

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

April 2022

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

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

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

**Dealing frequency:** Daily

**Base currency:** HKD

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

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

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

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

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

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

**What is this product?**

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

**Objectives and Investment Policy**

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

**Use of derivatives**

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

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

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

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

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

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

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

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

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

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

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

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

#### *Downgrading risk*

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

#### *Credit/Default risk*

- Investments may be adversely affected if any of the institutions with which money is deposited suffers insolvency or are otherwise unable to pay interest or principal (default). Credit risk also arises from the uncertainty about the ultimate repayment of principal and interest from bond or other debt instrument investments by the issuers of such securities. In both cases the entire deposit or purchase price of the debt instrument is at risk of loss if there is no recovery after default.

#### *Credit rating risk*

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

#### **Valuation Risk**

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

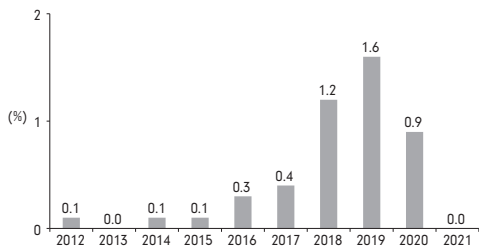
#### **Investment Concentration**

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

#### **Emerging Markets Risks**

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

### How has the fund performed?



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

### Is there any guarantee?

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

### What are the fees and charges?

#### Charges which may be payable by you

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

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

#### Ongoing fees payable by the fund

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

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

#### Other Fees

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

### **Additional Information**

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

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

### **Important**

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