

FIDELITY RETIREMENT MASTER TRUST

Updates to the Statement of Investment Policy of the Constituent Funds and Other Changes to the Master Trust

Attention: This document is important and requires your immediate attention. If you are in any doubt about the contents of this document, you should seek independent professional advice.

FIL Investment Management (Hong Kong) Limited (the “**Investment Manager**”) and HSBC Institutional Trust Services (Asia) Limited (the “**Trustee**”), being the investment manager and trustee of the Fidelity Retirement Master Trust (the “**Master Trust**”), each accepts full responsibility for the accuracy of the information contained in this document and each 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.

You should consider your own risk tolerance level and financial circumstances before making any investment choices.

Terms used in this document bear the same meaning as in the Principal Brochure dated December 2016, as amended (the “**Principal Brochure**”), unless otherwise defined.

Dear Participating Employers and Members,

We are writing to you in relation to certain changes to the Master Trust.

Summary of Key Changes

1. Updates to the Statement of Investment Policy of the Constituent Funds and the Risk Factors

- With effect from 29 May 2020, the RMB Bond Fund may indirectly invest in RMB denominated debt securities issued or distributed inside Mainland China.
- Enhancements are made to the disclosures on the investment policies of the Constituent Funds.
- The disclosures on the risk factors applicable to the Constituent Funds are enhanced for better clarity.

2. Continual management of Fidelity SaveEasy 2020 Fund until 2025

- Although the Fidelity SaveEasy 2020 Fund will reach its target year in 2020, the Investment Manager does not propose to terminate the Fidelity SaveEasy 2020 Fund in 2020 and will continue to manage the Constituent Fund until 2025.

3. Reduction of Investment Management Fee of MPF Conservative Fund

- With effect from 1 January 2020, the investment management fee of the MPF Conservative Fund is reduced from 0.40% to 0.25% p.a. of its NAV.

4. Automatic Exchange of Financial Account Information

- Starting on 1 January 2020, the Master Trust is required to comply with the requirements of Automatic Exchange of Financial Account Information in Tax Matters (“**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 Inland Revenue Department of Hong Kong (“**IRD**”). This information includes (but is not limited to), in respect 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. Such information to the IRD 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, 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.

5. Other changes to Master Trust

- With effect from 30 April 2020, the Trustee may reject all or part of voluntary contributions and SVCs for compliance purposes, in addition to its existing discretion to refuse to allow or accept SVCs transferred into the Master Trust from another scheme in respect of an SVC Member.
- With effect from 1 January 2021, voluntary contributions and SVC made by a Self-employed Member and an SVC Member may not respectively exceed HKD390,000 per financial year.
- The disclosure in the Principal Brochure is generalised by removing the requirement that regular TVC and regular SVC may only be effected by way of direct debit arrangement. Going forward, the Investment Manager may permit other means of payment for regular TVC and regular SVC apart from direct debit.
- The Principal Brochure is updated to remove the disclosure that Members have to provide at least 5 Business Days' notice (or such shorter period as the Trustee may agree) for switching and/or change of specific investment instruction for future contributions.
- The Principal Brochure is updated to reflect that Members may elect to request withdrawal by instalments by specifying the amount or percentage of withdrawal.
- With immediate effect, no Joining Fee will be charged to Self-employed Members.
- Clarificatory amendment is made to the Principal Brochure to reflect that currently no sponsor or promoter fee is charged and thus, the same are not included in the management fees.
- The Principal Brochure is updated to reflect (i) enhancement of disclosures on the Investment Manager's policies relating to conflicts of interests and liquidity risk management; and (ii) other drafting and miscellaneous amendments.

6. Updates for compliance with Part G of the Code on Disclosure for MPF Investment Funds

- The Principal Brochure will be updated to reflect the requirements on the presentation of information and risk disclosure in the offering document of a registered scheme pursuant to Part G of the Code on Disclosure for MPF Investment Funds, and will accordingly be re-named as "MPF Scheme Brochure".

7. Any query?

- If you have any query on the changes set out in this document, please call the Fidelity Investor Hotline at (852) 2629 2629.

A. Updates to the Statement of Investment Policy of the Constituent Funds and the Risk Factors

(a) Investment in onshore Mainland China debt securities

The RMB Bond Fund invests in an underlying fund, namely, the RMB Bond Fund (MPF) of Fidelity Global Investment Fund ("FGIF"), which in turn invests into the RMB Bond Fund of FGIF.

With effect from 29 May 2020, the investment policy of the RMB Bond Fund of FGIF will change such that it will primarily have direct 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 such, the RMB Bond Fund (MPF) of FGIF may indirectly invest in RMB denominated debt securities issued or distributed inside Mainland China.

Accordingly, the investment policy of the RMB Bond Fund of the Master Trust in the Principal Brochure is updated to reflect the changes to the underlying fund. As a result, with effect from 29 May 2020, the RMB Bond Fund will primarily have 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.

