

Member Review for The Chinese University of Hong Kong

8 & 9 March 2007



Agenda

- ◆ Fidelity – Your Reliable Retirement Partner
- ◆ Portfolio Review
- ◆ Performance
- ◆ Market Review & Outlook
- ◆ Member Services

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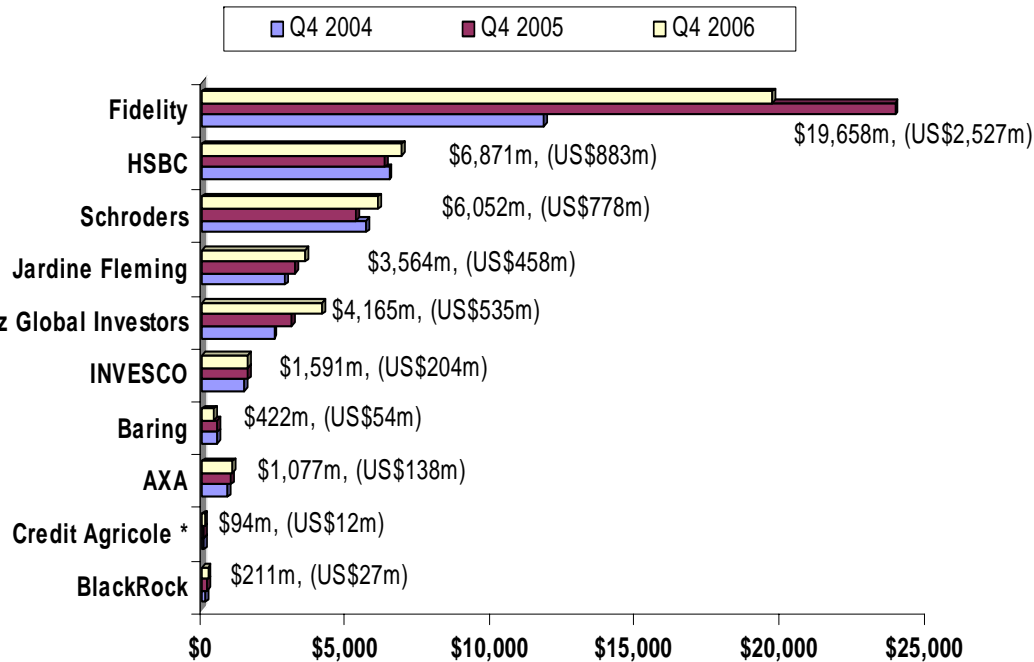
What Makes Fidelity Unique?

- **Fidelity is a privately held company**
- **Investment management is our core focus**
 - **Focus on delivering performance**
 - **Undivided attention on managing clients' assets**
 - **Avoid potential conflicts of interest**
- **All assets have been raised organically – not via merger or acquisition**
 - **Integrated, global business and investment platform**
 - **Strong and coherent corporate culture**
- **Significant experience in Defined Contribution business**

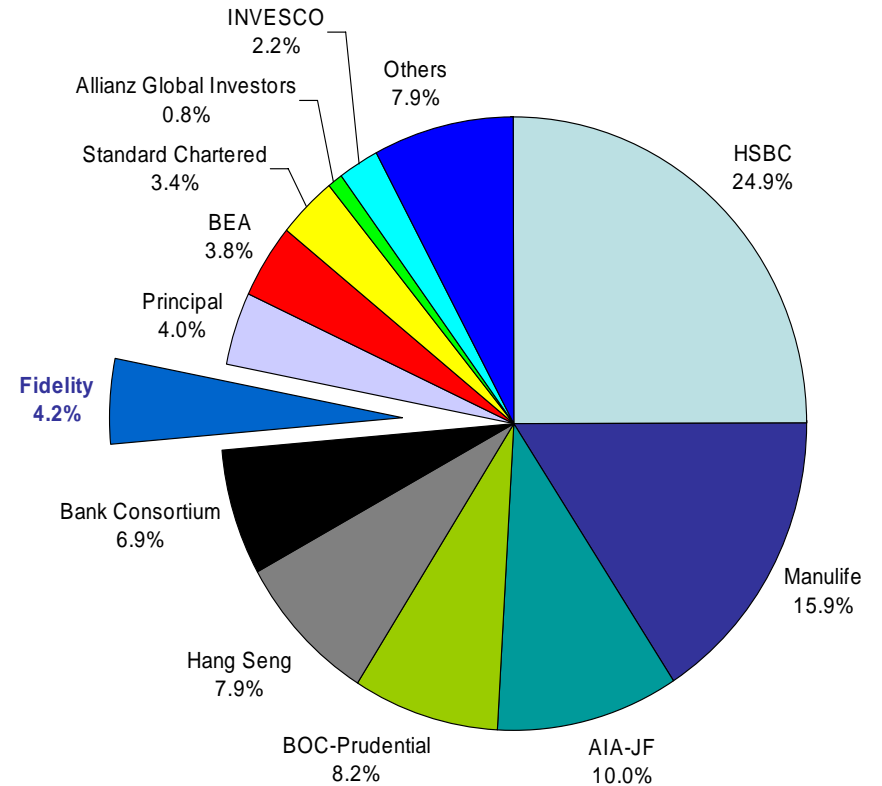
Independence, Stability and a Long Term View

Your Reliable Retirement Partner

ORSO: Top Employee Choice Scheme Service Provider



MPF: Largest "pure"[#] Fund Manager



Covering 1,092 HK Retirement Schemes and 291,045 employees

Source: Independent Consultant Report, as at 31 December, 2004, 2005 and 2006

Source: Watson Wyatt Investment Consulting (HK) Limited, Watson Wyatt Manager Watch Report as at 30 September 2006, MPFA and Fidelity.

