

**This notice contains important information that requires your immediate attention. Should you have any queries, you are recommended to seek independent professional advice. YF Life Insurance International Ltd. (the "Company") accepts responsibility for the accuracy of the contents of this notice.**

The following change(s) in investment choice(s) relate(s) to the "Global Series" and "Premier-Choice Series" plans. The "Global Series" includes Global InvestPlan and Global InvestPlus. The "Premier-Choice Series" includes Premier-Choice ULife InvestPlan, Premier-Choice Flexi, Premier-Choice Flexi Plus, Premier-Choice InvestPlan and Premier-Choice PLUS InvestPlan. (Collectively, the "Schemes")

#### **Termination of Investment Choice**

- YF Life Fidelity Australian Dollar Cash Fund (FIACU)(the "Investment Choice")

As advised by the board of directors of Fidelity Funds, they have decided that it is in the best interests of investors to close Fidelity Funds - Australian Dollar Cash Fund (the "Underlying Fund"), the underlying fund of the Investment Choice with effect from 26 April 2022 (the "Effective Date").

The decision to close the Underlying Fund has been taken in light of the fact that the current level of assets under management of the Underlying Fund does not provide for sufficient scale and is not expected to grow in the near future. As at 30 November 2021, the net asset value of the Underlying Fund is AUD 128,335,877.81 (equivalent to around USD 90,970,886.90).

The investment manager of the Underlying Fund may, approximately three weeks before the Effective Date, sell some or all of the assets in the Underlying Fund's portfolio to allow an orderly wind-down of the portfolio and to ensure that all investment proceeds are received prior to the Effective Date. However, in case of adverse market conditions or in the event of significant redemption requests, the process of selling down some or all of the assets in the Underlying Fund's portfolio may begin at an earlier stage in consideration of the best interest of investors. The proceeds of such transactions will be held in cash or cash equivalents. As a result, it is possible, during this time, that the Underlying Fund's portfolio may no longer be exposed to the strategy as set out in Section 1.4 "Investment Policies and Objectives" of the prospectus of the Underlying Fund and/or diversified in accordance with UCITS risk diversification requirements.

Administrative expenses arising from the closure of the Underlying Fund will be borne by FIL Fund Management Limited, the investment manager of the underlying fund (and/or any of its affiliates within FIL Group).

Consequential to the closure of the Underlying Fund, the Company decided that the following arrangements will apply to the Investment Choice:

#### **Termination of Investment Choice**

The Investment Choice will be terminated with effect from 25 April 2022 according to the section of "Closure of Investment Choice" or "Fund Closure" as set out in the respective policy provisions of the Schemes.

#### **Closure of New Subscription/ New Premium Allocation/ Switch-in**

With effect from the date of this notice, the Investment Choice is closed for any new subscription/ new instruction for regular premium allocation/ switch-in. However, this restriction does not apply to the subscription made under existing regular premium allocation instruction.

#### **Change of Existing Regular Premium Allocation**

If you have existing regular premium allocation to the Investment Choice, you may redirect to other investment choice(s) available under the Schemes free of charge by submitting a change instruction to us by 5:30p.m. (or 7:00p.m. through the online system) on 12 April 2022. However, if we do not receive your change instruction by the deadline, your existing regular premium allocation to the Investment Choice will be **automatically** changed to "YF Life Schroder HK Money Market Fund" by 11:59p.m. on 12 April 2022 free of charge.

#### **Switching of Existing Notional Units of Investment Choice**

If you have any existing notional unit holdings of the Investment Choice, you may switch the holdings to other investment choice(s) available under the Schemes free of charge by submitting a switching request to us by the 5:30p.m. (or 7:00p.m. through the online system) on 22 April 2022. However, if we do not receive your switching request by the deadline, your notional unit holdings of the Investment Choice will be **automatically** switched to "YF Life Schroder HK Money Market Fund" by 11:59p.m. on 22 April 2022 free of charge.

You can make the request for switching of existing notional units of the Investment Choice by using the "Request for Change of Policy Value/Account Value Arrangement Form (A15)". If you have registered for the e-Policy Service account, you can also submit such request through the online system ([www.yflife.com](http://www.yflife.com)).

Please note that all the relevant costs for the termination of the Investment Choice will be borne by the Company.