China interbank bond market ("CIBM")

The relevant underlying fund may invest in onshore Mainland China debt securities including those traded on the CIBM via Bond Connect.

Investing in the CIBM via Bond Connect is subject to regulatory risks and various risks such as volatility risk, liquidity risk, settlement and counterparty risk, Renminbi currency and conversion risk, and Mainland Chinese tax risk. 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 relevant underlying fund's ability to invest in the CIBM will be adversely affected. In such event, the relevant underlying fund's ability to achieve its investment objective will be negatively affected.

Implications on the RMB Bond Fund

Save for the changes and the investment through CIBM and associated risks mentioned above, there are no changes in the operation and/or manner in which the RMB Bond Fund of FGIF, and hence the RMB Bond Fund (MPF) of FGIF and the RMB Bond Fund of the Master Trust, are managed in practice and there is no impact on existing Members. The existing Members of the RMB Bond Fund will not be prejudiced as a result of the above changes.

Members of the RMB Bond Fund who disagree with the above changes may switch their holdings into another Constituent Fund and/or DIS free of charge pursuant to the Principal Brochure.

(b) Enhancements of the disclosures on the investment policies of the Constituent Funds

For the purpose of enhancement of disclosures to investors, amendments are made to the description of the investment objective and policies of certain sub-funds of FGIF, which are underlying funds of the Constituent Funds.

Accordingly, the description of the investment objectives and policies of the Growth Fund, Balanced Fund, Stable Growth Fund, Capital Stable Fund, 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, Asia Pacific Equity Fund, Global Equity Fund, Hong Kong Equity Fund, Hong Kong Bond Fund, RMB Bond Fund, World Bond Fund, MPF Conservative Fund, Core Accumulation Fund and Age 65 Plus Fund in the Principal Brochure is amended with immediate effect to reflect the revised description at the underlying funds' level. Members should review the latest Principal Brochure for the revised description of the investment objectives and policies of the relevant Constituent Funds.

Apart from the changes to the RMB Bond Fund as described in section A (a) above, there is no change in the manner in which the Constituent Funds of the Master Trust are managed in practice notwithstanding the implementation of the foregoing amendments made for enhancement of disclosures. Accordingly, the enhancement of disclosures for the relevant Constituent Funds will not result in any change to their investment objective and policy in practice. There is no change to the risk and return profile of the relevant Constituent Funds.

(c) Enhancement of disclosures on the risk factors

For better clarity to investors, amendments are made to the description of the risk factors in the explanatory memorandum of FGIF. The risk disclosures in the Principal Brochure are amended with immediate effect accordingly to reflect the revised description at the underlying funds' level.

B. Continual management of Fidelity SaveEasy 2020 Fund until 2025

As disclosed in the Principal Brochure, 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**"). Although the Fidelity SaveEasy 2020 Fund will reach its target year in 2020, the Investment Manager does not propose to terminate the Fidelity SaveEasy 2020 Fund in 2020 and will continue to manage the Constituent Fund until 2025.

Further notice 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.

C. Reduction of Investment Management Fee of MPF Conservative Fund

With effect from 1 January 2020, the investment management fee of MPF Conservative Fund is reduced from 0.40% to 0.25% p.a. of its NAV. Prior to such reduction, there have been rebates credited to this Constituent Fund to maintain the current level of management fees at the level of 0.93% of its NAV as stated in the Principal Brochure. The rebates are now reflected by way of the reduction in investment management fee. As such, there will be no change to the **total** management fees payable from the MPF Conservative Fund, which is 0.93% of its NAV.

D. 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 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, 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 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.

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 authorised 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 when enrolling into the Master Trust; otherwise, account opening process will be adversely affected and could not be completed.

Existing 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. Other than that, no action is required for existing account holders. If the Trustee requires further information and/or documents from existing account holders in light of AEOI, the Trustee will contact the relevant account holders separately.

The Trust Deed of the Master Trust will be amended to provide the Trustee with certain powers to facilitate the Master Trust’s compliance with the requirements of AEOI, and impose the appropriate obligations on the account holders of the Master Trust. The Principal Brochure will also be updated to reflect an overview of the application of the AEOI on the Master Trust.

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. Account holders and prospective participants of the Master Trust may also refer to the set of FAQs in relation to AEOI on https://www.fidelity.com.hk/static/hong-kong/pdf/CRS/CRS_FAQ_EN.pdf.

E. Other Changes to the Master Trust

(a) Enhanced measures for compliance purposes

With effect from 30 April 2020, the Trustee may reject all or part of voluntary contributions 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 (“**Rejection Circumstances**”). The Trust Deed of the Master Trust and the Principal Brochure will be amended to reflect the above enhanced measures.

