

# Annual Short Report

For the year ended  
28 February 2013



# FIDELITY INVESTMENT FUNDS ANNUAL SHORT REPORT FOR THE YEAR ENDED 28 FEBRUARY 2013

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# FIDELITY INVESTMENT FUNDS ANNUAL SHORT REPORT FOR THE YEAR ENDED 28 FEBRUARY 2013

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## INTRODUCTION

In order to provide the shareholders with regular and relevant information about the progress of the Fidelity Investment Funds (the Company), the Financial Conduct Authority (FCA) requires the Authorised Corporate Director (ACD) to send a short report to all shareholders.

This document is a short report of the Company covering the year ended 28 February 2013. The information in this report is designed to inform shareholders on the activities of the funds during the period it covers and the result of those activities at the end of the period. The results for each sub-fund are set out in detail in the relevant section of the report.

A more detailed long form version of the report is available free of charge on request to the ACD. The independent Auditors' report on the annual report and financial statements of the Company for the year ended 28 February 2013 was unqualified.

For more information about the activities and performance of the funds during this and the previous period, please contact the ACD.

# FIDELITY INVESTMENT FUNDS ANNUAL SHORT REPORT FOR THE YEAR ENDED 28 FEBRUARY 2013

## GENERAL INFORMATION

### FIDELITY INVESTMENT FUNDS

#### REGISTERED OFFICE

Oakhill House  
130 Tonbridge Road  
Hildenborough  
Tonbridge  
Kent TN11 9DZ  
United Kingdom  
[www.fidelity.co.uk](http://www.fidelity.co.uk)

Authorised and regulated in the UK by the Financial Conduct Authority.

#### INVESTMENT ADVISERS

For funds managed wholly or principally in the United Kingdom:  
FIL Investment Services (UK) Limited  
Oakhill House  
130 Tonbridge Road  
Hildenborough  
Tonbridge  
Kent TN11 9DZ  
United Kingdom

Authorised and regulated in the UK by the Financial Conduct Authority.  
Registered in England and Wales No 2016555.

For other funds:  
FIL Fund Management Limited  
Pembroke Hall  
42 Crow Lane  
Pembroke HM19  
Bermuda

Licensed by the Bermuda Monetary Authority under the Investment Business Act to conduct investment business.

#### AUTHORISED CORPORATE DIRECTOR (ACD), GENERAL DISTRIBUTOR, ADMINISTRATOR AND REGISTRAR

FIL Investment Services (UK) Limited  
Oakhill House  
130 Tonbridge Road  
Hildenborough  
Tonbridge  
Kent TN11 9DZ  
United Kingdom  
The ACD is FIL Investment Services (UK) Limited and is the sole director.  
Registered in England and Wales No 2016555.

#### SUB-DISTRIBUTOR

Fidelity Administration Services Limited  
Oakhill House  
130 Tonbridge Road  
Hildenborough  
Tonbridge  
Kent TN11 9DZ  
United Kingdom

By a separate sub-distribution agreement dated 1 March 2012 the ACD has appointed Fidelity Administration Services Limited to distribute shares in the United Kingdom.

Authorised and regulated in the UK by the Financial Conduct Authority.

### DEPOSITARY

J.P. Morgan Trustee and Depositary Company Limited  
Registered Office:  
25 Bank Street  
London E14 5JP  
United Kingdom

Head Office:  
Chaseside  
Bournemouth  
Dorset BH7 7DA  
United Kingdom

Authorised and regulated in the UK by the Financial Conduct Authority.

### INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP  
7 More London Riverside  
London SE1 2RT  
United Kingdom

## FUND MANAGER'S COMMENTARY

## MARKET REVIEW

US equities rose sharply over the period as improvements in two of the weakest areas of the domestic economy, the job and housing sectors, served to highlight America's relatively strong position among Western countries. This benefited US stocks at a time when investors were becoming more positive and looking to increase their exposure to equities. Whilst there were occasional sell offs stemming from concerns about the European sovereign debt crisis and fears of potential tax increases and spending cuts in the US (commonly referred to as the fiscal cliff), aggressive policy intervention across the developed world helped restore investor confidence. President Obama's re-election also removed some uncertainty with regards to domestic policies. As far as businesses were concerned, earnings expectations were tempered by subdued growth prospects, but balance sheets and cash holdings remained healthy enough to weather an uncertain backdrop.

## PORTFOLIO ACTIVITY

The fund underperformed the comparative index (S&P500 Index Net)\* over the period. Stock selection in the materials sector hurt performance. In particular, Goldcorp, Barrick Gold and Freeport-McMoRan Copper & Gold detracted from returns, as precious metal prices declined. These positions were sold as part of a portfolio rebalancing towards defensives. The position in luxury retailer Coach, which reported lower than expected quarterly sales, was also sold. In contrast, the holding in Microsoft was retained despite disappointing results, as it was felt that investors had become too negative on the stock. On a positive note, an underweight stance in Apple lent relative support as it issued disappointing quarterly results. An overweight exposure to health care stocks also added value as investors favoured defensive stocks with structural growth prospects. Gilead Sciences was buoyed by the Food and Drug Administration's approval of a new once-a-day HIV treatment. Newly included defensive positions such as Baxter International, General Mills and Colgate-Palmolive also contributed to performance. I took over management responsibilities for the fund in February 2013 and I am currently making some changes to the portfolio. I am a bottom up stock picker with a preference for growth oriented companies. My investment philosophy relies on understanding how market inefficiencies arise, and more specifically, what role investor psychology has in generating such inefficiencies. I aim to identify situations where fundamentals are changing positively but are not yet recognised by the market.

## OUTLOOK

The US economy is improving and should benefit from the recovery in housing, which is finally coming through. Furthermore, the corporate sector remains healthy. Whilst the ongoing reduction in indebtedness will keep growth rates constrained, it is encouraging to see the Federal Reserve reiterate its commitment to support the economy, particularly at a time when European sovereign debt issues simmer from time to time. However, valuations are now fair and consensus earnings expectations for 2013 remain overly optimistic.

Peter Kaye  
Fund Manager  
28 February 13

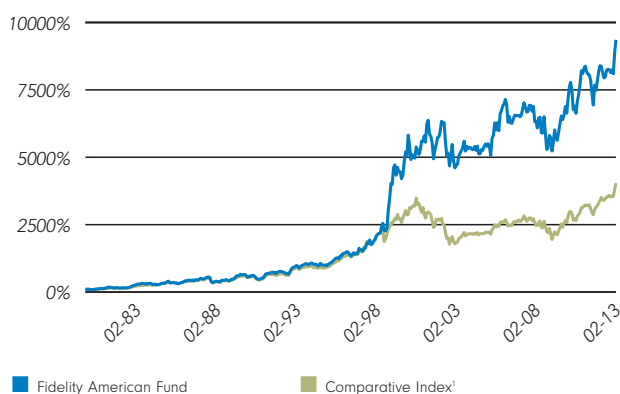
## PERFORMANCE RECORD

## PERFORMANCE OVER 12 MONTHS

Over the 12 month review period to 28 February 2013, the fund returned 11.4% with net income reinvested, underperforming its comparative index return of 19.0%.

