FIDELITY RETIREMENT MASTER TRUST

DIS Pre-implementation Notice to Participating Employers and Members[1]

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 reasonably enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement misleading. This document is only a summary of the key changes relating to the Master Trust. Members should also carefully review the First Addendum to the Principal Brochure. A copy of the Principal Brochure as amended by the First Addendum can be obtained by calling the Fidelity Investor Hotline at (852) 2629 2629 or accessing the website at www.fidelity.com.hk.

You should consider your own risk tolerance level and financial circumstances before making any investment choices. In the event that you do not make any investment choices, please be reminded that your contributions made and accrued benefits transferred into the Master Trust may be invested in accordance with the Default Investment Strategy ("**DIS**"), which may not necessarily be suitable for you.

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 because important changes to the Mandatory Provident Fund Schemes Ordinance will take effect on 1 April 2017 ("**Effective Date**"). From the Effective Date, the default investment arrangement of the Master Trust will be the DIS replacing the existing default investment arrangement (as defined below) of the Master Trust.

You should read this notice carefully because the changes made to the MPF legislation may affect the investment of both your accrued benefits and future contributions.

1. **What is DIS?**
   - DIS is a default investment arrangement as stipulated in accordance with the Mandatory Provident Fund Schemes Ordinance. **For Members who do not make a fund choice for their MPF account, their accrued benefits and future investments (meaning future contributions and accrued benefits transferred from another MPF scheme) will be invested in the DIS.** The DIS is also available as an investment choice itself for Members.
   - The DIS is not a fund - it is a strategy that uses two constituent funds, namely the Core Accumulation Fund and the Age 65 Plus Fund (collectively the "**DIS Funds**") to automatically reduce the risk exposure as the Member approaches retirement age. The DIS Funds will invest in a globally diversified manner and invest in different assets (e.g. equities, bonds, money market instruments, etc.). The DIS Funds are subject to fee and expense caps as imposed by the legislation. For further information about the DIS Funds including their investment objective and policy, please refer to the Annex to this notice.

2. **How does DIS affect you?**
   - If you have accounts in the Master Trust that are set up before the Effective Date ("**Pre-existing Account**"), depending on whether you have previously made any fund choices, it may affect you in different ways.
     - If you have already given a valid investment instruction for the accrued benefits and future investments in your Pre-existing Account or you are 60 years old or above before the Effective Date, you will not be affected by the implementation of the DIS.

[1] Please note that references to "you" or "your" in this notice refer to, as the case may be in the relevant context, participating employers or members.

- If **all** your accrued benefits in a Pre-existing Account are invested in accordance with the existing default arrangement (as set out in section C of the Principal Brochure) ("**existing default arrangement**") as at the Effective Date and you have not given a valid investment instruction for the Pre-existing Account, you will receive a separate notice (i.e. the "**DIS Re-Investment Notice**") sent to you within 6 months from 1 April 2017. The DIS Re-Investment Notice will explain that if you do not make an investment choice by replying within a specified period, your accrued benefits invested in accordance with the existing default arrangement will be redeemed in whole and re-invested in accordance with the DIS. **Therefore, if you receive the DIS Re-Investment Notice, please pay special attention to the contents and make appropriate arrangement.** You should note that the risk of the applicable Constituent Fund under the existing default arrangement may be different from that of the DIS and you may be exposed to market risks as a result of any reinvestment of your accrued benefits in the DIS.

- There are special circumstances. Where the accrued benefits in the Pre-existing Account are transferred from another account within the Master Trust (e.g. in the case of cessation of employment, where accrued benefits in your contribution account are transferred to a personal account within the Master Trust), your accrued benefits in the Pre-existing Account will be invested in the same manner as they were invested immediately before the transfer but your future investments may be invested in the DIS after the implementation of the DIS, unless otherwise instructed.

Please refer to the section headed "**C. Implications for New and Pre-existing Accounts on or after DIS Implementation**" below for further details.

3. Do you need to do anything?

- Apart from the above, there are other circumstances where your accrued benefits or future investments may be affected by the implementation of the DIS. If you have any query on how it will affect you and what actions you need to take, you should call the Fidelity Investor Hotline at (852) 2629 2629.

- If you receive the DIS Re-Investment Notice after the Effective Date, you are advised to pay special attention to the contents and make appropriate arrangement.

