

FIL Investment Management (Luxembourg) S.A. (as Management Company)

August 2022

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

*This statement is part of the Hong Kong Prospectus.*

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

### Quick facts

Management Company:	FIL Investment Management (Luxembourg) S.A.			
Investment Manager:	FIL Fund Management Limited (Bermuda, internal delegation)			
Investment Advisor:	Internal and/or external sub-delegation to one or more Investment Advisors as described in “The Investment Manager” section under Part IV of the Hong Kong Prospectus (~Note) ~ Note: The list of all Investment Advisors having managed all or part of the assets of each fund over the last six or twelve months will be published in the annual and semi-annual financial reports.			
Depository:	Brown Brothers Harriman (Luxembourg) S.C.A.			
Ongoing charges over a year^:	Class A-USD:	1.90%	Class A-GBP:	1.90%
	Class C-USD:	2.90%	Class A-ACC-USD:	1.90%
	Class A-ACC-HKD:	1.90%	Class A-ACC-Euro:	1.90%
	Class Y-GBP:	1.05%	Class Y-USD:	1.05%
	Class Y-ACC-USD:	1.05%	Class Y-ACC-Euro:	1.05%
	^ Unless otherwise stated, the ongoing charges figure represents the ongoing expenses based on the annual financial report for the year ended 30 April 2022. This figure may vary from year to year.			
Dealing frequency:	Daily			
Base currency:	USD			
Dividend policy*:	<u>Class A, Class C &amp; Class Y</u> Subject to the Board's discretion, dividends will be declared annually normally on the first business day of August and will be paid accordingly. <u>Class A-ACC &amp; Class Y-ACC</u> No dividends will be paid for accumulating shares. All interest and other income earned on the investment will be retained in the fund. * Unless otherwise stated, dividends will not be paid out of capital and/or effectively out of capital.			
Financial year end of this fund:	30 April			
Minimum investment:		<u>Initial Investment</u>	<u>Subsequent Investment</u>	
	Class A & C	USD 2,500	USD 1,000	
	Class Y	USD 2,500	USD 1,000	

### What is this product?

Fidelity Funds is an open-ended investment company established in Luxembourg and regulated by the Commission de Surveillance du Secteur Financier (CSSF).

## Objectives and investment policy

- The fund is an Equity fund and aims to provide long-term capital growth.
- The fund will primarily (i.e. at least 70% of the fund's assets) focus on China through investment in securities of Chinese companies listed in China and Hong Kong, as well as securities in non-Chinese companies which have a significant portion of their activities in China. China is considered to be an emerging market.
- The fund invests in China and Hong Kong. The fund is unconstrained in the amount that it may invest in either Hong Kong or China.
- The fund will invest up to 60% of its net assets directly and/or indirectly in onshore China A and B Shares on an aggregated basis. The fund can directly invest in China A Shares through the Qualified Foreign Investor ("QFI") status of FIL Investment Management (Hong Kong) Limited and/or through any permissible means available to the fund under prevailing laws and regulations (including through the Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect (collectively, "Stock Connect") or any other eligible means) or indirectly such as by way of China A share access products including, but not limited to, equity linked notes, participation notes, credit-linked notes or funds investing in China A Shares.
- The fund may invest up to 20% of its net assets directly in onshore China A and B Shares.
- For the remaining assets, the Investment Manager has the freedom to invest outside the fund's principal geographies, market sectors, currency or asset classes.
- In selecting securities for the fund, several factors are considered in the investment process; for example, consideration may include, but is not limited to, a company's financials, including revenue and profit growth, return on capital, cash flows and other financial measures. In addition, company management, industry and economic environment, and other factors may be considered in the investment process including non-financial criteria.
- The fund is actively managed. The Investment Manager will, when selecting investments for the fund and for the purposes of monitoring risk, reference MSCI China Capped 10% Index (the "Index") as the Index constituents are representative of the type of companies the fund invests in. The fund's performance can be assessed against its Index. The Investment Manager has a wide range of discretion relative to the Index. While the fund will hold assets that are components of the Index, it may also invest in companies, countries or sectors that are not included in, and that have different weightings from, the Index in order to take advantage of investment opportunities. It is expected that over long time periods, the fund's performance will differ from the Index. However, over short time periods, the fund's performance may be close to the Index, depending on market conditions.
- The fund may invest in assets directly or achieve exposure indirectly through other eligible means including financial derivative instruments ("derivatives"). Such derivatives may include over-the-counter and/or exchange traded instruments such as futures, contracts for difference, equity swaps, options such as puts, calls and warrants, forwards, non-deliverable forwards and currency swaps. The fund may use derivatives with the aim of risk or cost reduction or to generate additional capital or income (including for investment purposes), in line with the risk profile of the fund.
- The fund will not invest more than 10% of their net asset value in securities issued by or guaranteed by any single country (including its government, a public or local authority of that country) with a credit rating below investment grade.
- The fund will not engage extensively in securities lending, repurchase and reverse repurchase transactions.

