



# Fidelity Retirement Master Trust – Fund Information



**For Fidelity Retirement Master Trust, please note:**

- 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.
- You should not invest based on the information on this document alone and should read the Principal Brochure of Fidelity Retirement Master Trust for details including the risk factors, before making any investment decision.
- The MPF Conservative Fund under the Fidelity Retirement Master Trust does not guarantee the repayment of capital. The purchase of a Unit in the MPF Conservative Fund is not the same as placing funds on deposit with a bank or deposit-taking company.
- Fidelity SaveEasy Funds are not savings deposits and involve investment risks. This product may not be suitable for everyone. Investors should also consider factors other than age and review their own investment objectives.
- 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 Principal Brochure be invested in accordance with the Default Investment Strategy which may not necessarily be suitable for you.
- Investment involves risks, you may suffer significant loss of your investments. Past performance is not indicative of future performance.

# Your MPF investment choices

Fidelity Retirement Master Trust ("FRMT") offers a wide selection of 21 constituent funds ("Constituent Funds") for you to choose from. These Constituent Funds are grouped in Seven categories listed below.

<b>Equity Funds (Market Investment Funds)</b>	<ul style="list-style-type: none"><li>■ Hong Kong Equity Fund</li><li>■ Asia Pacific Equity Fund</li><li>■ Global Equity Fund</li></ul>
<b>Index Tracking Funds</b>	<ul style="list-style-type: none"><li>■ Fidelity Hong Kong Tracker Fund</li></ul>
<b>Lifecycle Funds</b>	<ul style="list-style-type: none"><li>■ Growth Fund</li><li>■ Balanced Fund</li><li>■ Stable Growth Fund</li><li>■ Capital Stable Fund</li></ul>
<b>Default Investment Strategy Funds*</b>	<ul style="list-style-type: none"><li>■ Core Accumulation Fund</li><li>■ Age 65 Plus Fund</li></ul>
<b>Bond Funds (Market Investment Funds)</b>	<ul style="list-style-type: none"><li>■ RMB Bond Fund</li><li>■ Hong Kong Bond Fund</li><li>■ World Bond Fund</li></ul>
<b>MPF Conservative Fund (Money Market Funds)</b>	<ul style="list-style-type: none"><li>■ MPF Conservative Fund</li></ul>
<b>SaveEasy Funds</b>	<ul style="list-style-type: none"><li>■ Fidelity SaveEasy 2050 Fund</li><li>■ Fidelity SaveEasy 2045 Fund</li><li>■ Fidelity SaveEasy 2040 Fund</li><li>■ Fidelity SaveEasy 2035 Fund</li><li>■ Fidelity SaveEasy 2030 Fund</li><li>■ Fidelity SaveEasy 2025 Fund</li><li>■ Fidelity SaveEasy 2020 Fund</li></ul>

\* De-risking is not applied in these two standalone Constituent Funds. For details of de-risking under Default Investment Strategy, please refer to P.2.

# What is 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 accrued benefits and future investments 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 MPF schemes.

## (a) Objective and Strategy

The DIS aims to balance the long term effects of risk and return through investing in two Constituent Funds, namely the Core Accumulation Fund (“CAF”) and the Age 65 Plus Fund (“A65F”), according to the pre-set allocation percentages at different ages. The CAF will 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 net asset value whereas the A65F will invest around 20% in higher risk assets and 80% in lower risk assets. The DIS Funds adopt globally diversified investment principles and use different classes of assets, including global equities, fixed income, money market instruments and cash, and other types of assets allowed under the MPF legislation. For further information about the CAF and A65F including their investment objective and policy, please refer to the Principal Brochure of FRMT.

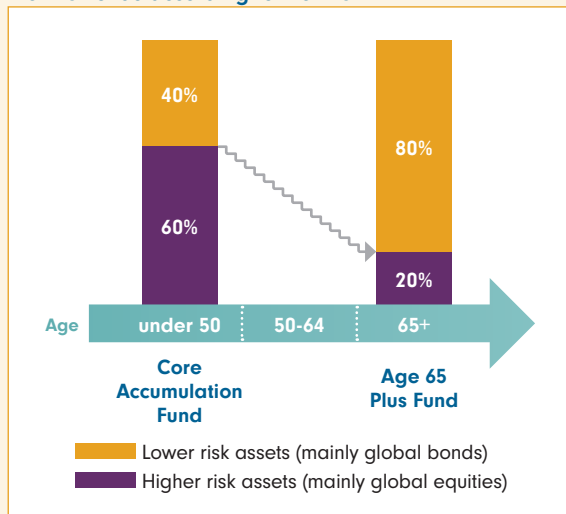
## (b) Annual de-risking

Accrued benefits invested through the DIS will be invested in a way that adjusts 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 get solder. Such de-risking is to be achieved by way of reducing the holding in the CAF and increasing the holding in the A65F 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.