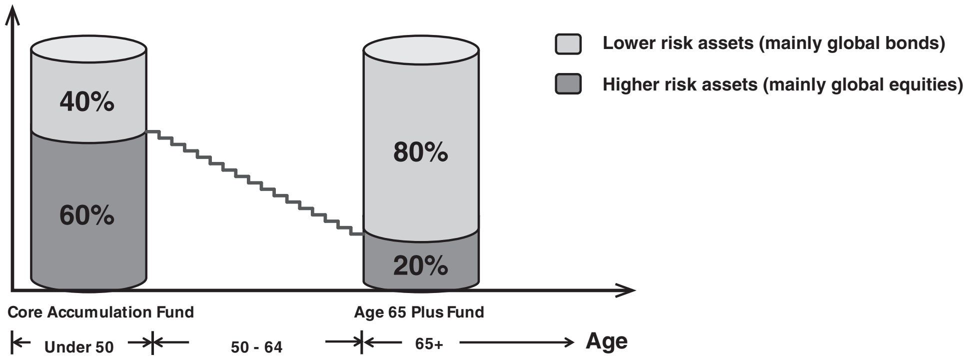
A. What is DIS?

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 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 Annex to this notice.

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



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

(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 gets older. 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 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 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.

(c) *Fees and out-of-pocket expenses of the CAF and A65F*

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 net asset value ("**NAV**") of each of the DIS Funds divided by the number of days in the year. It includes, 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 the promoter of the Master Trust and the underlying investment fund(s) of the respective DIS Funds, and any of the delegates from these parties and such fees are calculated as a percentage of the NAV of each of the DIS Funds and its underlying investment fund(s), but does not include any out-of-pocket expenses incurred by each DIS Fund and its underlying investment fund(s).

The total amount of all payments that are charged to or imposed on the DIS Funds or Members who invest in DIS Funds, 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 the DIS Funds, shall not in a single year exceed 0.2% of the NAV of each of the DIS Funds. 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 investment 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.

(d) *Key Risks Relating to the DIS*

DIS is an investment strategy that is subject to various risks and limitations, including:

- Age as the sole factor in determining the asset allocation under the DIS. The DIS does not take into account other factors such as market and economic conditions nor a Member's personal circumstances.
- Allocation to higher risk assets in the DIS Funds has to follow prescribed ratio and limits the Investment Manager's ability to respond to sudden market fluctuations.
- Annual de-risking between the DIS Funds operates automatically regardless of the wish of a Member to adopt a strategy which might catch market upside or avoid market downside.
- Investments in each of the DIS Funds will need to be re-balanced continuously in accordance with prescribed allocation which may affect the performance of the DIS Funds.
- Additional transaction costs due to rebalancing of assets and annual de-risking may result in greater transaction costs.
- The DIS does not guarantee capital repayment nor positive investment returns, and the DIS Funds are subject the general investment risks that apply to mixed asset funds.
- 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.
- The A65F holds around 20% of its assets in higher risk assets and may not be suitable for all Members beyond the age of 64.

For further information about the risks associated with investing through DIS, please refer to the sub-section headed "**Default Arrangements and Default Investment Strategy**" under the section headed "**C. CONSTITUENT FUNDS**" of the Principal Brochure as amended by the First Addendum.

(e) *Information on Performance of DIS Funds*

The fund performance of the DIS Funds will be published in the fund factsheet. One of the fund fact sheets will be attached to annual benefit statement. Members can visit www.fidelity.com.hk or call the Fidelity Investor Hotline: (852) 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).

B. Key Features of the Existing Default Arrangement and the DIS

For Pre-existing Accounts, contributions and accrued benefits transferred from another scheme will generally be invested in the manner set out in the sub-section headed "**Default Arrangements and Default Investment Strategy**" under the section headed "**C. CONSTITUENT FUNDS**" of the Principal Brochure as amended by the First Addendum.

If you are an Employee Member and your Employer participated on or after 27 October 2008, or if you are a Self-employed Member, Personal Account Member or SVC Member who participated on or after 27 October 2008, the applicable Constituent Fund under the existing default arrangement is the 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 or Fidelity SaveEasy 2050 Fund, depending on your year of birth.

