Pacific Equity Fund (MPF), Global Equity Fund, World Bond Fund and RMB Bond Fund (MPF) of FGIF.

“**FGIF Lifecycle Funds**” means the Balanced Fund, Capital Stable Fund, Growth Fund and Stable Growth Fund of FGIF.

“**FGIF Market Investment Funds**” means the Americas Equity Fund, Asia Pacific Equity Fund, European Equity Fund, Global Bond Fund, Hong Kong Bond Fund, Hong Kong Equity Fund, Japanese Equity Fund and RMB Bond Fund of FGIF.

“**FGIF Money Market Funds**” means the HK$ Money Fund and US$ Money Fund of FGIF.

“**FGIF SaveEasy Funds**” means the Fidelity SaveEasy 2020 Fund, Fidelity SaveEasy 2025 Fund, Fidelity SaveEasy 2030 Fund, Fidelity SaveEasy 2035 Fund, Fidelity SaveEasy 2040 Fund, Fidelity SaveEasy 2045 Fund and Fidelity SaveEasy 2050 Fund of FGIF.

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

“**Higher risk assets**” means any assets identified as such in the guidelines issued by the MPF Authority (as amended from time to time), including:

(a) shares;

(b) warrants;

(c) financial futures contracts and financial option contracts that are used other than for hedging purposes;

(d) interest in an ITCIS that tracks an index comprised of equities or equities-like securities; and

(e) any investment approved by the MPF Authority under section 8(1)(c), 8(2)(b) or 8(2)(c) of Schedule 1 to the General Regulation except that part of a unit trust or mutual fund authorized by the SFC that is invested in assets or securities other than those set out in paragraphs (a) to (d) above.

“**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 Manager**” means FIL Investment Management (Hong Kong) Limited.

"**Long term**" means a time period of ten years or longer.

"**lower risk assets**" means any assets other than higher risk assets as permitted under the General Regulation such as bonds and money market instruments.

"**Mandatory contribution**" has the same meaning as the term "mandatory contribution" in the MPF Ordinance.

"**Master Trust**" means the Fidelity Retirement Master Trust.

"**Member**" means a person who has been admitted to membership of the Master Trust, and in this document, includes an Employee Member, a Self-employed Member, a Personal Account Member, an SVC Member and a TVC Member.

"**MPF**" means the mandatory provident fund schemes system established pursuant to the MPF Ordinance.

"**MPF Authority**" means the Mandatory Provident Fund Schemes Authority established under the MPF Ordinance.

"**MPF Balance**" means the accrued benefits derived from mandatory contributions and/or where applicable, special contributions and credited to the appropriate account of the Member in accordance with the Trust Deed constituting the Master Trust.

"**MPF Ordinance**" means the Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the laws of Hong Kong) as amended from time to time.

"**NAV**" means net asset value and in respect of a Constituent Fund, the net asset value of that Constituent Fund determined in accordance with the Trust Deed.

"**Participating Employer**" means an employer participating in the Master Trust.

"**Personal account**" has the meaning ascribed to it in the General Regulation.

"**Personal Account Member**" means a Member who is not an Employee Member, a Self-employed Member, an SVC Member or a TVC Member.

"**Pre-existing Account**" means an account which exists or is set up before 1 April 2017.

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

"**Reference Portfolio**" means, in respect of a DIS Fund, a reference portfolio developed by the MPF industry and published by the Hong Kong Investment Funds Association to provide a common reference point for the performance and asset allocation of the DIS Fund. For further details, please refer to the heading "**Information on performance of DIS Funds**" in the sub-section headed "**DEFAULT ARRANGEMENTS AND DEFAULT INVESTMENT STRATEGY**" under the section headed "**FUND OPTIONS, INVESTMENT OBJECTIVES AND POLICIES**" of this Brochure.

"**Registered Scheme**" means a retirement benefits scheme registered under section 21 or 21A of the MPF Ordinance.

"**Relevant Income**" has the meaning in section 2(1) of the MPF Ordinance.