Note: This MPF figure does not include a 2% market share which is achieved through the distribution of our MPF products by MPF intermediaries.

By "pure", we mean no ownership connection to banks and insurance companies who tend to have large branch networks or sales forces.

What We Offer

An integrated solution that combines a choice of superior investment capabilities with convenient and personalized services

Product Choices

- Fidelity managed funds
- Multi-Manager funds

Investment Expertise

- Sustainable performance
- Stable investment team
- Extensive global research resources *

Education and Guidance

- Investor education through life stages
- Personal interaction
- Investment guidance

Convenient Services

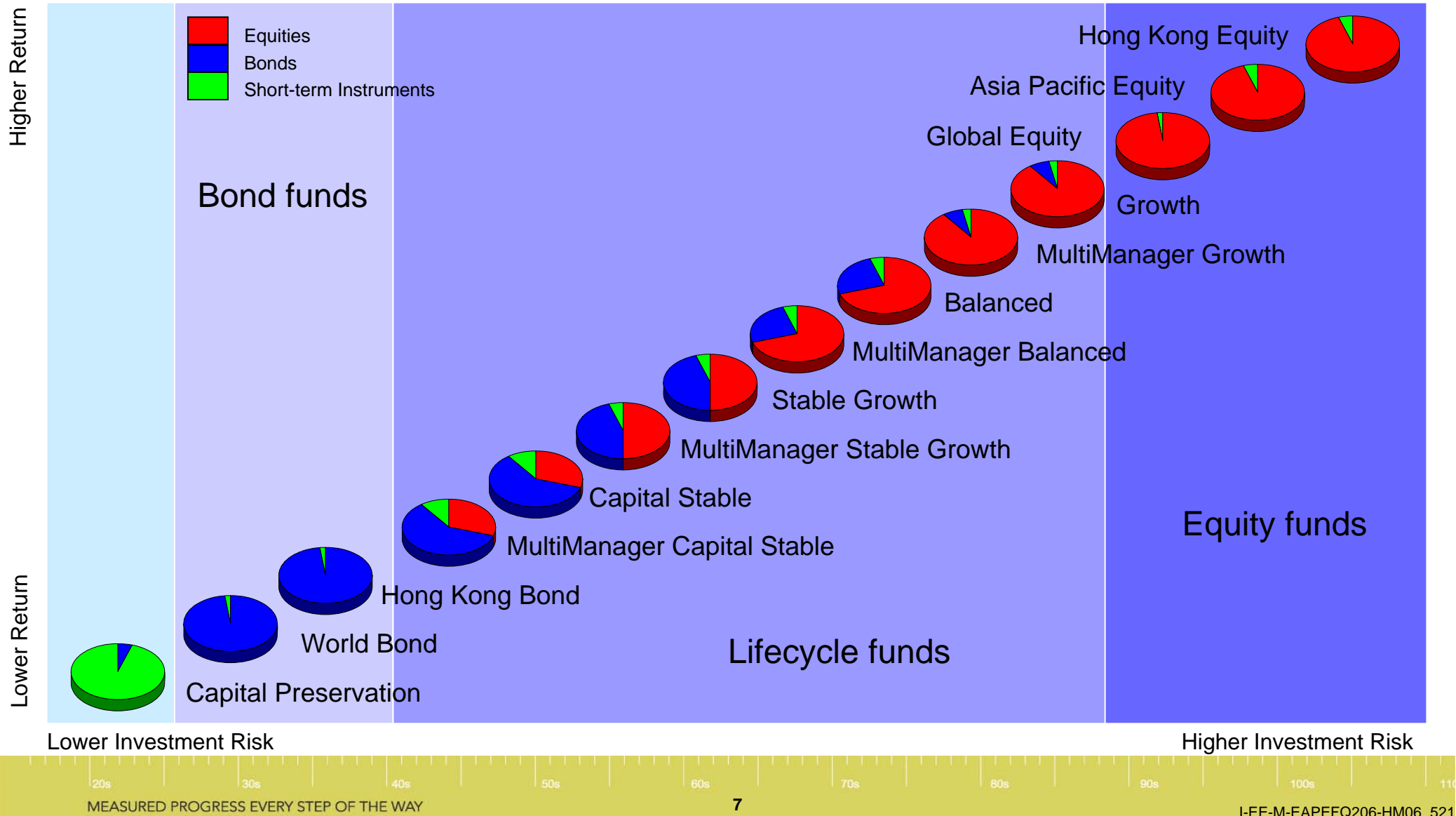
- Single point of contact
- Administrative and operational support