## PERFORMANCE SINCE LAUNCH

17 December 79 to 28 February 13



1. Comparative Index: S&P 500 Index (Net)

## DISCRETE 1 YEAR PERFORMANCE OVER THE LAST 5 YEARS TO:

	28/02/09	28/02/10	28/02/11	29/02/12	28/02/13
% Fund Performance	-17.4	36.5	16.1	1.2	11.4
Comparative index	-21.3	43.2	14.3	6.6	19.0

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested. Since launch the fund has returned 9,255.9%. Over 5 years the fund has returned 47.7% compared with the comparative index return of 63.3%. Performance prior to 29/08/98 has been recalculated to take account of the conversion from Unit Trust to OEIC fund. Performance excludes initial charge.

Past performance is not a reliable indicator of future results.

## INVESTMENT OBJECTIVE AND POLICY

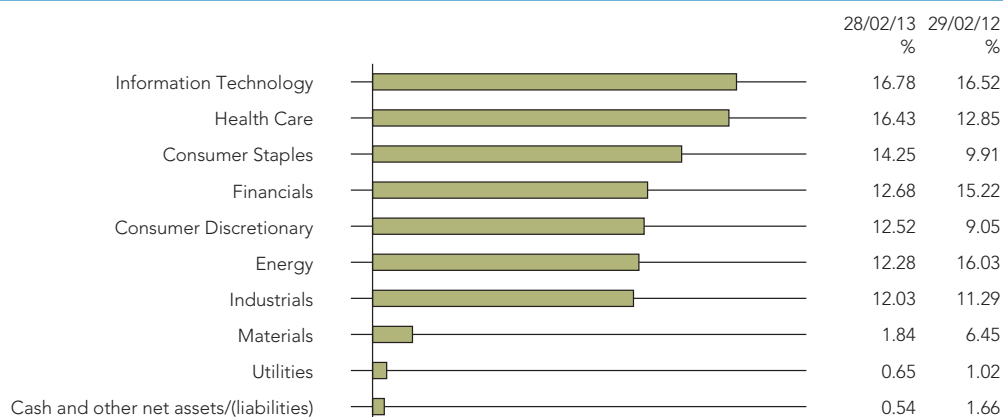
The fund's investment objective is to achieve long term capital growth from a portfolio primarily made up of the shares of US companies. The portfolio is likely to have a bias towards larger and medium-sized companies, although the ACD is not restricted in its choice of company by either size or industry.

## RISK PROFILE

If you make regular withdrawals from your investment, this may reduce your capital over time if the fund's growth does not compensate for the withdrawals. The value of your investment can go down as well as up. You may not get back the amount you invested. What you get back is not guaranteed. It will depend on investment performance. This fund invests in overseas markets. You may get back more or less as a result of currency fluctuations. The fund may invest in derivatives for the purposes of the efficient management of the fund. For funds that use derivative transactions, there is a risk that the counterparty to the transaction will wholly or partially fail to honour its contractual obligations. This may result in financial loss to the fund. Where appropriate, collateral will be required to reduce exposure to a counterparty. Some funds invest more heavily than others in smaller companies, which can carry a higher risk because their prices may be more volatile than those of larger companies. Each of our funds is operated as a separate entity with its own assets and liabilities. However, if the liabilities of one fund were to exceed its assets, the other funds within the scheme might have to transfer across money to cover the liabilities. This means that the fund you invest in may be worth less if it has to transfer money to another fund.

\* Holdings can vary from those in the index quoted. For this reason the comparative index is used for reference only.

# PORTFOLIO INFORMATION



# TOP HOLDINGS

The top ten holdings in the fund as at 28 February 2013 and at the previous year end are shown below.

Top holdings as at 28/02/13	% of total net assets
Johnson & Johnson	3.71
ExxonMobil	3.69
Procter & Gamble	3.29
Pfizer	3.24
Microsoft	3.04
Merck & Co	2.74
Home Depot	2.27
ChevronTexaco	2.20
Google (A)	2.17
Danaher	2.02

Top holdings as at 29/02/12	% of total net assets
ExxonMobil	3.58
ChevronTexaco	3.09
Procter & Gamble	2.63
Microsoft	2.58
Cisco Systems	2.55
Johnson & Johnson	2.51
Coca-Cola	2.50
Merck & Co	2.49
Pfizer	2.44
Schlumberger (US)	2.33

## Footnotes:

1. The net asset value is the accounting value at the year end on a fair value basis
2. Figures includes the 01/03/13 distribution

# FUND FACTS

## INCOME (pence per share)

	XD date	A Accumulation Shares	Y Accumulation Shares
Final distribution	01/03/13	4.8953	1.0450

	XD date	W Accumulation Shares*
Final distribution	01/03/13	8.7315

\*The W Accumulation Shares were launched on 15/10/12.

## ONGOING CHARGES (%)

ENDING SHARES (%)		
	A Accumulation Shares	Y Accumulation Shares
28/02/13	1.70	1.17
29/02/12	1.70	1.17
		W Accumulation Shares
28/02/13		0.94
29/02/12		

The ongoing charge figure is the ratio of total costs to average net assets.

## FUND SIZE

	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue
	A Accumulation Shares			Y Accumulation Shares		
28/02/13	1,059.4	2,105.14	50,326,739	26.9	149.12	18,065,144
29/02/12	1,085.5	1,888.62	57,476,538	23.2	133.07	17,411,256
28/02/11	1,246.7	1,865.36	66,835,041	24.8	130.74	18,943,058
	W Accumulation Shares					
28/02/13	4.4	2,047.36	214,801			

## INCOME PER SHARE AND PRICE HISTORY (pence)

Calendar year	Income per share	Lowest price	Highest price	Income per share	Lowest price	Highest price
A Accumulation Shares			Y Accumulation Shares			
2013 <sup>2</sup>	4.8953	1,858.00	2,118.00	1.0450	131.50	150.00
2012	-	1,740.00	1,927.00	0.6165	122.80	135.80
2011	-	1,492.00	1,901.00	0.2354	104.80	133.20
2010	-	1,475.00	1,859.00	0.2188	103.20	130.20
2009	5.4215	1,075.00	1,574.00	-	98.67	109.80
2008	-	1,077.00	1,564.00	-	-	-
W Accumulation Shares						
2013 <sup>2</sup>	8.7315	1,804.00	2,059.00			
2012	-	1,746.00	1,832.00			

## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

US equities rose sharply over the period as improvements in two of the weakest areas of the domestic economy, the job and housing sectors, served to highlight America's relatively strong position among Western countries. This benefited US stocks at a time when investors were becoming more positive and looking to increase their exposure to equities. Whilst there were occasional sell offs stemming from concerns about the European sovereign debt crisis and fears of potential tax increases and spending cuts in the US (commonly referred to as the fiscal cliff), aggressive policy intervention across the developed world helped restore investor confidence. President Obama's re-election also removed some uncertainty with regards to domestic policies. As far as businesses were concerned, earnings expectations were tempered by subdued growth prospects, but balance sheets and cash holdings remained healthy enough to weather an uncertain backdrop.