## Use of derivatives/investment in derivatives

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

## What are the key risks?

**Investment involves risks. Please refer to the Hong Kong Prospectus for details including the risk factors.**

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

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

### **Equities**

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

### **Country Concentration**

- The fund's investments are concentrated in a single country (i.e. China) and may have greater exposures to the market, political, policy, foreign exchange, liquidity, tax, legal, regulatory, economic and social risks of that country, and the value of the fund may be more volatile than a fund which diversifies across a larger number of countries.

### **Stock/Issuer Concentration**

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

### **Emerging Markets**

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

### **China Assets Risk**

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

### **QFI Risk**

- The fund's ability to make the relevant investments or to fully implement or pursue its investment objective and strategy is subject to the applicable laws, rules and regulations (including restrictions on investments, minimum investment holding periods and requirements on repatriation of principal and profits) in the PRC, which are subject to change and such change may have potential retrospective effect.
- The fund may suffer substantial losses if the approval of the QFI status is being revoked/terminated or otherwise invalidated as the fund may be required to dispose of its securities holdings or prohibited from trading of relevant securities and repatriation of the fund's monies, or if any of the key operators or parties (including QFI custodian/brokers) is bankrupt/in default and/or is disqualified from performing its obligations (including execution or settlement of any transaction or transfer of monies or securities).

### **Risks associated with the Stock Connect**

- The fund may invest and have direct access to certain eligible China A Shares via the Stock Connect. The relevant rules and regulations on Stock Connect are subject to change which may have potential retrospective effect.
- 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.
- Where a suspension in the trading through the programme is effected, the fund's ability to invest in China A Shares or access the PRC market through the programme will be adversely affected. In such event, the fund's ability to achieve its investment objective could be negatively affected.

### Chinese Renminbi Currency and Conversion Risk

- Chinese Renminbi (RMB) is currently 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 Mainland China, whereas CNH is freely tradable. There is no guarantee that the value of RMB against the investors' base currencies will not depreciate. Any depreciation of RMB could adversely affect the value of investor's investment in the fund. Under exceptional circumstances, payment of redemptions and/or dividend payment in RMB may be delayed due to the exchange controls and restrictions applicable to RMB.

### Mainland China Tax Risk

- There are risks and uncertainties associated with the current tax laws, regulations and practice of Mainland China in respect of capital gains realised via QFI status or Stock Connect or access products on the fund's investments in Mainland China (which may have retrospective effect). Any increased tax liabilities on the fund may adversely affect the fund's value.
- Based on professional and independent advice, currently no provision is being made by the fund for tax on capital gains on disposals of China A Shares and B Shares or for tax on dividends, if any, received on China A Shares (including those acquired through Stock Connect), without deduction of tax provision made ultimately may prove excessive or inadequate to meet any at source. The actual tax liabilities (if any) will be debited from the fund's assets, and may adversely affect the fund's net asset value.