Fidelity's Total Retirement Solution

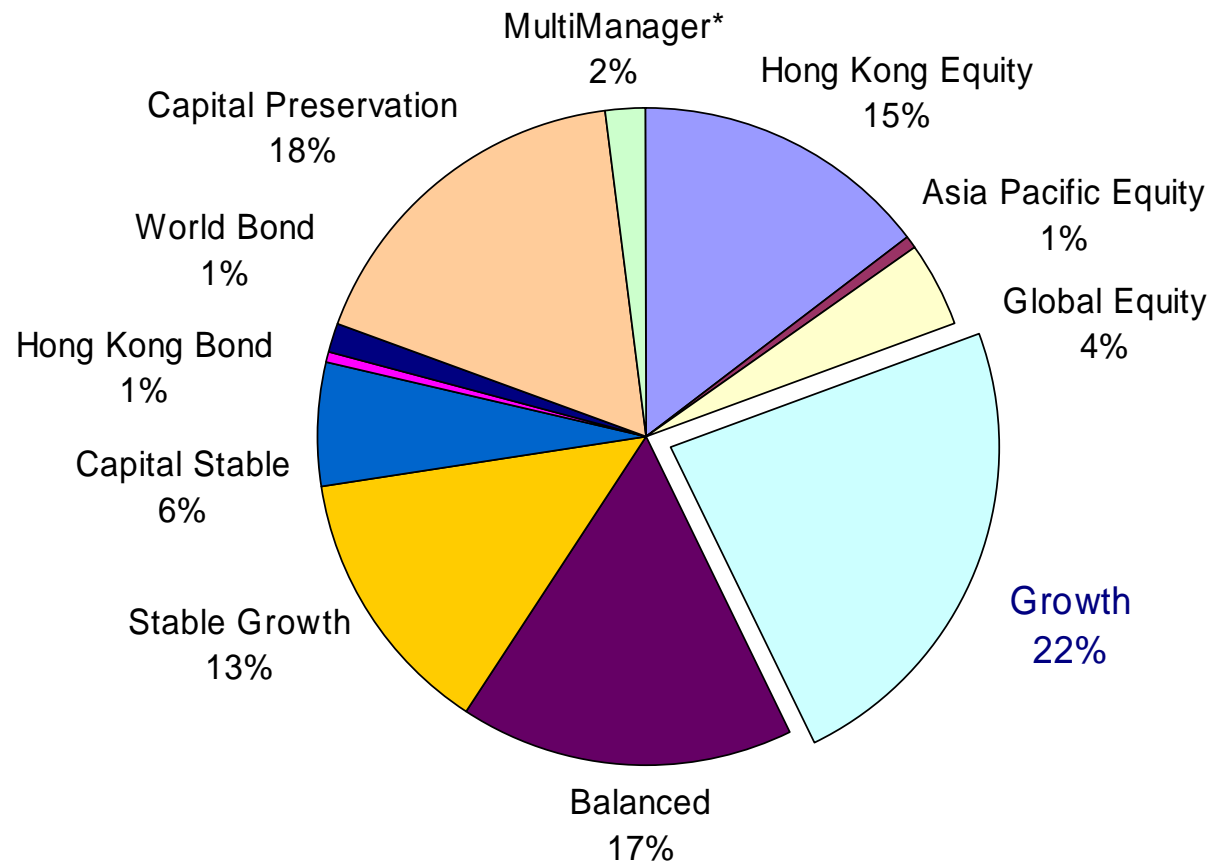
* Fidelity / Fidelity International means Fidelity International Limited (FIL), established in Bermuda, and its subsidiary companies. In addition to these resources, we also have access to resources based in US of our affiliated company, Fidelity Management and Research.

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Fidelity MPF – Your Choices



Asset Distribution of Your MPF Scheme



Source: Fidelity, as at 31 January 2007

*MultiManager include MultiManager Growth, MultiManager Balanced, MultiManager Stable Growth, and MultiManager Capital Stable

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MPF Performance vs. Benchmark as at 31 December 2006

Performance (in %)	Last 3 Months		Last 1 Year		Last 3 Years (p.a.)		Last 5 Years (p.a.)	
	Fidelity	Benchmark	Fidelity	Benchmark	Fidelity	Benchmark	Fidelity	Benchmark
Hong Kong Equity	16.0	14.8	36.4	38.5	20.3	23.2	14.7	16.7
Asia Pacific Equity	15.4	11.5	N/A	23.2	N/A	22.0	N/A	19.3
Global Equity	8.9	8.3	16.8	19.9	12.8	15.5	N/A	9.9
Growth	11.2	9.7	23.0	24.4	16.6	17.9	12.6	14.2
Balanced	9.0	7.8	18.8	20.0	13.2	14.6	11.1	12.6
Stable Growth	6.8	5.9	14.4	15.6	9.9	11.2	9.5	11.1
Capital Stable	4.6	4.0	10.2	11.2	6.6	7.8	7.7	9.2
Hong Kong Bond	0.9	1.8	3.2	6.1	0.2	3.2	N/A	4.8
World Bond	0.7	1.2	3.0	5.0	1.2	3.4	N/A	7.0
Capital Preservation	0.58	0.57	2.50	2.48	1.17	1.16	0.74	0.73
MM Growth	9.4	9.7	N/A	24.4	N/A	17.9	N/A	14.2
MM Balanced	7.5	7.8	N/A	20.0	N/A	14.6	N/A	12.6
MM Stable Growth	5.5	5.9	N/A	15.6	N/A	11.2	N/A	11.1
MM Capital Stable	3.7	4.0	N/A	11.2	N/A	7.8	N/A	9.2