### PORTFOLIO ACTIVITY

The fund underperformed the comparative index (S&P500 Index Net)\* over the period. The bias against financials held back relative returns in an environment where abating concerns of systemic failure buoyed related stocks. The underweight stance in the sector was primarily a reflection of the fact that real estate investment trusts and capital markets stocks were expensive. The new position in The McGraw-Hill Companies also hurt performance following news that one of its units was likely to be sued. Meanwhile, the technology exposure added overall value, but Microsoft suffered from weak end demand and VeriFone Systems reported unsatisfactory cashflow conversion. The latter was sold, and profits were taken in eBay and Adobe Systems. Newly included holdings Facebook and Electronic Arts also enhanced gains, as investors became more positive about their earnings prospects. Elsewhere, in the health care sector, Gilead Sciences was buoyed by the approval of a once-a-day HIV treatment, whilst the new position in Celgene reported better than expected earnings. I took over management responsibilities for the fund in December 2012 and have been making some changes to the portfolio to reflect my best ideas. I am a bottom up stock picker who primarily focuses on businesses that have gone through a period of underperformance and where little value is ascribed to their recovery potential. I believe the stock market is inefficient at pricing underperforming companies, as the true potential of a business is often only factored in once an improvement in trading becomes visible. I look to invest in businesses where I can see early evidence that improvements are under way in order to fully capture the upside potential.

### OUTLOOK

The US economy is improving and should benefit from the recovery in housing, which is finally coming through. Furthermore, the corporate sector remains healthy. Whilst the ongoing reduction in indebtedness will keep growth rates constrained, it is encouraging to see the Federal Reserve reiterate its commitment to support the economy, particularly at a time when European sovereign debt issues simmer from time to time. However, valuations are now fair and consensus earnings expectations for 2013 remain overly optimistic.

Angel Agudo  
Fund Manager  
28 February 13

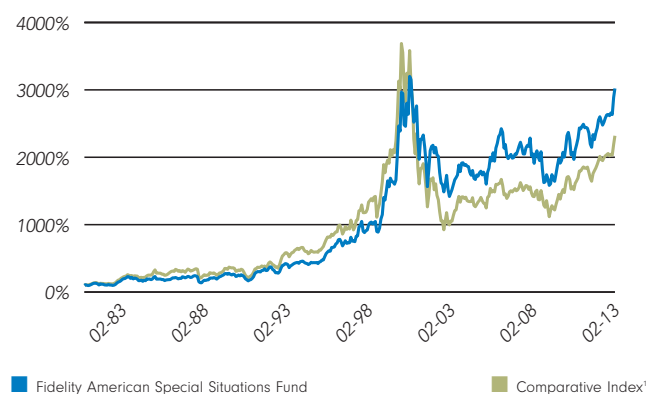
## PERFORMANCE RECORD

### PERFORMANCE OVER 12 MONTHS

Over the 12 month review period to 28 February 2013, the fund returned 18.3% with net income reinvested, underperforming its comparative index return of 19.0%.

### PERFORMANCE SINCE LAUNCH

10 November 80 to 28 February 13



1. Comparative Index: S&P 500 Index (Net)

### DISCRETE 1 YEAR PERFORMANCE OVER THE LAST 5 YEARS TO:

	28/02/09	28/02/10	28/02/11	29/02/12	28/02/13
% Fund Performance	-22.8	35.0	15.1	3.7	18.3
Comparative index	-21.3	43.2	14.3	6.6	19.0

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested. Since launch the fund has returned 2,921.2%. Over 5 years the fund has returned 47.4% compared with the comparative index return of 63.3%. Performance prior to 29/08/98 has been recalculated to take account of the conversion from Unit Trust to OEIC fund. Benchmark to 31/08/06 was NASDAQ Comp. ex dividend Index. Performance excludes initial charge.

Past performance is not a reliable indicator of future results.

## INVESTMENT OBJECTIVE AND POLICY

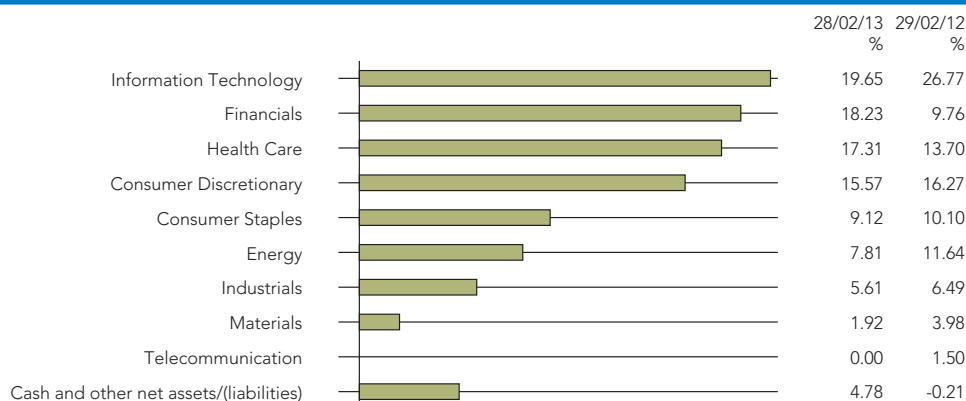
The fund's investment objective is to achieve long term capital growth from a portfolio primarily made up of the shares of US companies. The portfolio is likely to have a bias towards medium-sized and smaller companies, although the ACD is not restricted in its choice of company by either size or industry.