Here are the details of “YF Life Schroder HK Money Market Fund” (SCHDU) for your reference:-

Asset type:	Money Market
Name of corresponding underlying fund:	Schroder Hong Kong Money Market Fund
Fund manager of underlying fund:	Schroder Investment Management (Hong Kong) Limited
Currency of investment choice:	USD
Currency of underlying fund:	HKD
Dealing day of investment choice:	Dealing day of application for subscription and redemption of notional units of the investment choice approved on any one day will be the third valuation day after the approval of the application.
Objective and investment strategy of underlying fund:	<p>The underlying fund’s investment objective is to provide an investment medium for investors to enjoy the rates available from a managed portfolio of short term and high quality money market investments and seeks to offer returns in line with money market rates combined with a degree of security and ready availability of monies. The manager’s policy will be to invest at least 70% of the fund’s net asset value in a range of short-term deposits and high quality money market instruments and money market funds that are authorised by the SFC under 8.2 of the Code on Unit Trusts and Mutual Funds or regulated in a manner generally comparable with the requirements of the SFC and acceptable to the SFC. Money market instruments refer to securities normally dealt in on the money markets, for examples, government bills, certificates of deposit, commercial papers, short-term notes and bankers’ acceptance etc. In assessing whether a money market instrument is of high quality, at a minimum, the credit quality and the liquidity profile of the money market instruments must be taken into account.</p> <p>Investments will be limited to HK Dollar short-term deposits and HK Dollar denominated high quality money market instruments with a remaining maturity of less than 397 days, or two years in the case of Government and other public securities, with a weighted average portfolio maturity not exceeding 60 days and a weighted average life not exceeding 120 days.</p>
Management fee of underlying fund:	0.25% p.a. of the underlying fund’s net asset value

**Investment involves risk. For details of the Schemes and the investment choices available under the Schemes (including risk factors and charges), please refer to the offering documents of the Schemes and the offering documents of the underlying funds. For any enquiries, please contact YF Life Insurance International Ltd. - Customer Service Hotline at (852) 2533 5555 (Hong Kong)/ (853) 2832 2622 (Macau).**

**You should refer to the relevant offering documents and the notice to shareholders of the underlying fund(s) of the above investment choice(s), which are made available by YF Life Insurance International Ltd. upon request, or visit our website ([www.yflife.com](http://www.yflife.com)) to carefully read the details of the relevant documents in relation to the above change(s).**

**THIS LETTER IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.  
 IF IN DOUBT, PLEASE SEEK PROFESSIONAL ADVICE.**

20 January 2022

Dear Shareholder,

As part of the ongoing process whereby the range of sub-funds within Fidelity Funds (the “**Fund**”) is reviewed, the board of directors of the Fund (the “**Board**”) has decided that it is in the best interests of shareholders to close the following sub-funds of the Fund: Fidelity Funds - FIRST European Value Fund, Fidelity Funds - Australian Dollar Cash Fund, Fidelity Funds - Sterling Cash Fund and Fidelity Funds - Institutional Japan Fund (the “**Sub-Funds**”). For further information on the rationale and impact of the closure, please refer to the section headed “**Important Information**” of this letter.

We are writing to you as a shareholder of one of the Share Classes in one of the Sub-Funds (the “**Shareholder**” or “**you**”). For further information on the impacted Share Classes and their corresponding ISIN codes, please refer to the Appendix to this letter.

Any terms not defined herein shall have the same meaning as in the Fidelity Prospectus for Hong Kong Investors for Fidelity Funds (the “**Prospectus**”).

### Important change - Closure of Sub-Funds

#### What is changing?

It has been decided to close the Sub-Funds to new subscriptions (save for subscriptions made by existing Shareholders who maintain regular investment plans) with effect from the date of this letter and to consequently redeem all your Shares on the dates noted below or such later date (the “**Effective Dates**”) as may be decided by the Board.