Source: Watson Wyatt MPF Watch, net of management fees, in HKD
MM: MultiManager

MPF Performance vs. Benchmark as at 31 December 2006

Cumulative performance (in %)	Last 3 Months		Last 1 Year		Last 3 Years		Last 5 Years	
	Fidelity	Benchmark	Fidelity	Benchmark	Fidelity	Benchmark	Fidelity	Benchmark
Hong Kong Equity	16.0	14.8	36.4	38.5	74.1	87.0	98.5	116.4
Asia Pacific Equity	15.4	11.5	N/A	23.2	N/A	81.6	N/A	141.7
Global Equity	8.9	8.3	16.8	19.9	43.5	54.1	N/A	60.3
Growth	11.2	9.7	23.0	24.4	58.5	63.9	81.0	94.2
Balanced	9.0	7.8	18.8	20.0	45.1	50.5	69.3	81.0
Stable Growth	6.8	5.9	14.4	15.6	32.7	37.5	57.4	69.3
Capital Stable	4.6	4.0	10.2	11.2	21.1	25.3	44.9	55.3
Hong Kong Bond	0.9	1.8	3.2	6.1	0.6	9.9	N/A	26.4
World Bond	0.7	1.2	3.0	5.0	3.6	10.6	N/A	40.3
Capital Preservation	0.58	0.57	2.50	2.48	3.55	3.52	3.76	3.70
MM Growth	9.4	9.7	N/A	24.4	N/A	63.9	N/A	94.2
MM Balanced	7.5	7.8	N/A	20.0	N/A	50.5	N/A	81.0
MM Stable Growth	5.5	5.9	N/A	15.6	N/A	37.5	N/A	69.3
MM Capital Stable	3.7	4.0	N/A	11.2	N/A	25.3	N/A	55.3

Source: Watson Wyatt MPF Watch, net of management fees, in HKD
MM: MultiManager

MPF Performance vs. Peer Group as at 31 December 2006

Performance (in %)	Q4 2006		Last 1 Year		Last 3 Years (p.a.)		Last 5 Years (p.a.)	
	Fidelity	Median	Fidelity	Median	Fidelity	Median	Fidelity	Median
Hong Kong Equity	16.0	16.6	36.4	37.6	20.3	22.1	14.7	16.5
Asia Pacific Equity	15.4	13.9	N/A	24.9	N/A	17.8	N/A	16.8
Global Equity	8.9	9.0	16.8	22.3	12.8	14.7	N/A	10.3
Growth	11.2	10.3	23.0	22.9	16.6	16.1	12.6	12.0
Balanced	9.0	8.2	18.8	18.4	13.2	13.0	11.1	10.2
Stable Growth	6.8	6.4	14.4	14.5	9.9	9.4	9.5	8.6
Capital Stable	4.6	4.3	10.2	10.4	6.6	6.4	7.7	7.5
Hong Kong Bond	0.9	0.9	3.2	3.2	0.2	0.2	N/A	1.6
World Bond	0.7	1.1	3.0	3.6	1.2	1.4	N/A	5.3
Capital Preservation	0.58	0.59	2.50	2.52	1.17	1.19	0.74	0.77
MM Growth	9.4	10.3	N/A	22.9	N/A	16.1	N/A	12.0
MM Balanced	7.5	8.2	N/A	18.4	N/A	13.0	N/A	10.2
MM Stable Growth	5.5	6.4	N/A	14.5	N/A	9.4	N/A	8.6
MM Capital Stable	3.7	4.3	N/A	10.4	N/A	6.4	N/A	7.5