In summary, under the DIS:

- (1) When a Member is below the age of 50, all accrued benefits and future investments will be invested in the CAF.
- (2) When a Member is between the ages of 50 and 64, all accrued benefits and future investments will be invested according to the allocation percentages between the CAF and A65F as shown in the DIS de-risking table (see Diagram 2 below) . The de-risking of the existing accrued benefits and future investments will be automatically carried out as described above.
- (3) When a Member reaches the age of 64, all accrued benefits and future investments will be invested in the A65F.

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



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

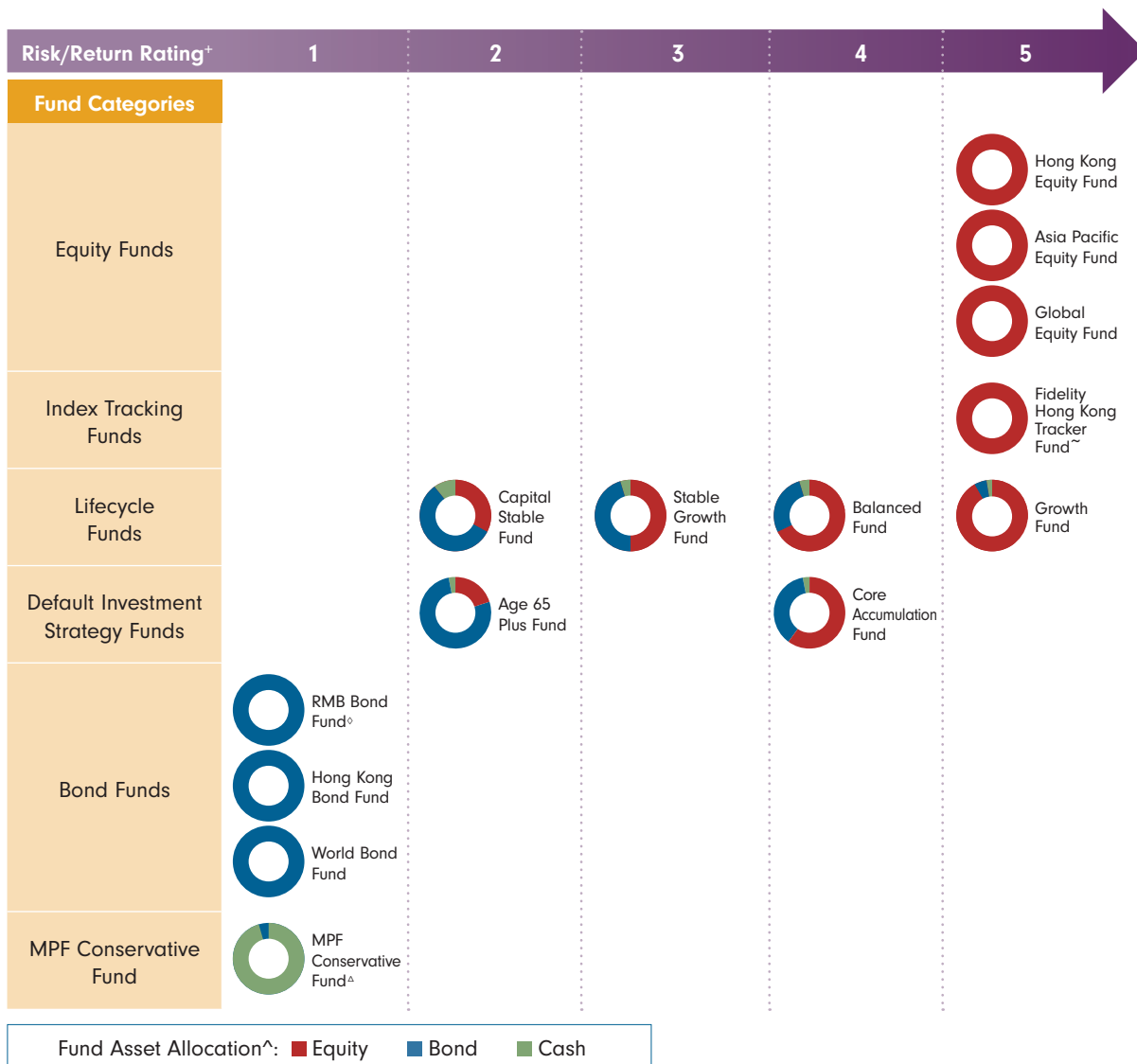
**Diagram 2: DIS De-risking Table**

Age	Core Accumulation Fund (“CAF”)	Age 65 Plus Fund (“A65F”)