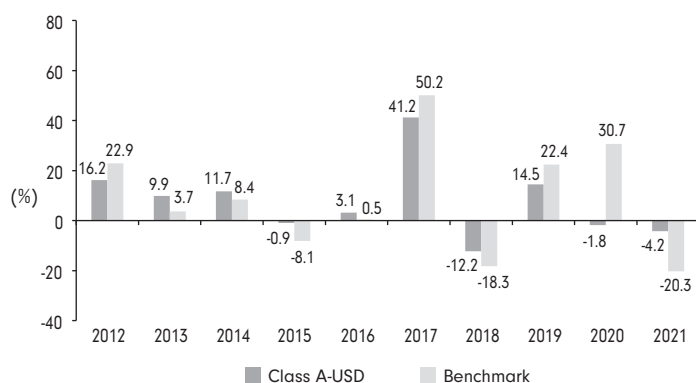
### Foreign Currency Risk

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

### Financial Derivative Instruments

- The fund's net derivative exposure may be up to 50% of its net asset value. The use of derivatives may give rise to liquidity risk, counterparty credit risk, volatility risk, valuations risks and over-the-counter transaction risk at times. The leverage element/component of a derivative can result in a loss significantly greater than the amount invested in the financial derivative instrument by the fund. Exposure to financial derivative instruments may lead to a high risk of significant loss by the fund.

### How has the fund performed?



The performance during the years prior to 2020 was achieved under circumstances that may no longer apply as the investment objective was changed in 2012 and 2020.

- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividend reinvested.
- These figures show by how much the Class A-USD increased or decreased in value during the calendar year being shown. Performance data has been calculated in USD including ongoing charges and excluding any subscription fees and redemption fees you might have to pay.
- Fund launch date: 2003
- Class A-USD launch date: 2003
- Class A-USD is selected as the most appropriate representative share class as it has the longest track record and is denominated in the fund's reference currency.
- The benchmark is the MSCI China Capped 10% Index.

### Is there any guarantee?

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

## What are the fees and charges?

### Charges which may be payable by you

You have to pay the following fees when dealing in shares of the fund:

<b>Subscription Fee</b>	Class A – Up to 5.25% of NAV Class C & Class Y – 0%
<b>Switching Fee</b>	Generally up to 1% of NAV, except if you are switching from one class with no subscription fee into a class with subscription fee, you will have to pay for a switching fee of up to the full subscription fee of the class to be switched into
<b>Redemption Fee</b>	N/A

### Ongoing fees payable by the fund

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

<b>Management Fee*</b>	Class A & Class C – Up to 1.50% p.a. of NAV Class Y – Up to 0.80% p.a. of NAV
<b>Depository Fee</b>	Varies from 0.003% to 0.35% of NAV
<b>Performance Fee</b>	N/A
<b>Administration Fee</b>	Up to 0.35% of NAV

\* The management fee can be increased to a maximum annual rate of 2% of the net asset value of the fund. In the event of such increase, not less than 3 months' notice will be given to you.

### Other Fees

You may have to pay other fees when dealing in shares of the fund. Any other fees and charges are described in the Hong Kong Prospectus. You should note that some fees may be increased, up to a specified permitted maximum, by giving shareholders at least one month's prior notice. For details, please refer to the Hong Kong Prospectus.

## Additional Information

- You generally buy, redeem or switch shares at the fund's next-determined net asset value after we receive your request, directly or via a distributor, in good order at or before 5.00 p.m. Hong Kong time on a dealing day, being the fund's dealing cut-off time. Before placing your orders, please check with your distributor for the distributor's internal dealing cut-off time (which may be earlier than the fund's dealing cut-off time).
- The net asset value of this fund is calculated and the price of shares is published each business day. Net asset value of the fund (other than Class A) will be published in the South China Morning Post and the Hong Kong Economic Times. Net asset value of Class A will be published on [www.fidelity.com.hk](http://www.fidelity.com.hk) \*.
- Investors may also obtain the past performance information of the fund's representative share class and (if applicable) other share classes offered to Hong Kong investors from [www.fidelity.com.hk](http://www.fidelity.com.hk) \*.
- Investors may obtain information on the intermediaries from the Fidelity Investor Hotline: +852 2629 2629.

## Important

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

\* The website has not been reviewed by the SFC.