



Fidelity Funds  
Société d'Investissement à Capital Variable  
2a rue Albert Borschette,  
L-1246 Luxembourg

Tél: +352 250 404 1  
Fax: +352 26 38 39 38

R.C.S. Luxembourg B 34036

### **Important Changes relating to Fidelity Funds**

Extension of the temporary change to Price Adjustment Policy (the 'Swing Pricing policy') of the Fund by lifting the 2% price adjustment limit.

This notice is for information only. You do not need to take any action as this change has automatically entered into effect on 1 February 2023.

31<sup>st</sup> January 2023

Dear Shareholder,

We are writing to notify you (the 'Shareholder') of the decision taken by the Board of Directors of Fidelity Funds (the "Board") to extend the temporary revision of the current Swing Pricing policy for all share classes of the following sub-funds (the "Sub-Funds") of Fidelity Funds (the "Fund") in line with the provisions of the Fund's Singapore prospectus (the "Singapore Prospectus") which enable the maximum price adjustment factor to be increased in exceptional circumstances in order to protect the interests of investors:

#### **Fidelity Funds - China High Yield Fund Fidelity Funds - Asian High Yield Fund**

This action has been taken due to the continued effect of recent and unprecedented stock market volatility and related liquidity impairment in all asset classes following market events that created a weak backdrop for market liquidity. In January, the war in Ukraine reached its eleventh month, inflation continues to impact global economies, there has been political instability in major markets such as the United Kingdom and central banks continue to raise interest rates. Quantitative tightening is impacting the outlook for risk assets with impaired liquidity in multiple asset classes. Liquidity indicators for major government bonds have recently deteriorated to levels last seen in the Eurozone crisis of 2011. China property has seen an extended decline with many offshore bonds trading at low cash prices, alongside a higher rate of default. The ability to meet redemptions is assessed on an intraday basis to anticipate issues and challenges as early as possible.

Given the decline in cash prices for many Asian high yield bonds, particularly the Chinese property issuers and liquidity conditions of these low cash price bonds, the cost of transacting is higher than would typically be experienced in normal market conditions.

In the present market environment, the current price adjustment limit of 2% continues to be insufficient to protect existing investors from the dilution impact of flow-related transaction costs. Accordingly, the Board of the Fund has decided to continue to increase the maximum price adjustment limit, temporarily, from 2% to 3.5% for the Sub-Funds. Please note that the revised price adjustment limit is expressed as a maximum, and each Sub-Fund may apply a lower amount based on regular analysis of transactions costs.

This temporary increase in the price adjustment limit is intended to be in force until 30 April 2023.

The Board considers that the abovementioned exceptional changes are in the best interests of the shareholders of the Sub-Funds.

If you have questions regarding this matter, or if you would like to request for a copy of the current Singapore Prospectus and the Product Highlights Sheets of the Sub-Funds (which are also available at [www.fidelity.com.sg](http://www.fidelity.com.sg)), please contact your Financial Adviser or FIL Investment Management (Singapore) Limited (the "Singapore Representative") at Tel. No.: 6511 2200.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Nishith Gandhi', with a stylized flourish at the end.

**Nishith Gandhi**  
Permanent Representative of FIL (Luxembourg) S.A.  
Corporate Director, Fidelity Funds