Below 50	100%	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 the CAF and A65F is made at the point of annual de-risking and the proportion of the CAF and A65F in the DIS portfolio may vary during the year due to market fluctuations.

## Risk and return profile

Each Constituent Fund has different risk to return levels. A Constituent Fund that yields higher potential return generally has a higher level of investment risk. Hence, understanding your risk tolerance level and determining the years to your retirement, enables you to select the appropriate investment combination for your retirement portfolio.

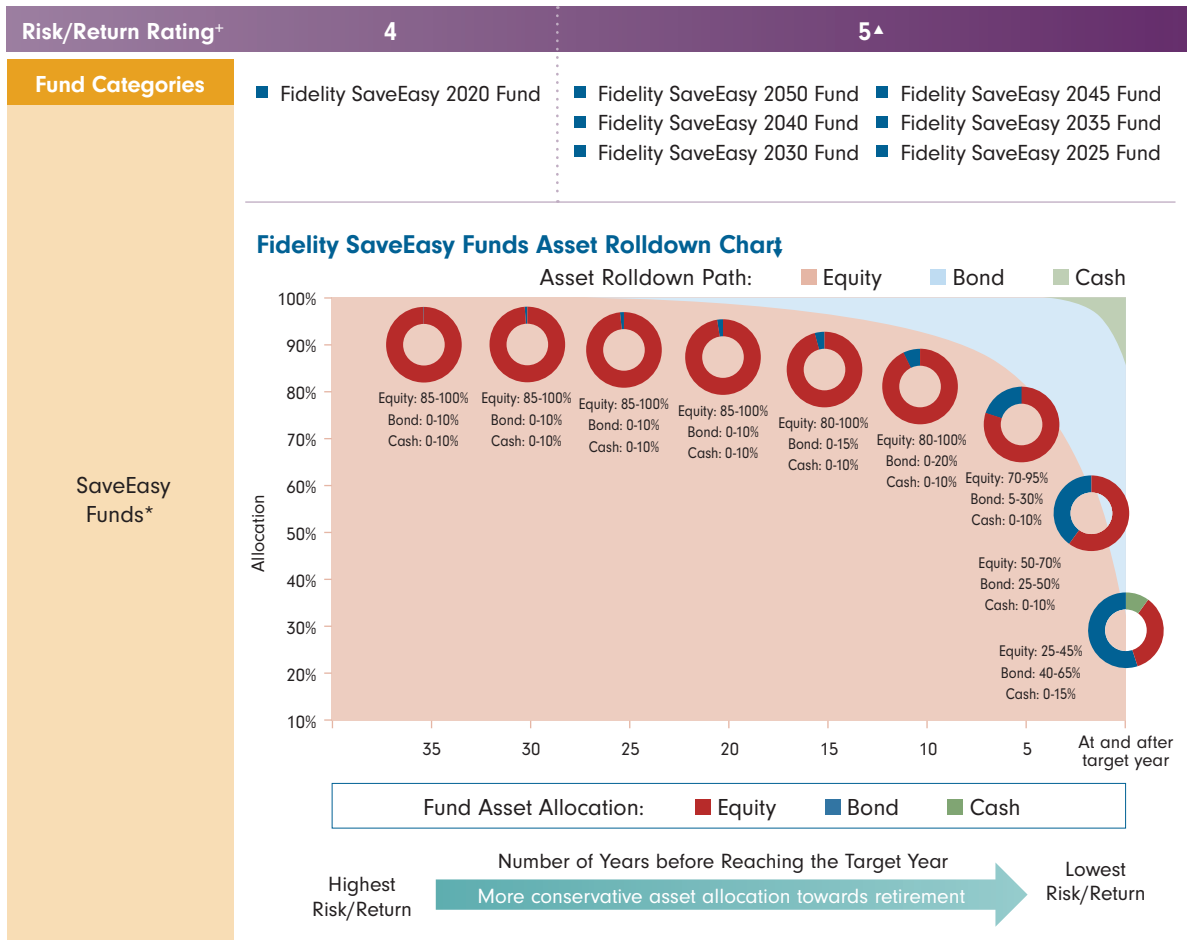


<sup>^</sup> Investors are reminded that the above only represents the target asset allocations of the Constituent Fund and the actual asset allocations will at times vary considerably from that shown above as market, political, structural, economic and other conditions change. For the actual asset allocations of each Constituent Fund, you may refer to the fund fact sheet of the relevant Constituent Fund which is available on the Fidelity Website.