In respect of TVC, the Trustee may also reject all or part of TVC under the Rejection Circumstances according to the Principal Brochure.

In respect of SVC, under the Trust Deed of the Master Trust, the Trustee has the discretion to refuse to allow or accept SVCs transferred into the Master Trust from another scheme in respect of a SVC Member. Such discretion will also be disclosed in the Principal Brochure. The Principal Brochure will also be amended to specify the circumstances in which SVC may be refused, for illustrative purposes. Such circumstances are the Rejection Circumstances mentioned above.

Also, we will take this opportunity to specify in the Trust Deed of the Master Trust and the Principal Brochure that any rejected TVC, 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 TVC, 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.

(b) Cap on maximum voluntary contributions and SVC in a year

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

(c) Means of payments for regular TVC and regular SVC

The disclosure in the Principal Brochure is generalised by removing the requirement that regular TVC and regular SVC may only be effected by way of direct debit arrangement. Going forward, the Investment Manager may permit other means of payment for regular TVC and regular SVC apart from direct debit. Relevant details are available in the Application Forms and Change Forms relating to TVC and SVC.

(d) Notice period for switching and/or change of specific investment instruction for future contributions

Currently, it is disclosed in the Principal Brochure that 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 at any time, by providing at least 5 Business Days' notice (or such shorter period as the Trustee may agree). With immediate effect, such 5 Business Days' prior notice is no longer required to be given by a Member for switching and/or change of specific investment instruction for future contributions. As such, the disclosure on the relevant notice period is removed from the Principal Brochure.

(e) Withdrawals by instalments

The Principal Brochure is updated to reflect that Members may elect to request withdrawal by instalments by specifying the amount or percentage of withdrawal.

(f) No charging of joining fee to Self-employed Members

With immediate effect, no Joining Fee will be charged to Self-employed Members.

(g) No charging of sponsor or promoter fee

Clarificatory amendment is made to the Principal Brochure to reflect that currently no sponsor or promoter fee is charged and thus, the same are not included in the management fees.

(h) Miscellaneous enhancement of disclosures

The Principal Brochure is updated to reflect (i) enhancement of disclosures on the Investment Manager's policies relating to conflicts of interests and liquidity risk management; and (ii) other drafting and miscellaneous amendments.

F. Updates for compliance with Part G of the Code on Disclosure for MPF Investment Funds

The Code on Disclosure for MPF Investment Funds has recently been revised. In particular, Part G of the revised Code on Disclosure for MPF Investment Funds sets out the requirements on the presentation of information and risk disclosure in the offering document of a registered scheme. In this connection, the Principal Brochure will be updated for compliance with the relevant presentation standard. For the purpose of standardisation, the Principal Brochure will also be re-named as the "MPF Scheme Brochure".

In addition, to maintain consistency and to standardise the presentation of information in the offering document, we also take this opportunity to tidy-up and generalise certain disclosures in the Principal Brochure (to be re-named as the “MPF Scheme Brochure”).

This is a change relating to the presentation of the information in the offering document only, and would not result in any changes to the operation and features of the Master Trust.

G. Costs and expenses associated with the Changes

The costs and expenses associated with the change set out in paragraph A(a) above will be borne by the Investment Manager, whilst those associated with other updates will be borne by the Master Trust.

H. Amendments to the Principal Brochure and Trust Deed

The Principal Brochure is revised and re-named as “MPF Scheme Brochure” to reflect the changes set out above. The Trust Deed of the Master Trust is revised by way of a Eighth Supplemental Deed to reflect the applicable changes set out above. The changes set out above will not have any adverse impact on the Master Trust and the interests of Members. The changes described in this document are in summary form only. Members should review the Principal Brochure (as revised and re-named as “MPF Scheme Brochure”) for further details on the changes made. A copy of the Principal Brochure (revised and re-named as “MPF Scheme Brochure”) can be obtained by accessing the website¹ at <http://www.fidelity.com.hk> or calling the Fidelity Investor Hotline at (852) 2629 2629.

I. Documents Available

Copies of the Principal Brochure (revised and re-named as “MPF Scheme Brochure”) can be obtained by accessing the website¹ at: <http://www.fidelity.com.hk>, and can also be obtained free of charge during normal working hours on any day (excluding Saturdays, Sundays and public holidays) at the offices of the Investment Manager at Level 21, Two Pacific Place, 88 Queensway, Admiralty, Hong Kong. Copies of the Trust Deed, as amended, may be inspected during normal working hours at the offices of the Investment Manager.

J. Means to Obtain Further Information

If you have any query on the changes set out in this document, please call the Fidelity Employer Hotline (852) 2629 2677 (for employers) or the Fidelity Investor Hotline at (852) 2629 2629 (for Members).

FIL Investment Management (Hong Kong) Limited
HSBC Institutional Trust Services (Asia) Limited

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¹ This website has not been reviewed by the SFC.