Sub-Funds	Effective Date
Fidelity Funds - FIRST European Value Fund	10 May 2022
Fidelity Funds - Australian Dollar Cash Fund	26 April 2022
Fidelity Funds - Sterling Cash Fund	10 May 2022
Fidelity Funds - Institutional Japan Fund	26 April 2022

#### What you need to do

You have three options:

- If you do not agree with the changes, you may:
  - switch your Shares to another SFC-authorized sub-fund<sup>1</sup> available to you within the Fund, free of switch fees; or
  - redeem your Shares, free of redemption fees.
- If you agree with the changes, you may take no action, in which case your Shares in the relevant Sub-Fund(s) will be compulsorily redeemed at a price based on the Net Asset Value per Share calculated at the valuation point of the Effective Date and the proceeds will be sent to you in the usual way in the Principal Dealing Currency of the relevant class of Shares, in accordance with the relevant provisions in the Prospectus.

Please refer to “Key Timing Aspects Relating to the Closure” in the Important Information section overleaf for further details.

<sup>1</sup> SFC authorisation is not a recommendation or endorsement of a fund nor does it guarantee the commercial merits of the fund or its performance. It does not mean the fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

We would like to thank you for your investment. Your usual contacts at Fidelity remain available to you for any future requests. For more information, please refer to the Important Information and Appendix overleaf, contact your financial adviser or your usual contact at Fidelity.

If you have any questions related to the closure of the Sub-Funds, or if you would like to request for a copy of the current Prospectus, the Product Key Facts Statements, the articles of incorporation of the Fund ("**Articles**") (available for inspection free of charge at all times during normal office hours), the latest audited annual report and accounts and unaudited semi-annual report and accounts of the Fund (which are also available at [www.fidelity.com.hk](http://www.fidelity.com.hk)<sup>2</sup>) or other material agreements relating to the Fund, please contact your usual financial adviser or the Fidelity Investor Hotline<sup>3</sup> at +852 2629 2629, or you can write to the Hong Kong Representative at Level 21, Two Pacific Place, 88 Queensway, Admiralty, Hong Kong.

Yours faithfully,



**Nishith Gandhi**

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

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<sup>2</sup> This website has not been reviewed by the SFC.

<sup>3</sup> International Toll-free Number +800 2323 1122, available to calls from Australia, Canada, Japan, South Korea, Malaysia, New Zealand, the Philippines, Singapore, Taiwan, Thailand and USA. The "+" sign represents the International Access Prefix. China Toll-free Number: 4001 200632. Service may not be available for certain mobile carriers; call may incur charges imposed by the service providers. The Fidelity Investor Hotline is available from 9am to 6pm, Monday to Friday (except Hong Kong public holidays).

*Fidelity, Fidelity International, the Fidelity International logo and F symbol are trademarks of FIL Limited.*

## Important Information

### 1. Rationale and impact

The closure of the Sub-Funds is part of a programme to ensure the Fidelity Funds range remains focused on the needs of our clients and aims to help clients achieve their goals. This programme is increasing the number of income solutions, sustainability products and investment themes while focusing the broader range on clear objectives in key market segments.

The decision to close the Sub-Funds has been taken in light of the fact that the current level of assets under management of the Sub-Funds does not provide for sufficient scale and is not expected to grow in the near future. As at 30 November 2021, the Net Asset Value of each of the Sub-Funds is as follows:

Sub-Funds	Net Asset Value
Fidelity Funds - FIRST European Value Fund	EUR 25,289,292.96 (equivalent to around USD 28,542,760.65)
Fidelity Funds - Australian Dollar Cash Fund	AUD 128,335,877.81 (equivalent to around USD 90,970,886.90)
Fidelity Funds - Sterling Cash Fund	GBP 92,982,676.41 (equivalent to around USD 123,197,397.45)
Fidelity Funds - Institutional Japan Fund	JPY 165,023,052.00 (equivalent to around USD 1,457,865.21)

In this context, the Board believes that it is not in the best interests of Shareholders of the Sub-Funds to continue to operate the Sub-Funds and has decided to close the Sub-Funds in accordance with Section 3.5 "Liquidation of Fidelity Funds, Funds and Classes of Shares" of Part III of the Prospectus and article 22 of the Articles. Article 22 of the Articles and Section 3.5 of "Liquidation of Fidelity Funds, Funds and Classes of Shares" of Part III of the Prospectus permit the closure of a fund or class of Shares if the aggregate value of the Shares is below US\$50,000,000 (or its equivalent) or if the interests of the Shareholders would justify such closure.