<sup>~</sup> Fidelity Hong Kong Tracker Fund is subject to market risk of the sector or market tracked by the relevant index, tracking error risk, passive management risk, early termination risk, etc. Please refer to the "Risk Factors" sub-section in the Principal Brochure of FRMT for further information.

<sup>◇</sup> RMB Bond Fund is denominated in HKD only and not in RMB. The Constituent Fund is subject to RMB currency risk and exchange risk, risk of limited pool of investments, etc. Please refer to the "Risk Factors" sub-section in the Principal Brochure of FRMT for further information.

<sup>△</sup> 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. The MPF Conservative Fund under the FRMT uses method (i) and, therefore, its unit prices / NAV / fund performance have incorporated the impact of fees and charges. The purchase of a unit in the MPF Conservative Fund is not the same as placing funds on deposit with a bank or deposit-taking company.



▲ The SaveEasy Funds will initially have greater exposure to underlying funds investing into equities (which risk/return rating is 5). 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 (risk/return rating will move down to 2 gradually). As and when the SaveEasy Funds exposures change, the risk/return rating of the SaveEasy Funds would move lower down the risk/return rating scale. Please refer to the sub-section headed "Risk and Return Profile" and the chart displaying the Fidelity SaveEasy Funds Asset Rolldown in the sub-section headed "SaveEasy Funds" in the Principal Brochure of FRMT for details.

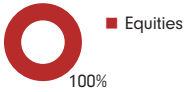

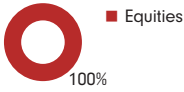
▼ The Fidelity SaveEasy Funds Asset Rolldown Chart above provides a simple method for investors to view the **indicative** asset allocations and also the shift in their risk/return profile over the duration of the particular SaveEasy Fund. Investors are reminded that this is an **indicative** rolldown 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 discretion of FIL Investment Management (Hong Kong) Limited ("Fidelity") without unitholders' approval, notice to unitholders or approval from the Securities and Futures Commission / Mandatory Provident Fund Schemes Authority.

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


+ Risk/Return Rating is defined using a 5-point risk/return scale as 1 = Lowest risk/return, 2 = Low risk/return, 3 = Medium risk/return, 4 = High risk/return, 5 = Highest risk/return. The risk/return profile for each Constituent Fund is created by Fidelity, based on its in-house analysis, after consideration of the "Risk Factors" described in the Principal Brochure of FRMT, prevailing market, political, structural, economic and other conditions, and the anticipated asset allocation of each Constituent Fund. The risk/return ratings are provided by Fidelity to investor for reference only and may be subject to change according to regular review (at least once a year) by Fidelity depending on the market conditions, without prior notice. Investor should always consider their individual risk and return profile. For the current risk/return rating of each Constituent Fund, please refer to the Fidelity Website.

## Fund details

### Equity Funds

Name of Constituent Fund	Investment Objective	Target Asset Allocation <sup>^</sup>	Risk/Return Rating <sup>+</sup>
Hong Kong Equity Fund	The Constituent Fund aims to focus investment into the equity markets of Hong Kong, namely equities of companies listed in Hong Kong (including Greater China companies that are listed in Hong Kong) or companies which have a business connection with Hong Kong (including companies which are listed outside Hong Kong). Companies which have a business connection with Hong Kong include but are not limited to companies that are domiciled or incorporated in Hong Kong, to produce returns that are related to those achieved on the major stock market indices of Hong Kong, to have the flexibility to invest in bonds in a limited manner, and to accept a high level of return volatility in the short term.	 100% ■ Equities	5
Asia Pacific Equity Fund	The Constituent Fund aims to focus investment into the equity markets of Asia Pacific, to produce returns that are related to those achieved on the major stock market indices of Asia Pacific, to have the flexibility to invest in bonds in a limited manner, and to manage the volatility of returns in the short term.	 100% ■ Equities	5
Global Equity Fund	The Constituent Fund aims to focus investment into the global equity markets, to produce returns that are related to those achieved on the major world stock market indices, to have the flexibility to have limited investment into bonds, and to manage the volatility of returns in the short term.	 100% ■ Equities	5