## RISK PROFILE

If you make regular withdrawals from your investment, this may reduce your capital over time if the fund's growth does not compensate for the withdrawals. The value of your investment can go down as well as up. You may not get back the amount you invested. What you get back is not guaranteed. It will depend on investment performance. This fund invests in overseas markets. You may get back more or less as a result of currency fluctuations. This fund invests in a relatively small number of companies, which can make it more volatile than funds that are more diversified. This fund invests more heavily than others in smaller companies, which can carry a higher risk because their share prices may be more volatile than those of larger companies. The fund may invest in derivatives for the purposes of the efficient management of the fund. For funds that use derivative transactions, there is a risk that the counterparty to the transaction will wholly or partially fail to honour its contractual obligations. This may result in financial loss to the fund. Where appropriate, collateral will be required to reduce exposure to a counterparty. Each of our funds is operated as a separate entity with its own assets and liabilities. However, if the liabilities of one fund were to exceed its assets, the other funds within the scheme might have to transfer across money to cover the liabilities. This means that the fund you invest in may be worth less if it has to transfer money to another fund.

\* Holdings can vary from those in the index quoted. For this reason the comparative index is used for reference only.

# PORTFOLIO INFORMATION



# TOP HOLDINGS

The top ten holdings in the fund as at 28 February 2013 and at the previous year end are shown below.

Top holdings as at 28/02/13	% of total net assets
Microsoft	5.02
Johnson & Johnson	4.77
Bank of New York Mellon	3.81
Merck & Co	3.68
Google (A)	3.14
Cisco Systems	2.92
Towers Watson	2.80
Citigroup	2.76
News Corporation	2.70
Check Point Software Technologies	2.59

Top holdings as at 29/02/12	% of total net assets
Microsoft	4.26
ChevronTexaco	3.47
Google (A)	3.33
Apple	3.28
Walt Disney	3.00
Wells Fargo	2.78
Pfizer	2.68
Procter & Gamble	2.36
Cisco Systems	2.33
Kraft Foods	2.28

## Footnotes:

1. The net asset value is the accounting value at the year end on a fair value basis
2. Figures includes the 01/03/13 distribution

# FUND FACTS

## INCOME (pence per share)

	XD date	A Accumulation Shares	Y Accumulation Shares*
Final distribution	01/03/13	-	1.9120

	XD date	W Accumulation Shares **
Final distribution	01/03/13	2.1900

\* The Y Accumulation Shares were launched on the 18/07/12. \*\* The W Accumulation Shares were launched on the 15/10/12.

## ONGOING CHARGES (%)

	A Accumulation Shares	Y Accumulation Shares
28/02/13	1.71	1.19
29/02/12	1.71	-
		W Accumulation Shares
28/02/13		0.96
29/02/12		

The ongoing charge figure is the ratio of total costs to average net assets.

## FUND SIZE

	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue
	A Accumulation Shares			Y Accumulation Shares		
28/02/13	245.6	755.18	32,518,605	2.1	713.74	295,309
29/02/12	256.7	638.19	40,219,439	-	-	-
28/02/11	278.4	615.14	45,255,049	-	-	-
28/02/10	233.1	534.11	43,643,679	-	-	-
	W Accumulation Shares					
28/02/13	2.7	688.27	389,092			

## INCOME PER SHARE AND PRICE HISTORY (pence)

Calendar year	Income per share	Lowest price	Highest price	Income per share	Lowest price	Highest price
	A Accumulation Shares			Y Accumulation Shares		
2013 <sup>2</sup>	-	671.50	762.00	1.9120	634.10	720.10
2012	-	591.40	672.80	-	595.10	634.90
2011	-	496.00	629.60			
2010	-	491.30	612.70			
2009	-	372.20	527.30			
2008	-	375.40	574.60			
	W Accumulation Shares					
2013 <sup>2</sup>	2.1900	611.30	694.50			
2012	-	582.50	611.10			



## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

Chinese equities advanced strongly over the period. There was a sense of relief that none of the major global concerns, namely a sharp slowdown in China, collapse of the euro and a double dip recession in the US, materialised. In China, the central bank introduced monetary stimulus measures to promote growth. Additionally, in September, a series of infrastructure investment plans were rolled out to spur the economy. Investors gained confidence after economic data showed signs of stabilisation and uncertainty around the leadership changes abated in November. Defensive sectors, including utilities, health care and information technology were at the forefront of gains, whilst energy and materials lagged.

### PORTFOLIO ACTIVITY

The fund outperformed the comparative index (MSCI China Index Net)\* over the period due to strong security selection in consumer related sectors. Notably, the exposure to Macau based casino operators Galaxy Entertainment and Sands China boosted performance as they continued to report strong returns despite fears of a slowdown. In staples, positions in noodles and beverages company Uni-President China and its Taiwan based parent Uni-President Enterprises added significant value. The former's profits in the Chinese market nearly tripled in the first quarter compared to a year ago, and the latter's plan to establish and expand foodstuff plants in China to tap an uncovered market was well received by investors. Elsewhere, information technology stocks enhanced gains. Shares in Tencent, China's largest internet company by market capitalisation, rose amid robust growth in advertising and revenue. Kingsoft advanced based on substantial growth in browser traffic and in its web game platform. Conversely, the significant underweight in financials hampered returns as these companies witnessed better than expected earnings. However, I retain the underweight stance in the sector, particularly in real estate and banking, as policy risks may dampen long term growth. I sold holdings in China Construction Bank and China Merchants Bank due to the possible negative impact of deregulation of interest rates and reduced the exposure to Ping An Insurance and China Life Insurance, which are benefitting from their investment in the A-share market and an improved business outlook. Meanwhile, the allocation to the health care sector was increased in light of earnings growth; I purchased a position in Hua Han Bio-Pharmaceutical. Shares in President Chain Store were also sold as it struggled to retain margins.

### OUTLOOK

With China's leadership transition now complete, a series of reforms are likely to be pushed through to reshape the country's economic landscape. In particular, deregulation across a range of industries, such as financials, telecommunications and energy, are expected to break the monopoly of state owned enterprises and set the stage for fairer competition so as to revitalise the private sector. In addition, there will be increased focus on the acceleration of urbanisation and income re-distribution. Overall, a more pro consumption policy is expected to stimulate domestic demand, which will continue to benefit the consumer sectors.

**Raymond Ma**  
Fund Manager  
28 February 13

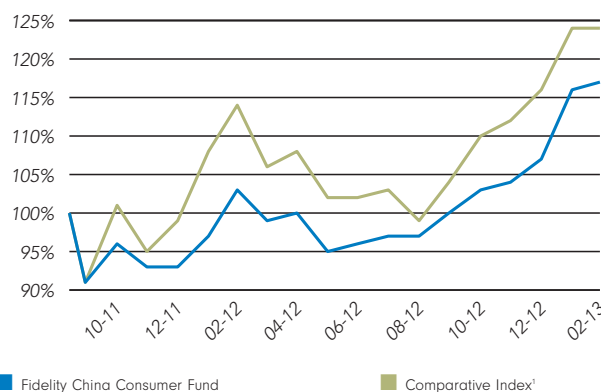
## PERFORMANCE RECORD

### PERFORMANCE OVER 12 MONTHS

Over the 12 month review period to 28 February 2013, the fund returned 14.2% with net income reinvested, outperforming its comparative index return of 9.5%.