Source: Watson Wyatt MPF Watch, net of management fees, in HKD
MM: MultiManager

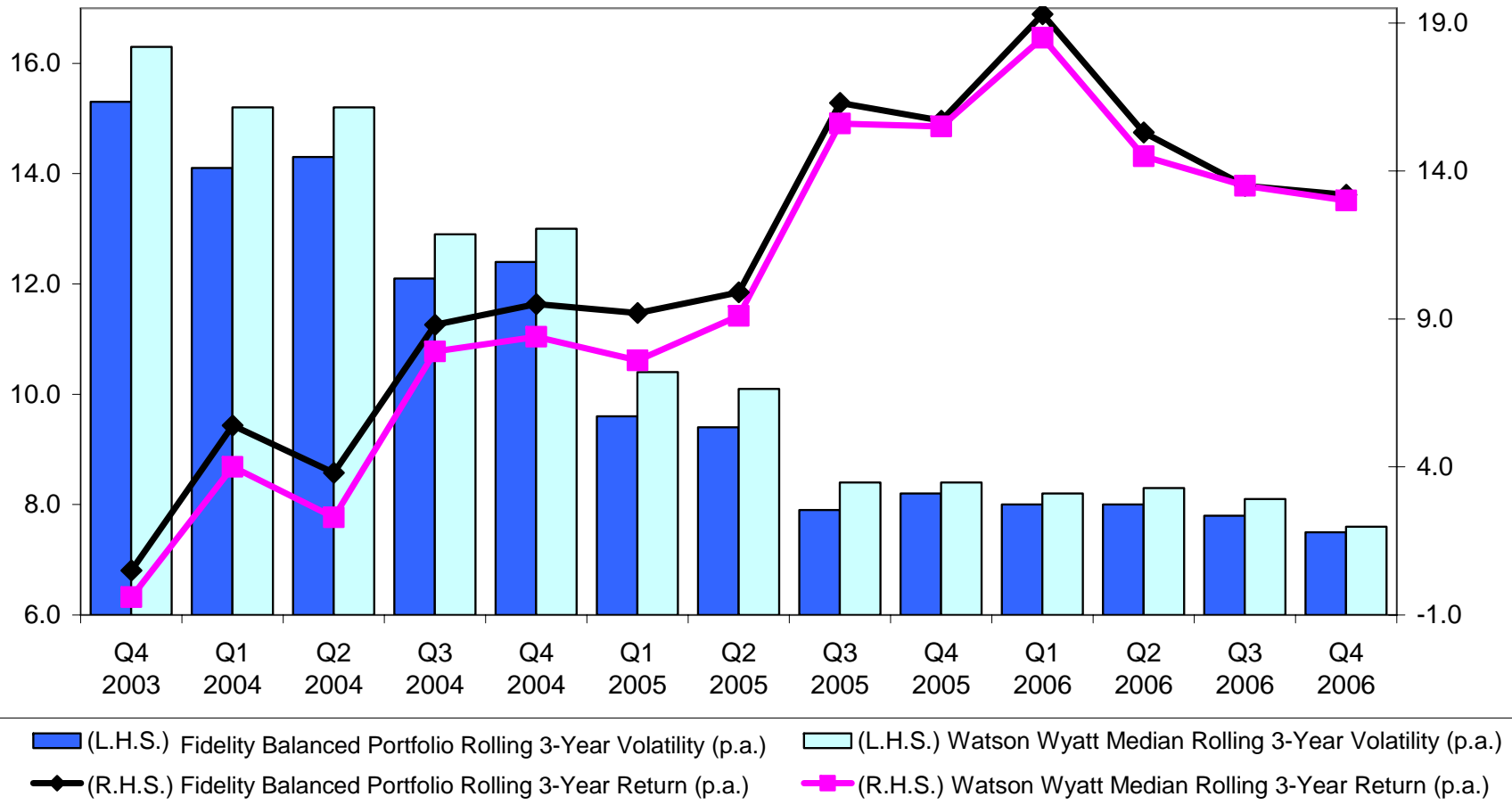
MPF Performance as at 31 January 2007

Cumulative performance (in %)	January 2007
Hong Kong Equity	0.7
Asia Pacific Equity	-0.6
Global Equity	1.2
Growth	0.7
Balanced	0.4
Stable Growth	0.0
Capital Stable	-0.3
Hong Kong Bond	-0.9
World Bond	-0.8
Capital Preservation	0.20
MM Growth	1.1
MM Balanced	0.7
MM Stable Growth	0.3
MM Capital Stable	0.0