### Index Tracking Funds

Name of Constituent Fund	Investment Objective	Target Asset Allocation <sup>^</sup>	Risk/Return Rating <sup>+</sup>
Fidelity Hong Kong Tracker Fund <sup>□</sup>	The Constituent Fund aims 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 <sup>#</sup> .	 100% ■ Equities	5

<sup>□</sup> Fidelity Hong Kong Tracker Fund is subject to market risk of the sector or market tracked by the relevant index, tracking error risk, passive management risk, early termination risk, etc. Please refer to the "Risk Factors" sub-section in the Principal Brochure of FRMT for further information.

<sup>#</sup> The Hang Seng Index measures the performance of largest and most liquid companies listed on the Main Board of the Stock Exchange of Hong Kong Limited 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](http://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](http://www.hsi.com.hk). Please also refer to Appendix II of the Principal Brochure of FRMT for further information on the Hang Seng Index including the disclaimer of the index provider.



## Lifecycle Funds

Name of Constituent Fund	Investment Objective	Target Asset Allocation <sup>^</sup>	Risk/Return Rating <sup>+</sup>
Growth Fund	The Constituent Fund aims to build real wealth over the long term, to focus investment into the global equity markets, to have the flexibility to invest in global bonds, to manage the volatility of returns in the short term, and to maintain a broad geographic diversification with a bias towards Hong Kong.	<p>90% Equities, 7% Bonds, 3% Cash</p>	5
Balanced Fund	The Constituent Fund aims to build capital value over the long term, to provide a degree of asset diversification within a predominately equity portfolio, to manage the volatility of returns in the short term, and to maintain a broad geographic diversification with a bias towards Hong Kong.	<p>70% Equities, 25% Bonds, 5% Cash</p>	4
Stable Growth Fund	The Constituent Fund aims to generate a positive return over the long term, to broadly diversify the portfolio as to asset type as between equities and bonds, to limit the volatility of returns in the short term, and to maintain a broad geographic diversification with a bias towards Hong Kong.	<p>50% Equities, 45% Bonds, 5% Cash</p>	3
Capital Stable Fund	The Constituent Fund aims to produce a positive return over the long term, to focus investment towards less volatile assets of bonds and cash whilst retaining some equity exposure, to ensure that the risk to the capital base is limited in the short term, and to maintain a broad geographic diversification with a bias towards Hong Kong.	<p>30% Equities, 60% Bonds, 10% Cash</p>	2

<sup>+</sup> Risk/Return Rating is defined using a 5-point risk/return scale as 1 = Lowest risk/return, 2 = Low risk/return, 3 = Medium risk/return, 4 = High risk/return, 5 = Highest risk/return. The risk/return profile for each Constituent Fund is created by Fidelity, based on its in house analysis, after consideration of the "Risk Factors" described in the Principal Brochure of FRMT, prevailing market, political, structural, economic and other conditions, and the anticipated asset allocation of each Constituent Fund. The risk/return ratings are provided by Fidelity to investor for reference only and may be subject to change according to regular review (at least once a year) by Fidelity depending on the market conditions, without prior notice. Investor should always consider their individual risk and return profile. For the current risk/return rating of each Constituent Fund, please refer to the Fidelity Website.

## Default Investment Strategy Funds

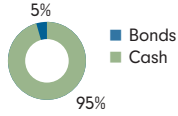
Name of Constituent Fund	Investment Objective	Target Asset Allocation <sup>^</sup>	Risk/Return Rating <sup>+</sup>
Core Accumulation Fund	The Constituent Fund aims to achieve capital growth by investing in a globally diversified manner; and to target to invest 60% of its NAV in higher risk assets (such as global equities), with the remainder investing in lower risk assets (such as global debt securities, money market instruments 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.	<p>60% Equities, 37% Bonds, 3% Cash</p>	4
Age 65 Plus Fund	The Constituent Fund aims to achieve stable growth by investing in a globally diversified manner; and to target 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, money market instruments 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.	<p>77% Bonds, 20% Equities, 3% Cash</p>	2