Please find below the key features of the above applicable Constituent Funds under the existing default arrangement, and the DIS for your reference:

	Existing Default Arrangement (if you are an Employee Member and your Employer participated on or after 27 October 2008 or if you are a Self-employed Member, Personal Account Member or SVC Member who participated on or after 27 October 2008)		**The DIS**
Name and description (if applicable)	Capital Stable Fund (if your year of birth is before 1955)	Fidelity SaveEasy 2020 Fund (if your year of birth is 1955-1959) Fidelity SaveEasy 2025 Fund (if your year of birth is 1960-1964) Fidelity SaveEasy 2030 Fund (if your year of birth is 1965-1969) Fidelity SaveEasy 2035 Fund (if your year of birth is 1970-1974) Fidelity SaveEasy 2040 Fund (if your year of birth is 1975-1979) Fidelity SaveEasy 2045 Fund (if your year of birth is 1980-1984) Fidelity SaveEasy 2050 Fund (if your year of birth is 1985 or after)	The DIS is comprised of two Constituent Funds, namely Core Accumulation Fund ("**CAF**") and Age 65 Plus Fund ("**A65F**"), with de-risking mechanism in accordance with pre-set allocation percentages based on Member's age.
Fund Type	Mixed assets	Mixed assets	For both CAF and A65F: Mixed assets
De-risking feature	No	Yes	Yes
Total management fees for Constituent Fund and underlying approved pooled investment fund(s)	Up to 1.45% p.a. of NAV	Up to 1.45% p.a. of NAV and the fee shall be reduced 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 (i.e. the year specified in the name of the relevant SaveEasy Fund)	For each of CAF and A65F: Up to 0.75% p.a. of NAV
Daily fees cap	No	No	Yes (for details, please refer to section A(c))
Risk and return rating*	2*	Each of the Fidelity SaveEasy Funds initially has a risk/return rating of 5 which will move down to 2 gradually*	CAF: 4* A65F: 2*
Guarantee feature	No	No	No

* The risk/return rating is defined using a 5-point risk/return scale (1 = Lowest risk/return, 2 = Low risk/return, 3 = Medium risk/return, 4 = High risk/return, 5 = Highest risk/return). The risk/return ratings are determined by the Investment Manager based on its in house analysis in respect of various factors including, without limitation, historical return volatility, investment objective and policy and asset allocations.

If you are an Employee Member and your Employer participated before 27 October 2008, your applicable Constituent Fund under the existing default arrangement would be a Constituent Fund selected by the Employer or if none is selected, the MPF Conservative Fund. If you are a Self-employed Member, Personal Account Member or SVC Member who participated before 27 October 2008, your applicable Constituent Fund under the existing default arrangement is the MPF Conservative Fund. Please consult the Trustee or call the Fidelity Investor Hotline if you have any questions on your applicable Constituent Fund under the existing default arrangement.

For details of the key features of the existing default arrangement and the DIS, please refer to the Principal Brochure (or contact the Trustee).

C. Implications for New and Pre-existing Accounts on or after DIS Implementation

(a) *Implications on accounts opened on or after the Effective Date*

When Members join the Master Trust or set up a new account in the Master Trust on or after the Effective Date, they have the opportunity to give a specific investment instruction for their future investments. If Members fail to or do not want to submit to the Trustee a specific investment instruction at the time of their requests to join / set up a new account in the Master Trust, the Trustee shall invest any of their future investments into the DIS.

(b) *Implications on accounts opened before the Effective Date*

There are special rules to be applied for Pre-existing Accounts and these rules only apply to Members who are under 60 years of age on the Effective Date.

(1) For a Member's Pre-existing Account with all accrued benefits being invested according to the existing default arrangement but no specific investment instruction has been given (known as "**DIA account**"):

There are special rules and arrangements to be applied to determine whether accrued benefits in a DIA account will be transferred to the DIS. If your Pre-existing Account is considered as a DIA account, you will receive a notice called the DIS Re-investment Notice explaining the impacts on your Pre-existing Account and giving you an opportunity to give a specific investment instruction to the Trustee before the accrued benefits are invested into the DIS.

For further information, Members should refer to the sub-section headed "**Default Arrangements and Default Investment Strategy**" under the section headed "**C. CONSTITUENT FUNDS**" of the Principal Brochure as amended by the First Addendum, and the DIS Re-investment Notice.

(2) For a Member's Pre-existing Account with part of the accrued benefits invested in the existing default arrangement:

If part of the accrued benefits of your Pre-existing Account is invested according to the existing default arrangement, unless the Trustee has received any specific investment instruction, your accrued benefits will be invested in the same manner as accrued benefits were invested immediately before the Effective Date. Future investments will be invested in the same manner as immediately before the Effective Date in the absence of a specific investment instruction.

Members should note that the implementation of the legislation governing the DIS may have impact on their MPF investments or accrued benefits. Please call the Fidelity Investor Hotline at (852) 2629 2629 if you have any doubts or questions on how your MPF investments or accrued benefits are being affected.