Although the aggregate value of the Shares of each of the Fidelity Funds - Australian Dollar Cash Fund and Fidelity Funds - Sterling Cash Fund as of 30 November 2021 is above US\$50,000,000, the current fund size is still too small for these Sub-Funds to be managed cost-effectively as the investment strategies of these Sub-Funds rely heavily on economies of scale. In view that it will be sub-optimal for the Investment Manager to fully implement the investment strategies of these Sub-Funds as desired based on the current fund size, the Board believes that it is in the best interests of the Shareholders to close the Fidelity Funds - Australian Dollar Cash Fund and Fidelity Funds - Sterling Cash Fund.

### 2. Key Timing Aspects Relating to the Closure

Sub-Funds	Last subscription date for existing Shareholders who maintain regular investment plans	Cut-off Date (Last redemption and switch-out date)	Effective Date (Date of compulsory redemption and final Valuation Date)
Fidelity Funds - FIRST European Value Fund	3 May 2022	9 May 2022	10 May 2022
Fidelity Funds - Australian Dollar Cash Fund	19 April 2022	25 April 2022	26 April 2022
Fidelity Funds - Sterling Cash Fund	3 May 2022	9 May 2022	10 May 2022
Fidelity Funds - Institutional Japan Fund	19 April 2022	25 April 2022	26 April 2022

*Usual cut-off times OR 5:00 pm Hong Kong time<sup>4</sup> apply for subscriptions, redemptions and switches.*

<sup>4</sup> Different procedures and/or cut-off times may apply if dealing in shares is made through distributors. Please note that some distributors or other intermediaries may charge additional fees (such as switching or transaction fees) or expenses at their own discretion. For further information on these, please contact your financial adviser or your usual contact at the distributor / intermediary whom you transact with.

### 3. Shareholders Choices

Redemptions or switches out of the Sub-Funds can be instructed on any Valuation Day before the relevant cut-off time OR 5:00 pm Hong Kong time<sup>5</sup> on the Cut-off Date as indicated above. Instructions will normally be dealt with at the next calculated Net Asset Value. Redemptions and switches out will be free from redemption and switch fees. Redemption proceeds will be paid within the applicable time limit as set forth in the Prospectus. Due to the imminent closure of the Sub-Funds and in the best interests of the Shareholders, please be aware that further subscriptions (other than those made by existing Shareholders who maintain regular investment plans) and switches into the Sub-Funds will not be permitted from the date of this letter, and the Sub-Funds will no longer be marketed to the public in Hong Kong from the date of this letter. Further subscriptions into the Sub-Funds by existing Shareholders who maintain regular investment plans are no longer permitted after the relevant date as set out in the table in paragraph 2 above.

For more information, Shareholders should contact their financial adviser or their usual contact at Fidelity.

### 4. Compulsory Redemption and Settlement of Compulsorily Redeemed Shares

All outstanding Shares will be compulsorily redeemed, free from any redemption charge, on the Effective Date at a price based on the Net Asset Value per Share calculated at the valuation point of the Effective Date (taking into account actual realisation prices of investments and realisation expenses), in accordance with the relevant provisions of the Prospectus and the Articles.

Payment for compulsorily redeemed Shares will be made after the Effective Date, within the time limit set out in the Prospectus. Payment will be made in the same currency as the relevant class of Shares.

The proceeds will be sent directly to your bank, where possible. Different procedures may apply if dealing is made through a financial adviser or other Fund distributor. For further information on these arrangements, please contact your usual contact.

### 5. Divestment and compliance with UCITS restrictions

The Investment Manager may, approximately three weeks before the Effective Date, sell some or all of the assets in the relevant Sub-Fund's portfolio to allow an orderly wind-down of the portfolio and to ensure that all investment proceeds are received prior to the Effective Date. However, in case of adverse market conditions or in the event of significant redemption requests, the process of selling down some or all of the assets in the relevant Sub-Funds' portfolio may begin at an earlier stage in consideration of the best interest of Shareholders. The proceeds of such transactions will be held in cash or cash equivalents. As a result, it is possible, during this time, that the relevant Sub-Fund's portfolio may no longer be exposed to the strategy as set out in Section 1.4 "Investment Policies and Objectives" of the Prospectus and/or diversified in accordance with UCITS risk diversification requirements.