"**Relevant Time**" has the same meaning as the term "relevant time" in section 7(3) of the MPF Ordinance.

"**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).

"**SEHK**" means The Stock Exchange of Hong Kong Limited.

"**Scheme Year**" means the period from the commencement of the Master Trust to 31 December 2000, and each period of 12 months thereafter ending on 31 December, unless changed in accordance with the terms of the Trust Deed.

"**Self-employed Member**" means a self-employed person participating in the Master Trust.

"**Service Providers**" means those parties that have been appointed by the Trustee to provide the services required to manage the Master Trust in a manner in accordance with the trust deed of the Master Trust.

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

"**Short term**" means a time period of five years or less.

"**Special contribution**" has the same meaning as the term "special contribution" in the MPF Ordinance.

"**SVC**" means special voluntary contribution.

"**SVC Balance**" means the accrued benefits derived from SVC.

"**SVC Member**" means a person who is participating in the Master Trust other than as either (i) an Employee Member; (ii) a Self-employed Member; (iii) a Personal Account Member; or (iv) a TVC Member.

"**Trustee**" means HSBC Institutional Trust Services (Asia) Limited.

"**TVC**" means "tax deductible voluntary contributions" as defined in the MPF Ordinance.

"**TVC account**" has the meaning ascribed to it in the MPF Ordinance.

"**TVC Balance**" means the accrued benefits derived from TVC.

"**TVC Member**" means a person who is eligible to open a TVC account in the Master Trust in accordance with the MPF Ordinance and who participates in the Master Trust for the purpose of making or transferring TVC to the Master Trust.

"**Unit**" means a unit in a Constituent Fund.

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

"**Voluntary Balance**" means the accrued benefits derived from voluntary contributions paid by or in respect of a Member and credited to the appropriate account of the Member in accordance with the Trust Deed constituting the Master Trust provided that in respect of an Employee Member, such Voluntary Balance to the extent attributable to voluntary contributions paid by his Participating Employer shall only include such accrued benefits as have been vested on such Employee Member in accordance with the relevant participation agreement. For the avoidance of doubt, Voluntary Balance does not include SVC Balance.

"**Voluntary contribution**" has the same meaning as the term "voluntary contribution" in the MPF Ordinance.

"**Wage Period**", in relation to an employee and his employer, means the period for which the employee is paid, or should be paid, Relevant Income by the employer.

Issued 30 June 2020

ON-GOING COST ILLUSTRATIONS FOR FIDELITY RETIREMENT MASTER TRUST

ABOUT THIS ILLUSTRATION

This is an illustration of the total effect of fees, expenses and charges on each HK$1,000 contributed in the funds named below. The fees, expenses and charges of a fund are one of the factors that you should consider in making investment decisions across funds. You should however also consider other important information such as the risks of the fund, the nature of the fund, the attributes of relevant parties, the range and quality of services being offered and, most importantly, your own personal circumstances and expectations. The information about fees, expenses and charges set out in this table is intended to help you compare the cost of investing in one constituent fund with the cost of investing in other constituent funds.

The Illustration has been prepared based on some assumptions that are the same for all funds. The Illustration assumes the following:

a) a gross contribution of HK$1,000 is made in the respective constituent fund now and, being eligible to do so, you withdraw all of your accrued benefits arising from this contribution at the end of each time period indicated;
b) for the purpose of this illustration only, the contribution has a 5% gross return each year (It is important that you note that the assumed rate of return used in this document is for illustrative and comparative purpose only. The return is neither guaranteed nor based on past performance. The actual return may be different); and
c) the expenses of the funds (expressed as a percentage called the 'fund expense ratio' below) remain the same for each fund for all the periods shown in this illustration.

BASED ON THE ABOVE ASSUMPTIONS, YOUR COSTS ON EACH HK$1,000 CONTRIBUTED ARE ILLUSTRATED IN THE FOLLOWING TABLE. PLEASE NOTE THAT THE ACTUAL COSTS WILL DEPEND ON VARIOUS FACTORS AND MAY BE DIFFERENT FROM THE NUMBERS SHOWN BELOW.