### PERFORMANCE SINCE LAUNCH

14 September 11 to 28 February 13



■ Fidelity China Consumer Fund ■ Comparative Index<sup>1</sup>  
1. Comparative Index: MSCI China Index (Net Luxembourg tax)

### DISCRETE 1 YEAR PERFORMANCE OVER THE LAST 5 YEARS TO:

	28/02/09	28/02/10	28/02/11	29/02/12	28/02/13
% Fund Performance	-	-	-	-	14.2
Comparative index	-	-	-	-	9.5

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested. Since launch the fund has returned 17.2%. Performance excludes initial charge.

Past performance is not a reliable indicator of future results.

## INVESTMENT OBJECTIVE AND POLICY

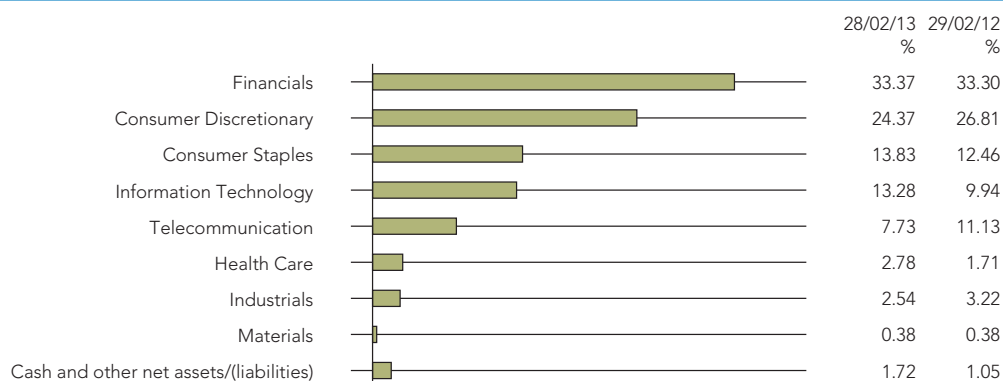
The Fund's investment objective is to achieve long term capital growth from a portfolio primarily made up of the shares of companies listed in China and which are involved in the development, manufacture or sale of goods or services to consumers. The Fund may also invest in other transferable securities, units in collective investment schemes, money market instruments, cash and deposits.

## RISK PROFILE

If you make regular withdrawals from your investment, this may reduce your capital over time if the fund's growth does not compensate for the withdrawals. The value of your investment can go down as well as up. You may not get back the amount you invested. What you get back is not guaranteed. It will depend on investment performance. Investments in small and emerging markets can be more volatile than other more developed markets. This fund invests in overseas markets. You may get back more or less as a result of currency fluctuations. This fund invests in a relatively small number of companies, which can make it more volatile than funds that are more diversified. The fund may invest in derivatives for the purposes of the efficient management of the fund. For funds that use derivative transactions, there is a risk that the counterparty to the transaction will wholly or partially fail to honour its contractual obligations. This may result in financial loss to the fund. Where appropriate, collateral will be required to reduce exposure to a counterparty. Each of our funds is operated as a separate entity with its own assets and liabilities. However, if the liabilities of one fund were to exceed its assets, the other funds within the scheme might have to transfer across money into cover the liabilities. This means that the fund you invest in may be worth less if it has to transfer money to another fund.

\* Holdings can vary from those in the index quoted. For this reason the comparative index is used for reference only.

## PORTFOLIO INFORMATION



## TOP HOLDINGS

The top ten holdings in the fund as at 28 February 2013 and at the previous year end are shown below.

Top holdings as at 28/02/13	% of total net assets
AIA	8.65
Tencent	8.54
China Life Insurance	5.26
Ping An Insurance	5.17
China Mobile	3.54
China Pacific Insurance	3.16
Belle International	2.67
Hengan	2.65
K Wah Construction Materials	2.52
Sands China	2.15

Top holdings as at 29/02/12	% of total net assets
Tencent	7.66
AIA	7.17
China Life Insurance	6.01
Ping An Insurance	5.05
China Mobile	3.81
China Unicom	3.23
Sands China	3.16
Li & Fung	2.83
Belle International	2.74
Hengan	2.58

### Footnotes:

1. The net asset value is the accounting value at the year end on a fair value basis
2. Figures includes the 01/03/13 distribution

## FUND FACTS

### INCOME (pence per share)

	XD date	A Accumulation Shares	Y Accumulation Shares
Final distribution	01/03/13	0.4935	1.0372

### ONGOING CHARGES (%)

	A Accumulation Shares	Y Accumulation Shares
28/02/13	1.83	1.30
29/02/12	1.87	1.35

The ongoing charges figure is the ratio of total costs to average net assets.

	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue
	A Accumulation Shares			Y Accumulation Shares		
28/02/13	8.0	117.02	6,824,800	0.2	117.94	181,175
29/02/12	4.4	102.45	4,375,963	0.1	102.70	8,160

### INCOME PER SHARE AND PRICE HISTORY (pence)

Calendar year	Income per share	Lowest price	Highest price	Income per share	Lowest price	Highest price
	A Accumulation Shares			Y Accumulation Shares		
2013 <sup>2</sup>	0.4935	109.40	118.30	1.0372	110.20	119.20
2012	-	92.01	107.00	-	92.16	107.70
2011	-	83.93	100.00	-	83.96	100.00

## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

The confluence of positive policy action and easier global liquidity conditions set the stage for emerging Asia stocks to advance. In particular, share prices in Thailand and the Philippines rallied as their economies strengthened. Investors also gained confidence after Chinese economic data showed signs of stabilisation and the leadership change removed uncertainty around the political landscape. In India, progress on reforms and positive earnings despite macroeconomic headwinds supported share prices. However, Indian equities lagged regional stocks as investors hoped for conclusive signs of growth. Overall, defensive sectors, including health care, consumer staples and telecommunications outperformed over the period.