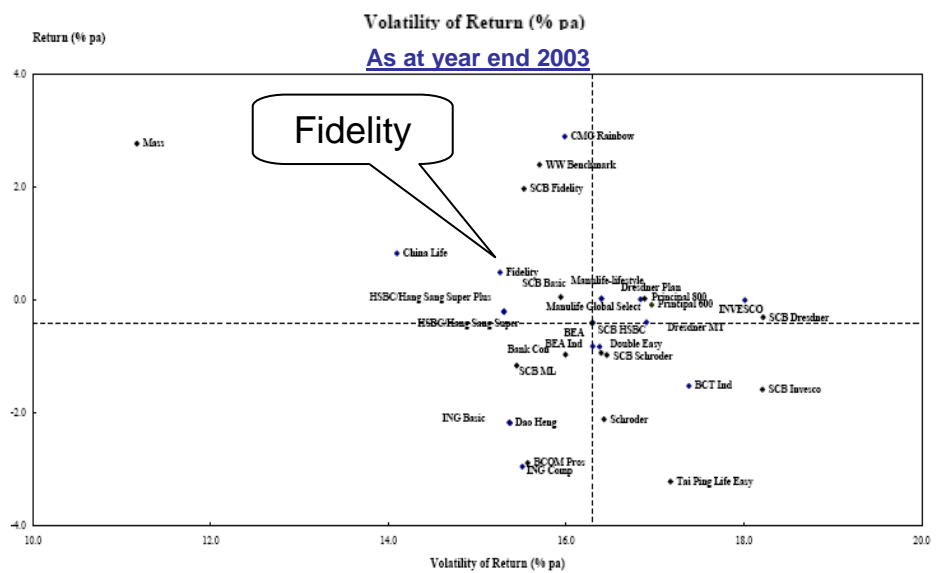
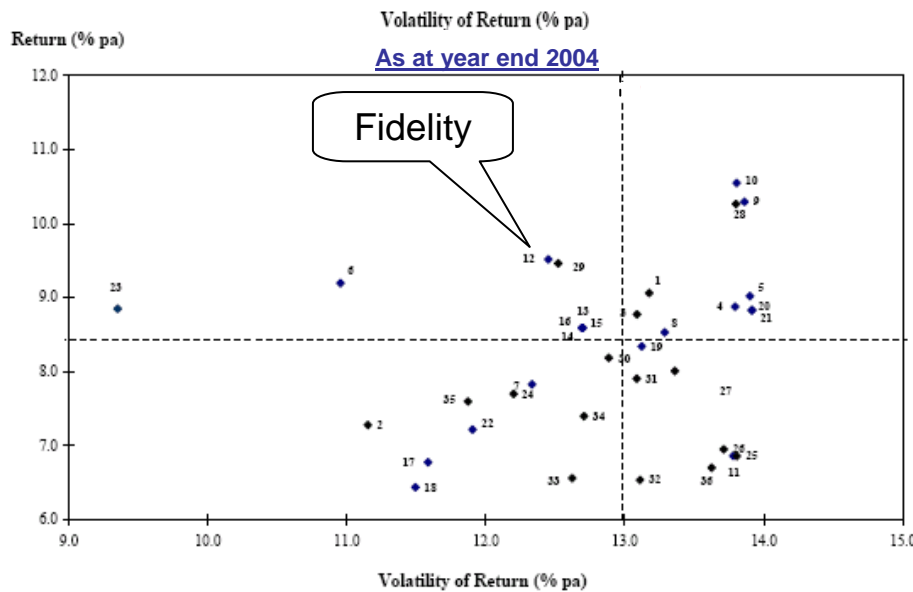
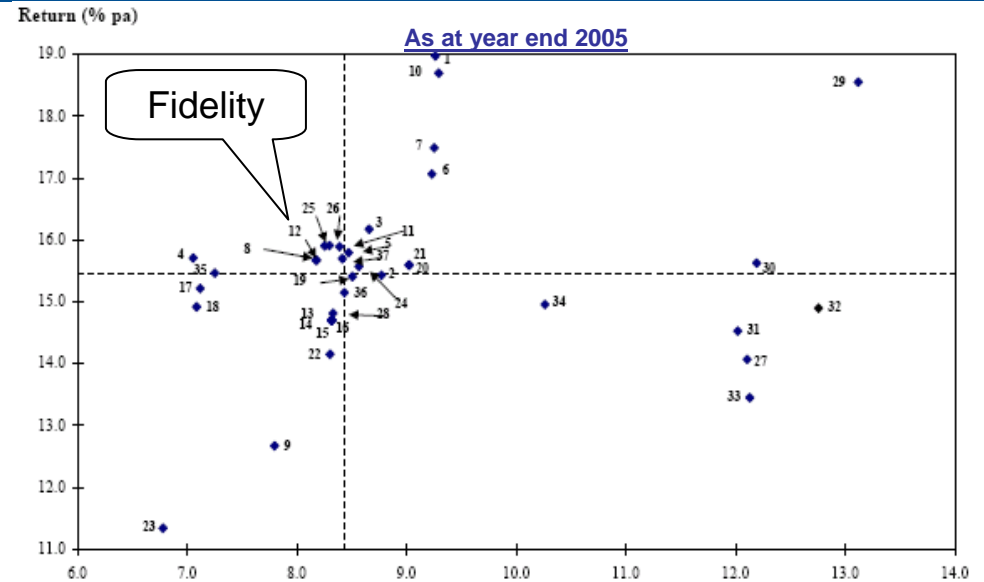
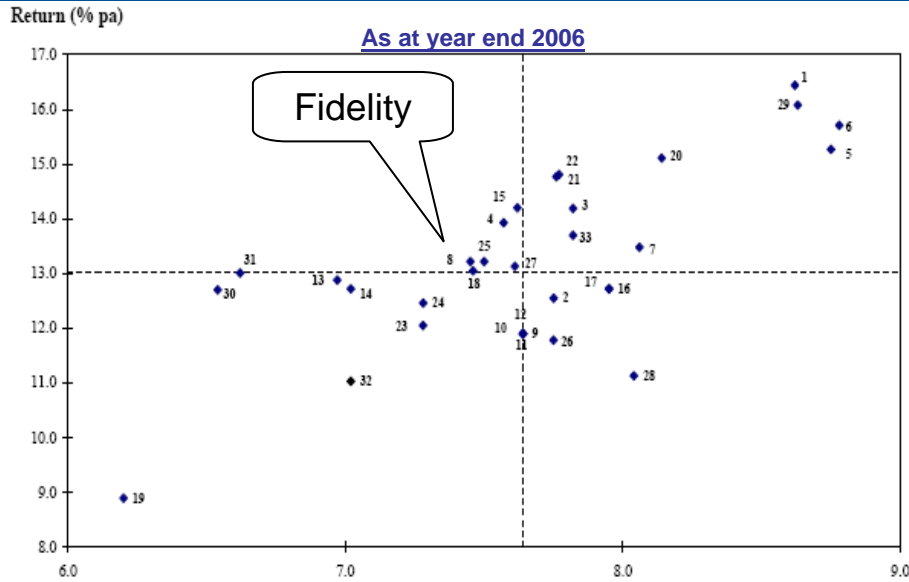
Source: Fidelity, net of fees, in HKD
MM: MultiManager