2019 ON-GOING COST ILLUSTRATIONS SUMMARY FOR FIDELITY RETIREMENT MASTER TRUST

Name of constituent fund	Fund expense ratio for financial period ended (Dec 2019)	Cost on each HK$1,000 contributed		
		After 1 year (HK$)	After 3 years (HK$)	After 5 years (HK$)
Asia Pacific Equity Fund	1.51%	16	49	85
Balanced Fund	1.49%	16	49	84
Capital Stable Fund	1.49%	16	49	84
Global Equity Fund	1.47%	15	48	83
Growth Fund	1.49%	16	49	84
Hong Kong Bond Fund	1.24%	13	41	70
Hong Kong Equity Fund	1.49%	16	49	84
Fidelity Hong Kong Tracker Fund	0.77%	8	25	44
Fidelity SaveEasy 2020 Fund	1.26%	13	41	71
Fidelity SaveEasy 2025 Fund	1.51%	16	49	85
Fidelity SaveEasy 2030 Fund	1.51%	16	49	85
Fidelity SaveEasy 2035 Fund	1.51%	16	49	85
Fidelity SaveEasy 2040 Fund	1.50%	16	49	84
Fidelity SaveEasy 2045 Fund	1.58%	17	51	89
Fidelity SaveEasy 2050 Fund	1.52%	16	50	85
Stable Growth Fund	1.49%	16	49	84
World Bond Fund	1.48%	16	48	83
RMB Bond Fund	1.32%	14	43	74
Core Accumulation Fund	0.83%	9	27	47
Age 65 Plus Fund	0.86%	9	28	49

The above On-going Cost Illustrations calculations have not taken into account any fee rebates that may be offered to certain members of the scheme and the contribution and withdrawal charges as the Investment Manager has already waived both charges.

To improve the utility of these illustrations, the above On-going Cost Illustrations calculations have been adjusted to take out the effect of some non-recurring set-up costs.

ILLUSTRATIVE EXAMPLE FOR FIDELITY RETIREMENT MASTER TRUST MPF CONSERVATIVE FUND

PURPOSE OF THE EXAMPLE

This example is intended to help you compare the total amounts of annual fees and charges payable under this Scheme with those under other registered schemes.

THIS EXAMPLE ASSUMES THAT:

Your MPF Account Activities

(a) your monthly relevant income is $8,000;
(b) you have put all your accrued benefits into the MPF Conservative Fund; you have not switched your accrued benefits to other constituent funds during the financial period; and
(c) you have not transferred any accrued benefits into or out of this Scheme during the financial period.

Your Company Profile

(d) 5 employees (including yourself) of your employer participate in this Scheme;
(e) the monthly relevant income of each employee is $8,000;
(f) no voluntary contribution is made; and
(g) each of the other 4 employees has the same MPF account activities as yours.

Investment Return and Savings Rate

(h) the monthly rate of investment return is 0.5% on total assets; and
(i) the prescribed savings rate is 3.25% per annum throughout the financial period.

Based on these assumptions, the ***total amounts of annual fees*** you need to pay under this Scheme (including those payable to the underlying approved pooled investment fund) in one financial period would be ***$41***.

Warning: This is just an illustrative example. The actual amounts of fees you need to pay may be ***higher or lower***, depending on your choice of investments and activities taken during the financial period.

向強積金客戶披露所需資料*

Disclosure of Necessary Information for MPF Clients*

(依據強制性公積金計劃條例第34ZL(1)(e)條 Pursuant to Section 34ZL(1)(e) of the Mandatory Provident Fund Schemes Ordinance)

富達基金(香港)有限公司(「富達」)已獲香港證券及期貨事務監察委員發牌，經營第一類(證券交易)、第2類 (期貨合約交易)、第四類(就證券提供意見)、第五類(就期貨合約提供意見)及第九類(提供資產管理)受規管活動的持牌法團。此外，香港富達基金亦是已向強制性公積金計劃管理局註冊進行受規管活動^的主事中介人。

FIL Investment Management (Hong Kong) Limited (“FIMHK”) is licensed by the Securities and Futures Commission 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. FIMHK is also a Principal Intermediary registered with the Mandatory Provident Fund Schemes Authority to carry on regulated activites^.