## Bond Funds

Name of Constituent Fund	Investment Objective	Target Asset Allocation <sup>^</sup>	Risk/Return Rating <sup>+</sup>
RMB Bond Fund <sup>◇</sup>	The Constituent Fund aims to achieve income and capital appreciation primarily via indirect exposure to RMB denominated fixed income/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), and to limit the volatility of returns in the short term.	<p>100% Bonds</p>	1
Hong Kong Bond Fund	The Constituent Fund aims to invest in world bond markets with a focus on HK dollar denominated bonds and issuers, to produce returns that are related to those achieved on the major bond market indices, to limit the volatility of returns in the short term in HK dollar market terms, and to minimize currency volatility by implementing a HKD hedged strategy (where investments are made other than in HKD).	<p>100% Bonds</p>	1
World Bond Fund	The Constituent Fund aims to focus investment into the bond markets of the world, to produce returns that are related to those achieved on the major bond market indices, and to limit the volatility of returns in the short term.	<p>100% Bonds</p>	1

<sup>◇</sup> RMB Bond Fund is denominated in HKD only and not in RMB. The Constituent Fund is subject to RMB currency risk and exchange risk, risk of limited pool of investments, etc. Please refer to the "Risk Factors" sub-section in the Principal Brochure of FRMT for further information.

## MPF Conservative Fund

Name of Constituent Fund	Investment Objective	Target Asset Allocation <sup>^</sup>	Risk/Return Rating <sup>+</sup>
MPF Conservative Fund <sup>Δ</sup>	The Constituent Fund aims to provide a positive return each month equal to or better than the HKD savings account rate, to focus investments in HKD short term instruments, to invest only into HKD securities, and to ensure that there is minimal risk to the capital.		1

Δ 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. The MPF Conservative Fund under the FRMT uses method (i) and, therefore, its unit prices / NAV / fund performance have incorporated the impact of fees and charges. The purchase of a unit in the MPF Conservative Fund is not the same as placing funds on deposit with a bank or deposit-taking company.

## SaveEasy Funds\*

Name of Constituent Fund	Investment Objective	Target Asset Allocation <sup>^</sup>	Risk/Return Rating <sup>+</sup>
Fidelity SaveEasy 2050 Fund	The Constituent Funds aim to achieve long term capital growth for investors to the target retirement year**. To invest typically in a wide range of investments covering markets throughout the world, the Constituent Funds initially with a greater exposure in equities and thereafter, as the target retirement year approaches, greater exposure to bonds and cash; in order to achieve a combination of income and long term capital growth as the target retirement year approaches whilst managing the volatility of returns in the short term.	Please refer to the "Fidelity SaveEasy Funds Asset Roll-down Chart" in the Principal Brochure of FRMT for the indicative portfolio distributions in respect of the SaveEasy Funds.	5 <sup>Δ</sup>
Fidelity SaveEasy 2045 Fund			
Fidelity SaveEasy 2040 Fund			
Fidelity SaveEasy 2035 Fund			
Fidelity SaveEasy 2030 Fund			
Fidelity SaveEasy 2025 Fund			
Fidelity SaveEasy 2020 Fund			4

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

\*\* The term "target retirement year" for a SaveEasy Fund is the year specified in its name, for example, the target retirement year for Fidelity SaveEasy 2020 Fund is the year 2020.

Δ The SaveEasy Funds will initially have greater exposure to underlying funds investing into equities (which risk/return rating is 5). 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 (risk/return rating will move down to 2 gradually). As and when the SaveEasy Funds exposures change, the risk/return rating of the SaveEasy Funds would move lower down the risk/return rating scale. Please refer to the sub-section headed "Risk and Return Profile" and the chart displaying the Fidelity SaveEasy Funds Asset Roll-down in the sub-section headed "SaveEasy Funds" in the Principal Brochure of FRMT for details.

<sup>^</sup> Investors are reminded that the above only represents the target asset allocations of the Constituent Fund and the actual asset allocations will at times vary considerably from that shown above as market, political, structural, economic and other conditions change. For the actual asset allocations of each Constituent Fund, you may refer to the fund fact sheet of the relevant Constituent Fund which is available on the Fidelity Website.

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To learn more about our products, please contact us via the channels below.

**Fidelity Investor Hotline**

(852) 2629 2629

**Fidelity Website**

Fidelity.com.hk

**Investment involves risks. Past performance is not indicative of future performance. Please refer to the Principal Brochure of Fidelity Retirement Master Trust for further information including the risk factors. Fidelity only gives information about its products and services. Any person considering an investment should seek independent advice on the suitability or otherwise of the particular investment.**

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