### PORTFOLIO ACTIVITY

The fund marginally outperformed the comparative index (MSCI Emerging Asia Composite Index Net)\* over the period. A high conviction holding in Great Wall Motor was the largest contributor to returns. Investors favoured the stock as the sports utility vehicle producer continues to post strong sales. I raised the exposure to the stock during the period. Stock selection in the industrials sector also added value. For instance, the overweight allocation to Philippines based Alliance Global Group and not holding Bharti Heavy Electricals enhanced gains. Alliance Global rallied as its consumer related businesses recorded positive earnings. Elsewhere, within the consumer discretionary sector, the position in Indonesia based television broadcaster Media Nusantara Citra was driven by better than expected margin growth and a positive outlook for advertising spending. The company also emerged as the largest bidder for its competitor Visi Media Asia. If the deal goes through, it could further strengthen Media Nusantara's market position. Conversely, shares in US listed Chinese search engine Baidu hampered performance amid issues with US regulatory bodies and concerns over the impact of a pick up in capital expenditure. However, the portfolio is biased towards consumer discretionary and internet stocks in China as I believe that a structural increase in consumption will continue for the foreseeable future. As a result, I raised the exposure to Tencent. Meanwhile, the underweight stance in Telekomunikasi Indonesia weighed on returns as the stock rose in line with large cap stocks in the domestic market. However, I retain the underweight position as I am cautious about the competitive environment faced by the company. Elsewhere, the holding in Kasikornbank was raised as I am positive that it can continue to benefit from buoyant consumer and investment growth in Thailand. I sold the position in Telekom Malaysia as Malaysian telecommunications companies reached all time highs in October. I also sold positions in consumer staples stocks, including tissue manufacturer Hengan International and China Food.

### OUTLOOK

Earnings and economic growth are on the recovery path in China and India. Meanwhile, Thailand, Indonesia and the Philippines continue to have positive economic growth momentum driven by infrastructure spending and strong consumption growth. Despite strong fundamentals, there are continuing uncertainties about an economic recovery in Europe and fiscal deficits in the US that might create volatility in the market. I believe that investment research and stock selection are essential to constructing a high quality portfolio in this environment.

**Teera Chanpongsang**  
Fund Manager  
28 February 13

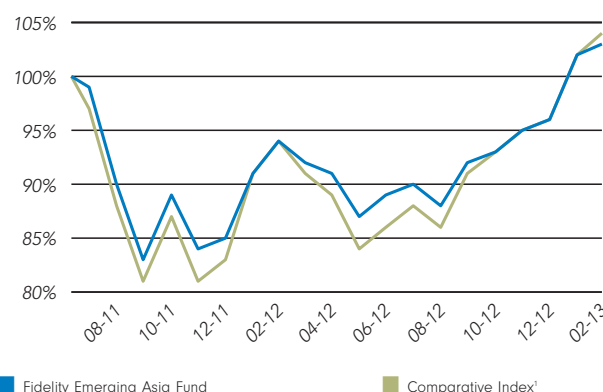
## PERFORMANCE RECORD

### PERFORMANCE OVER 12 MONTHS

Over the 12 month review period to 28 February 2013, the fund returned 10.7% with net income reinvested, outperforming its comparative index return of 10.6%.

### PERFORMANCE SINCE LAUNCH

11 July 11 to 28 February 13



■ Fidelity Emerging Asia Fund

■ Comparative Index<sup>1</sup>

1. Comparative Index: MSCI Emerging Asia Composite Index (Net)

### DISCRETE 1 YEAR PERFORMANCE OVER THE LAST 5 YEARS TO:

	28/02/09	28/02/10	28/02/11	29/02/12	28/02/13
% Fund Performance	-	-	-	-	10.7
Comparative index	-	-	-	-	10.6

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested. Since launch the fund has returned 3.5%. Performance excludes initial charge.

Past performance is not a reliable indicator of future results.

## INVESTMENT OBJECTIVE AND POLICY

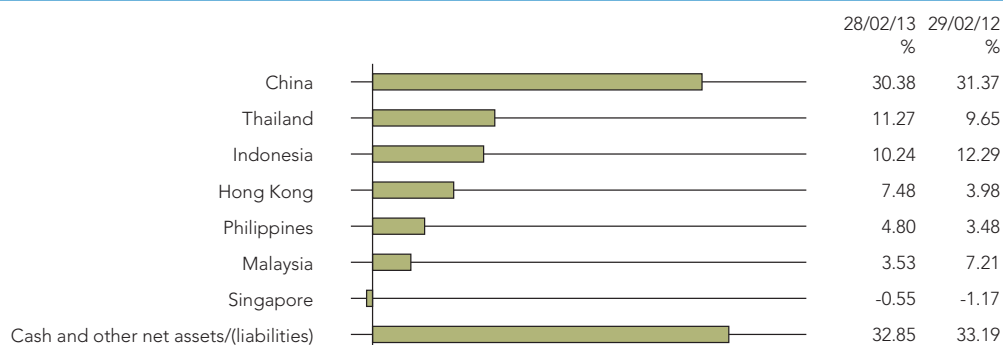
The Fund's investment objective is to achieve long term capital growth through investing principally in securities of companies having their head office or exercising a predominant part of their activity in less developed countries of Asia that are considered as emerging markets according to the MSCI Emerging Markets Asia Index. The Fund may also invest in other transferable securities, units in collective investment schemes, money market instruments, cash and deposits. Derivatives and forward transactions may also be used for investment purposes.

## RISK PROFILE

If you make regular withdrawals from your investment, this may reduce your capital over time if the fund's growth does not compensate for the withdrawals. The value of your investment can go down as well as up. You may not get back the amount you invested. What you get back is not guaranteed. It will depend on investment performance. Investments in small and emerging markets can be more volatile than other more developed markets. This fund invests in overseas markets. You may get back more or less as a result of currency fluctuations. For this fund, derivatives and forward transactions may be used for investment purposes, as well as for hedging and other efficient management purposes as permitted for all funds. Where this is the case, their use may lead to higher volatility in the fund's share price. For funds that use derivative transactions, there is a risk that the counterparty to the transaction will wholly or partially fail to honour its contractual obligations. This may result in financial loss to the fund. Where appropriate, collateral will be required to reduce exposure to a counterparty. Each of our funds is operated as a separate entity with its own assets and liabilities. However, if the liabilities of one fund were to exceed its assets, the other funds within the scheme might have to transfer across money to cover the liabilities. This means that the fund you invest in may be worth less if it has to transfer money to another fund.

\* Holdings can vary from those in the index quoted. For this reason the comparative index is used for reference only.

## PORTFOLIO INFORMATION



## TOP HOLDINGS

The top ten holdings in the fund as at 28 February 2013 and at the previous year end are shown below.