### 6. Ongoing charges of the Sub-Funds

As of 30 April 2021, the ongoing charges figures ("OCF") of the following classes of Shares of the Sub-Funds are as follows:

Sub-Funds	Share Classes	OCF <sup>6</sup>
Fidelity Funds - FIRST European Value Fund	Class A-ACC-Euro	1.94%
Fidelity Funds - Australian Dollar Cash Fund	Class A-ACC-AUD	0.65%
Fidelity Funds - Sterling Cash Fund	Class A-ACC-GBP	0.66%
Fidelity Funds - Institutional Japan Fund	Class I-ACC-JPY	0.89%

### 7. Costs and expenses

Administrative expenses arising from the closure of the Sub-Funds (including any legal, regulatory and mailing charges) will be borne by FIL Fund Management Limited, the Investment Manager of the Fund (and/or any of its affiliates within FIL Group).

<sup>5</sup> Different procedures and/or cut-off times may apply if dealing in shares is made through distributors. Please note that some distributors or other intermediaries may charge additional fees (such as switching or transaction fees) or expenses at their own discretion. For further information on these, please contact your financial adviser or your usual contact at the distributor / intermediary whom you transact with.

<sup>6</sup> The OCF represents the ongoing expenses based on the annual financial report for the year ended 30 April 2021. This figure may vary from year to year.

The Sub-Funds will bear the market-related transaction costs (brokerage fees, stamp duties, taxes, custodian commission and charges paid to stock exchanges) associated with liquidating the assets of the Sub-Funds. When these transaction costs are incurred, Shareholders who are in the relevant Sub-Fund will bear such costs. The swing pricing policy adopted in respect of the Fund may operate to ensure that Shareholders who are redeeming from the relevant Sub-Fund before the relevant Effective Date bear a portion of such costs based on market conditions. Such transaction costs are not expected to be significant and are estimated to be as follows:

Sub-Funds	Estimated Transaction Costs (% of the Sub-Fund's Net Asset Value as at 31 December 2021)
Fidelity Funds - FIRST European Value Fund	0.0032%
Fidelity Funds - Australian Dollar Cash Fund	Zero (assets will mature on the Effective Date or if such assets are realised prior to the Effective Date, will be subject to minimal or no transaction costs)
Fidelity Funds - Sterling Cash Fund	Zero (assets will mature on the Effective Date or if such assets are realised prior to the Effective Date, will be subject to minimal or no transaction costs)
Fidelity Funds - Institutional Japan Fund	0.0037%

As at the date of this letter, the Sub-Funds do not have any unamortised preliminary expenses.

#### 8. Tax

The redemption or switching of your holding in one or more of the Sub-Funds may be deemed as a disposal for tax purposes in your local jurisdiction. Generally, Hong Kong investors will not be subject to any Hong Kong tax on capital gains realised on the redemption or switching of any Shares. However, if any acquisition, switching or redemption of Shares is or forms part of a trade, profession or business carried on in Hong Kong, gains realised may attract Hong Kong profits tax. If you have any concerns about your tax position, we recommend that Shareholders speak to an independent tax adviser.

#### 9. Unclaimed amounts

Amounts which cannot be distributed to Shareholders or are not claimed by Shareholders (e.g. unclaimed redemption proceeds) within a maximum period of nine months from the decision of the Board to close the Sub-Funds will be held in escrow accounts by the *Caisse de Consignation* in Luxembourg. Depending on the liquidation process, such nine-month period may be extended subject to the approval of the Luxembourg regulator, the Commission de Surveillance du Secteur Financier. Amounts not claimed from escrow within 30 years may be liable to be forfeited in accordance with the provisions of Luxembourg law.

#### 10. Withdrawal of Authorisation

We will apply to the Securities and Futures Commission of Hong Kong (the "SFC") for the withdrawal of authorisation of the Sub-Funds immediately following their closure.

The Board accepts full responsibility for the accuracy of the information contained in this letter and 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 herein misleading.

## Appendix

NAME OF THE CLASS OF SHARES	ISIN
Fidelity Funds - FIRST European Value Fund A-ACC-EURO	LU0353646689
Fidelity Funds - Australian Dollar Cash Fund A-ACC-AUD	LU0766124985
Fidelity Funds - Sterling Cash Fund A-ACC-GBP	LU0766125016
Fidelity Funds - Institutional Japan Fund I-ACC-JPY	LU0195660641