Ideal Retirement Investment – Stable Return with Controlled Risk

Fidelity MPF Balanced Portfolio vs. Watson Wyatt MPF Median Net of Fees Performance and Volatility



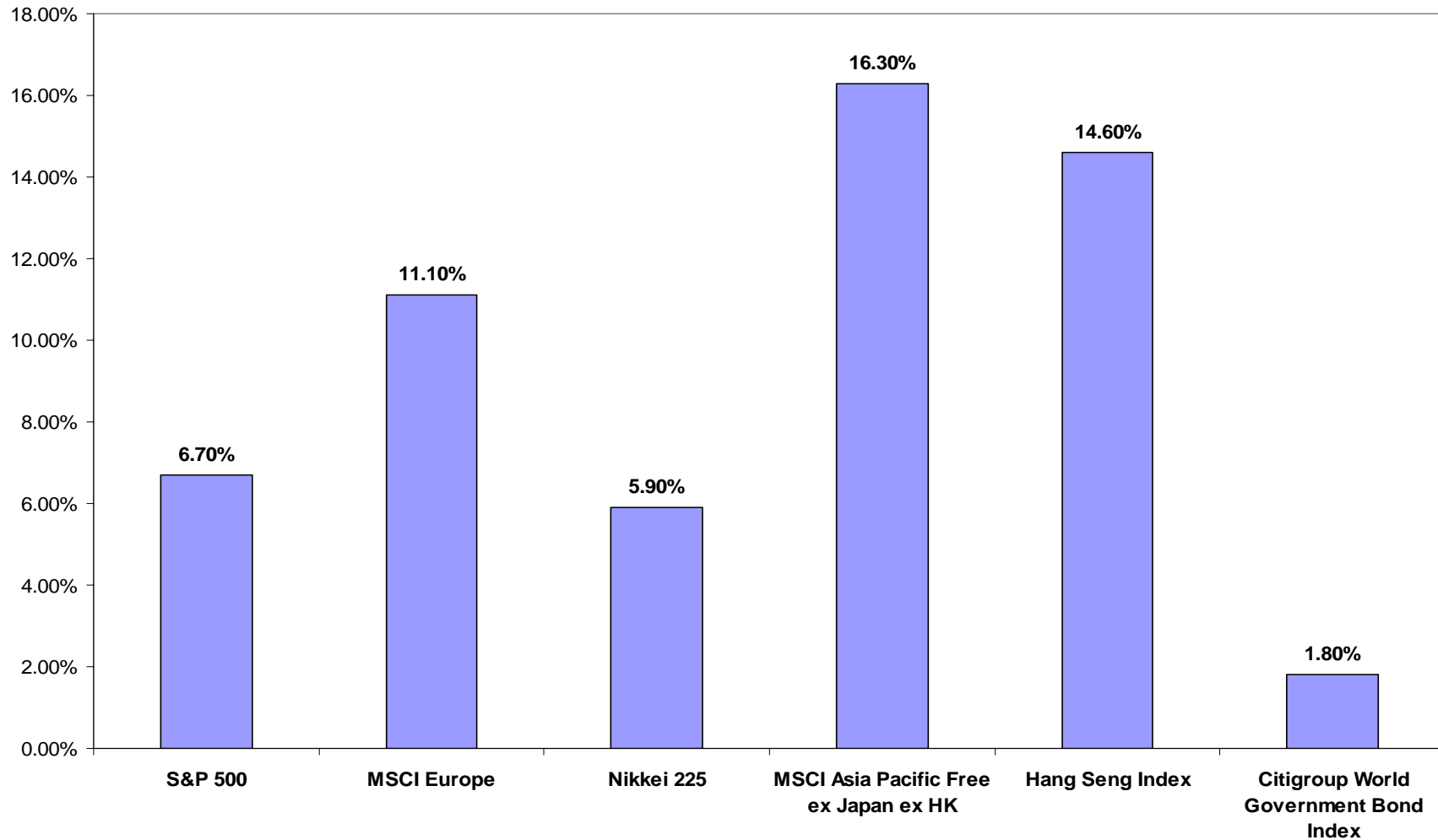
Source: Watson Wyatt Investment Consulting (HK) Limited, MPF Watch, as at 31 December 2006