Top holdings as at 28/02/13	% of total net assets
Industrial & Commercial Bank of China	3.32
China Construction Bank	3.17
Tencent	2.91
Petrochina	2.06
Kasikornbank	1.93
Bank Rakyat Indonesia	1.69
Ping An Insurance	1.52
Bangkok Bank Public NVDR	1.50
Advanced Information Services (F)	1.46
Bank Central Asia	1.45

Top holdings as at 29/02/12	% of total net assets
China Construction Bank	3.54
Industrial & Commercial Bank of China	3.31
Tencent	2.25
CNOOC	2.09
Bank Rakyat Indonesia	1.76
Astra International	1.69
CIMB	1.65
PTT (F)	1.51
Petrochina	1.45
Bangkok Bank Public NVDR	1.42

### Footnotes:

1. The net asset value is the accounting value at the year end on a fair value basis
2. Figures includes the 01/03/13 distribution

## FUND FACTS

### INCOME (pence per share)

	XD date	A Accumulation Shares	Y Accumulation Shares
Final distribution	01/03/13	0.4438	1.0210

### ONGOING CHARGES (%)

	A Accumulation Shares	Y Accumulation Shares
28/02/13	1.82	1.32
29/02/12	1.89	1.31

The ongoing charges figure is the ratio of total costs to average net assets.

	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue
	A Accumulation Shares			Y Accumulation Shares		
28/02/13	7.9	103.35	7,677,739	0.4	104.21	399,900
29/02/12	4.0	93.35	4,288,740	1.5	93.66	1,600,425

### INCOME PER SHARE AND PRICE HISTORY (pence)

Calendar year	Income per share	Lowest price	Highest price	Income per share	Lowest price	Highest price
	A Accumulation Shares			Y Accumulation Shares		
2013 <sup>2</sup>	0.4438	96.98	104.40	1.0210	97.63	105.30
2012	-	85.24	96.13	0.0326	85.62	96.76
2011	-	79.34	100.00	-	79.44	100.00

## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

Emerging Europe, Middle East and African (EMEA) markets rose during the period. Nigerian, Kenyan, Polish and Turkish indices delivered significant gains. Shares in Nigeria and Kenya were supported by good economic growth, lower inflation and an excellent earnings season. Turkish stocks also registered strong returns as ratings agency Fitch upgraded the country's credit rating to investment grade. However, worries over the eurozone debt crisis and the deadlock in the Italian general election weighed on investor sentiment in larger EMEA markets. In particular, Russian equities declined as lacklustre European economic data spurred concerns that gas exports to the continent may decline.

### PORTFOLIO ACTIVITY

The fund outperformed the comparative index (MSCI Emerging EMEA Index Capped 5% Net)\* over the period. Performance was driven by robust stock selection in the consumer staples, financials and energy sectors, as well as by avoiding the utilities sector. However, stock selection in materials weighed on returns. From a country perspective, the exposure to Nigeria and South Africa added value. Within the consumer staples sector, the high conviction allocation to Nigerian Breweries contributed to performance in light of better than expected 2012 sales driven by its dominant position and strong pricing power in the high growth beer market. This position was increased during the period. The exposure to the sector was increased over the period by buying a new holding in Kenya based East African Breweries (EABL), which is majority owned by UK based Diageo. EABL has a large and growing market share as the company developed cheaper brews for the low end segment. Meanwhile, the position in the materials and energy sectors was reduced, with the exception of Russian oil and gas company Surgutneftegaz. I bought additional preference shares in the company given its improving accounting transparency, which should shed light on its cash rich balance sheet and strong cashflow generation. However, the holding in UK listed Ophir Energy was sold as it became clear that the company would be coming to the secondary market for additional funding. In the materials sector, shares in South Africa based coal and iron ore producer Exxaro Resources was sold as subdued demand from China will likely pressure prices. The position in mining company AngloGold Ashanti was also sold as the company suffered output losses due to prolonged strikes at its mines in South Africa.

### OUTLOOK

The region benefits from a vast array of natural resources, notably energy and precious metals, which are helping to boost investment and economic growth. However, more cyclical areas in the region may struggle in the near term, largely due to the Chinese slowdown given that Chinese industries are a key source of demand for raw materials from the EMEA region. Nevertheless, the case for investing in the region remains strong. In particular, the outlook for Africa remains excellent, as domestic consumption on the continent grows strongly due to rising incomes. Africa is likely to see the best economic growth globally over the next five years – according to consensus forecasts, the 5% real compound GDP growth of the last decade will continue.

Nick Price

Fund Manager  
28 February 13

\* Holdings can vary from those in the index quoted. For this reason the comparative index is used for reference only.

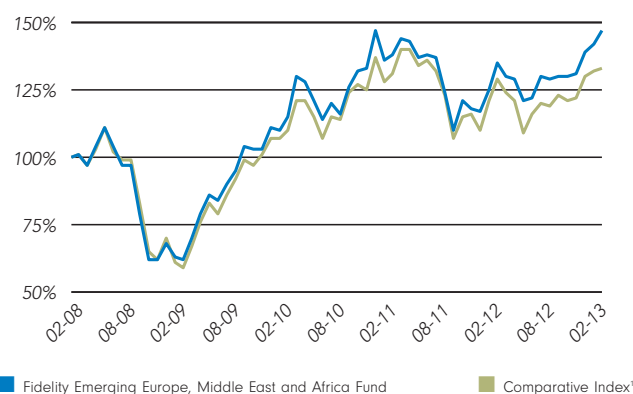
## PERFORMANCE RECORD

### PERFORMANCE OVER 12 MONTHS

Over the 12 month review period to 28 February 2013, the fund returned 9.3% with net income reinvested, outperforming its comparative index return of 3.3%.

### PERFORMANCE SINCE LAUNCH

14 January 08 to 28 February 13



1. Comparative Index: MSCI Emerging EMEA Index (Capped 5%)

### DISCRETE 1 YEAR PERFORMANCE OVER THE LAST 5 YEARS TO:

	28/02/09	28/02/10	28/02/11	29/02/12	28/02/13
% Fund Performance	-38.5	84.7	19.7	-1.8	9.3
Comparative index	-41.6	86.2	20.0	-1.8	3.3

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested. Since launch the fund has returned 47.5%. Over 5 years the fund has returned 45.8% compared with the comparative index return of 32.4%. There was a fixed-offer period from 14/01/08 to 04/02/08. Performance excludes initial charge.

Past performance is not a reliable indicator of future results.