	主事中介人 Principal Intermediary (PI)	附屬中介人 Subsidiary Intermediary (SI)
主要營業地點 Principal place of business	香港金鐘道88號太古廣場二座21樓 Level 21, Two Pacific Place, 88 Queensway, Admiralty, Hong Kong	
業務性質 Nature of business	投資管理 Investment Management	-
富達及其附屬中介人以甚麼身份行事？ What role does FIMHK and its SI play?	富達退休集成信託的保薦人及投資經理人 Sponsor and Investment Manager of the Fidelity Retirement Master Trust (FRMT)	隸屬香港富達基金的強積金註冊中介人 Registered MPF intermediary attached to FIMHK
我們與營運或分銷強積金計劃的主要人士#有何聯繫？ What is our relationship with key parties# connected with the operation or distribution of MPF Scheme?	獨立於主要人士 Independent from key parties	
富達及其附屬中介人可從分銷富達退休集成信託獲得甚麼利益？ What benefits does FIMHK and its SI receive in distributing FRMT?	富達可獲得富達退休集成信託的管理費。不同成份基金的基金管理費各有不同。詳情請參閱富達退休集成信託的強積金計劃說明書。富達保留向參與僱主及成員收取計劃參加費、供款費和權益提取費，但以上收費現時獲得豁免。 FIMHK receives management fees of FRMT. Different constituent fund applies different management fees. Please refer to the MPF Scheme Brochure for FRMT for details. FIMHK reserves the right to apply joining fee, contribution charge, and withdrawal charge to Participating Employer and Member but the above charges are currently waived	附屬中介人不會直接收取任何費用，但會獲得基本薪酬及酌情花紅作報酬。附屬中介人收取的報酬，不會因應強積金成員在參加富達退休集成信託時對成份基金的選擇而出現差異。 SIs will not charge any direct fees and are compensated by basic salary plus discretionary bonus. Compensation received by SIs will not be varied in relation to the choice of constituent funds made by MPF Members upon joining FRMT.
富達及其附屬中介人進行哪類強積金受規管活動？ What types of MPF regulated activities are conducted by FIMHK and its SI?	✓ 邀請及/或誘使作出關鍵決定(按強積金法例的定義) Making invitation and/or inducement relating to a material decision (as defined in the MPF legislation)	

除非另有定義，否則本文件所使用的詞彙，具有與最新刊發的富達退休集成信託的強積金計劃說明書所述的相同涵義。

Terms used in this document bear the same meaning as in the latest MPF Scheme Brochure for the Fidelity Retirement Master Trust, unless otherwise defined.

* 在進行受規管活動時，有關客戶的提述是指 When carrying on a regulated activity, client is a reference to:-

(a) 主事中介人或附屬中介人邀請、誘使、企圖邀請或企圖誘使之作出關鍵決定的人士；或
a person to whom the principal or subsidiary intermediary invites or induces, or attempts to invite or induce, to make a material decision; or

(b) 主事中介人或附屬中介人向之提供受規管意見的人士。
a person to whom the principal or subsidiary intermediary gives regulated advice.

^ 受規管活動乃按照強制性公積金計劃條例第34F條的定義。
Regulated activity as defined in section 34F of the Mandatory Provident Fund Schemes Ordinance.

\# 主要人士包括受託人、保管人、行政管理人及其他獲香港富達基金委託分銷富達退休集成信託的主事中介人。
Key parties include Trustee, Custodian, Administrator and other principal intermediary appointed by FIMHK to distribute our MPF Scheme.

MPF-DNI-MAR2020