D. Rules and Procedures Applicable to Investment through the DIS

(a) *Fund Choice Combination*

From the Effective Date, Members may choose to invest their future investments into:

(1) the DIS; and/or

(2) one or more CFs of their own choice from the list under the sub-section headed "**Investment Objective, Investment Policy, Fund Type and Asset Allocation for Constituent Funds**" under the section headed "**C. CONSTITUENT FUNDS**" in the Principal Brochure (including the CAF and the A65F) and according to their assigned allocation percentage(s) to relevant fund(s) of their choice.

Members should note that, if they choose the CAF and/or A65F as 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) CAF and/or A65F as standalone investments and (ii) the DIS (no matter by default or by Member's specific investment instruction), accrued benefits invested under (i) will not be subject to the de-risking process whereas for 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) and (ii). In particular, Members will, when giving a fund switching instruction, be required to specify to which part of the benefits (namely, under (i) or (ii)) the instruction relates.

(b) *Switching / transfer in and out of the DIS*

A 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 (as defined below) for future contributions, and vice versa.

E. Rules and Procedures of Annual De-Risking

(a) *Dealing day of annual de-risking*

Subject as described in section E(b) below, 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 the 1st of March or the next available Dealing Day.

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.

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.

(b) *De-risking process when there is one or more specified instructions*

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 postponed 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, 11:59p.m. on a day which is 1 Business Day before the relevant Member's birthday; or
- for switching instruction submitted via other means, 4:00p.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.

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).

F. Rules and Procedures relating to Investment Instructions

Members may allocate contributions to be invested in the Constituent Funds available in the Master Trust or according to the DIS. Members can make 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 the relevant 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.

G. Other Changes

Transfer between accounts within the Master Trust

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, 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. In such case, the Member's existing accrued benefits held in the relevant Constituent Funds will remain so invested and will not be switched into the DIS.

Processing fee for withdrawal

From the Effective Date, no processing fee will be charged for withdrawal of MPF Balances, Voluntary Balances or SVC Balances, regardless of the number of time of withdrawal in a calendar year.

H. Amendments to the Principal Brochure and Trust Deed

The Principal Brochure is revised by way of a first addendum (the "**First Addendum**") to reflect the changes set out above. The Trust Deed of the Master Trust is revised by way of a Sixth Supplemental Deed to reflect the applicable changes set out above. The changes described in this Notice are in summary form only. Members should review the First Addendum for further details on the changes made.

I. Documents Available

Copies of the Principal Brochure and the First Addendum can 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

Members may obtain information about the DIS by contacting Fidelity Retirement 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

December 2016

<u>**Annex – Further information on CAF and A65F**</u>

<u>**Fidelity Retirement Master Trust - Core Accumulation Fund**</u>

Constituent Fund	**Investment Objective**	**Investment Policy**	**Fund Type**	**Target Asset Allocation**		
				Cash	**Bond**	**Equities**
Default Investment Strategy Funds						
Core Accumulation Fund ("CAF")	■ 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.	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.).	Mixed Assets	■ 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.		

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

Core Accumulation Fund
Investment Manager: FIL Investment Management (Hong Kong) Limited (licensed by the SFC)

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FGIF - Core Accumulation Fund
Investment Manager: FIL Investment Management (Hong Kong) Limited (licensed by the SFC)

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2 or more APIFs and/or ITCIS*

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

Use of Currency Forward Contracts, Financial Futures Contracts and Financial Option Contracts

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.

Security Lending

The Core Accumulation Fund will not engage in security lending, although the FGIF - Core Accumulation Fund and the underlying APIFs and/or ITCIS may do so.

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.

<u>Fidelity Retirement Master Trust - Age 65 Plus Fund</u>

Constituent Fund	Investment Objective	Investment Policy	Fund Type	Target Asset Allocation		
				Cash	Bond	Equities
Default Investment Strategy Funds						
Age 65 Plus Fund ("A65F")	■ 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.	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	Mixed Assets	■ 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		

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Default Investment Strategy Funds						
Age 65 Plus Fund ("A65F")		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 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.).		vary between 75% and 85%. There is no prescribed allocation for investments in any specific countries or currencies.		

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)

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

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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.

Use of Currency Forward Contracts, Financial Futures Contracts and Financial Option Contracts

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.

Security Lending

The Age 65 Plus Fund will not engage in security lending, although the FGIF - Age 65 Plus Fund and the underlying APIFs and/or ITCIS may do so.

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.