Source: Watson Wyatt (HK) Limited, MPF Performance Book, Risk and Return Diagram over 3 years period from 2003 to 2006, as at 31 December 2006

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Market Background – Q4 2006



Source: Bloomberg (all figures in % in USD), as at 31 December 2006

Global GDP – 2007 slowdown within market expectations

	Real GDP growth (%)		
	2005	2006f	2007f
US	3.2	3.3	2.4
UK	1.9	2.6	2.5
Eurozone	1.5	2.7	2.0
Japan	2.6	2.2	1.8
China	10.2	10.5	9.6
Hong Kong	7.3	6.5	5.1
Latin America	4.2	4.9	4.3
North East Asia	8.1	8.5	7.7
South East Asia	5.3	5.6	5.4

Source: Consensus Forecasts/Asia Pacific Consensus Forecasts, January 2007

Summary

Market Positives:

- Oil and commodity price declines has eased inflationary pressures
- Although global economic growth is expected to decline, it is within market expectations
- Corporate earnings, particularly in the Asia Pacific ex Japan region, remain positive
- Analysts are looking to a potential easing of interest rates in the U.S. in the 2nd half of 2007

Potential Risks:

- Corporate earnings
- Eurozone and Japanese interest rates are still expected to increase
- Continued volatility in oil and commodity prices
- Political impact to South East Asia sentiment stemming from the Thai government actions in 4th quarter 2006
- Geopolitical concerns still persist, adding a measure of uncertainty into global markets

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Convenience: One Point of Contact, One Phone Line, One Website



Investor Education

- Communication based on life stages
- Quarterly Webcast
- Personal Interaction

Additional Contributions

- Special Voluntary Contributions
- Personal Investments

One-Stop Service Platform

Account Enquiry and Management

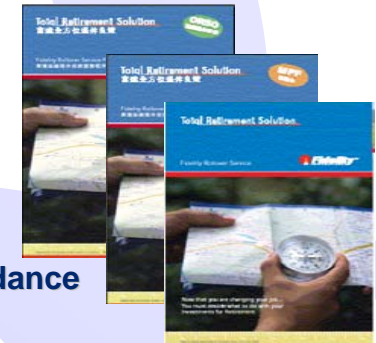
- Secure online access via www.fidelity.com.hk
- 24 Hour automated phone service on 2500 1666
- Access to Retirement Specialists

Enrolment

- Starter Kit
- Investment Basics

Pre-retirement Planning

- Retirement Planning & Guidance
- Rollover Service



Comprehensive & Convenient, from Enrolment to Retirement

Why Fidelity?

- ✓ **Organisational Strength & Stability**
- ✓ **Significant Experience**
- ✓ **Comprehensive Investment Choices**
- ✓ **Consistent & Repeatable Performance**
- ✓ **Dedicated & Convenient Client Service**
- ✓ **Ease of “One-Stop” Shopping**

Total Retirement Solutions Platform

Disclaimer

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Investment involves risks. Past performance is not indicative of future performance. Please refer to the relevant offering documents for further information.

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Investment returns not denominated in HKD or USD are exposed to exchange rate fluctuations. Please also note that equities, bonds and cash deposits are different in nature, investment risk associated with cash deposits are normally lower than equities and bonds.

For MPF retirement schemes

The On-going Costs Illustrations (for all Constituent Funds of the Master Trust except for the Capital Preservation Fund) that illustrate the on-going costs on contributions to constituent funds of the Master Trust and the Illustrative Example (for the Capital Preservation Fund) are distributed with the Principal Brochure. Before making any investment decisions concerning MPF investments, you should ensure that you have the latest version of these documents which can be obtained from the Trustee and Custodian or the Investment Manager at their addresses stated in the Principal Brochure.

MPF Performance as at 31 December 2006

Performance (in %)	Q4 2006	Last 1 year	Last 3-year (p.a.)	Last 5-year (p.a.)
Fidelity Capital Preservation	0.58	2.50	1.17	0.74
Median	0.59	2.52	1.19	0.77
MPFA Prescribed Savings Rate	0.57	2.48	1.16	0.73

Source: Watson Wyatt MPF Watch, as of December 31, 2006

Global Assets Under Management

Total Assets under Management :

- ◆ Fidelity Management & Research Co (FMR Corp): US\$1,225 billion
- ◆ Fidelity International Limited (FIL): US\$279 billion

Total Retirement Assets under Management :

- ◆ Fidelity Management & Research Co (FMR Corp): US\$797 billion
- ◆ Fidelity International Limited (FIL): US\$64 billion#
 - HK Retirement Assets US\$5.3 billion
 - MPF US\$1.7 billion

Trusted Global Brand with Deep Institutional Experience

Source: Fidelity, 30 September 2006

Fidelity/Fidelity International means Fidelity International Limited (FIL), established in Bermuda, and its subsidiary companies. In addition to these resources, we also have access to resources based in US of our affiliated company, FMR Co. Data is unaudited. The difference between the sum of Institutional/Retail and Total FIL AUM is FMR Sub-Advisory AUM which is approximately USD 38.5billion.

This figure is the sum of FIL DB Pension assets and FIL Institutional DC assets.