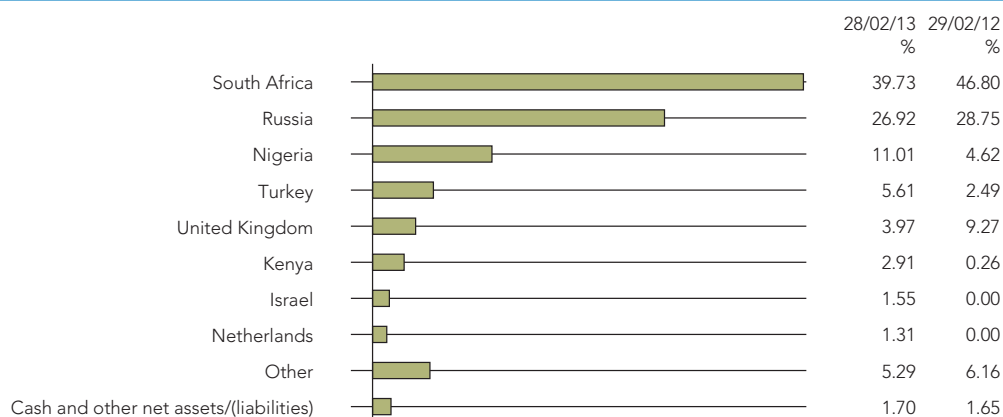
## INVESTMENT OBJECTIVE AND POLICY

The fund's investment objective is to achieve long term capital growth through a portfolio primarily in securities of companies having their head office or exercising a predominant part of their activity in less developed countries of Central, Eastern and Southern Europe (including Russia), Middle East and Africa that are considered as emerging markets according to the MSCI EM Europe, Middle East and Africa Index. The fund may also invest in other transferable securities, units in collective investment schemes, money market instruments, cash and deposits. Derivatives and forward transactions may also be used for investment purposes.

## RISK PROFILE

If you make regular withdrawals from your investment, this may reduce your capital over time if the fund's growth does not compensate for the withdrawals. The value of your investment can go down as well as up. You may not get back the amount you invested. What you get back is not guaranteed. It will depend on investment performance. Investments in small and emerging markets can be more volatile than other more developed markets. This fund invests in overseas markets. You may get back more or less as a result of currency fluctuations. For this fund, derivatives and forward transactions may be used for investment purposes, as well as for hedging and other efficient management purposes as permitted for all funds. Where this is the case, their use may lead to higher volatility in the fund's share price. For funds that use derivative transactions, there is a risk that the counterparty to the transaction will wholly or partially fail to honour its contractual obligations. This may result in financial loss to the fund. Where appropriate, collateral will be required to reduce exposure to a counterparty. Each of our funds is operated as a separate entity with its own assets and liabilities. However, if the liabilities of one fund were to exceed its assets, the other funds within the scheme might have to transfer across money to cover the liabilities. This means that the fund you invest in may be worth less if it has to transfer money to another fund.

## PORTFOLIO INFORMATION



## TOP HOLDINGS

The top ten holdings in the fund as at 28 February 2013 and at the previous year end are shown below.

Top holdings as at 28/02/13	% of total net assets
MTN	7.31
Naspers	7.08
Sberbank of Russia	5.71
LUKOIL	5.02
Nigerian Breweries	3.82
Surgutneftegaz (Pref'd)	3.45
Remgro	3.38
SABMiller (SA)	2.78
Discovery	2.77
Novatek Reg S	2.61

Top holdings as at 29/02/12	% of total net assets
LUKOIL	7.03
Naspers	5.49
Sberbank of Russia (USD)	5.17
MTN	4.94
AngloGold Ashanti	4.33
OAQ Gazprom	3.41
Exxaro Resources	3.31
SABMiller (SA)	2.97
Foschini	2.85
Harmony	2.78

### Footnotes:

1. The net asset value is the accounting value at the year end on a fair value basis
2. Figures includes the 01/03/13 distribution

## FUND FACTS

### INCOME (pence per share)

	XD date	A Accumulation Shares	Y Accumulation Shares*
Final distribution	01/03/13	1.5406	0.5405

\* The Y Accumulation Shares were launched 18/07/12.

### ONGOING CHARGES (%)

	A Accumulation Shares	Y Accumulation Shares
28/02/13	1.89	1.36
29/02/12	1.78	-

The ongoing charges figure is the ratio of total costs to average net assets.

### FUND SIZE

	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue
	A Accumulation Shares			Y Accumulation Shares		
28/02/13	108.7	147.28	73,787,289	0.2	138.57	175,484
29/02/12	89.9	134.81	66,702,513	-	-	-
28/02/11	88.6	137.30	64,541,842	-	-	-
28/02/10	47.5	114.56	41,484,507	-	-	-

### INCOME PER SHARE AND PRICE HISTORY (pence)

Calendar year	Income per share	Lowest price	Highest price	Income per share	Lowest price	Highest price
	A Accumulation Shares			Y Accumulation Shares		
2013 <sup>2</sup>	1.5406	138.90	148.90	0.5405	130.60	140.10
2012	0.2881	117.20	139.00	-	116.70	130.70
2011	-	107.90	148.90	-	-	-
2010	0.0111	108.90	147.80	-	-	-
2009	0.7100	59.05	114.30	-	-	-
2008	-	51.27	114.00	-	-	-

## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

The UK stock market advanced over the 12 month period. Positive investor sentiment was largely supported by encouraging policy announcements by global central banks, including the Bank of England, which increased its quantitative easing programme to £375 billion. On the economic front, the UK economy grew 0.2% in 2012 according to revised data from the Office for National Statistics, and there were signs that inflationary pressures were subsiding. At a sector level, technology, financials and consumer related companies were among the notable gainers, whilst there was a rotation out of defensive sectors. Concerns about demand, especially from China, capped returns from the mining sector. Meanwhile, global economic uncertainties combined with a potentially higher oil supply cushion weighed on oil prices, which in turn impacted returns from related stocks.

### PORTFOLIO ACTIVITY

The fund recorded positive returns but underperformed the comparative index (FTSE All Share Index)\* over the period. Returns were primarily driven by an underweight stance in the resources sectors as global demand concerns weighed on these stocks. However, stock specific reasons held back selected holdings and detracted from overall performance. Particularly, the position in BG Group fell after it surprisingly lowered its production outlook due to project delays. We retained the overweight position as we are positive on the quality of its Brazilian assets. The allocation to water utility group Penmon also hampered returns after it issued a profit warning for its waste division. On a positive note, some key holdings in defensive sectors, such as telecommunications and health care, showed resilience and supported performance. Swiss pharmaceuticals company Roche added value as it reported strong annual results, mainly on account of growing demand for its cancer medicines. We also added to the existing holdings in Novartis and Sanofi in the health care sector. Elsewhere, new positions were purchased in G4S and Greggs. G4S, like many security and guarding service companies, had some problems in 2012, which undermined its share price. But the business remains sound, with strong cashflow and good yields. Greggs is also an undervalued stock, particularly in view of its excellent profit history over the past few years. It has also consistently increased its dividend payout. Meanwhile, the holding in utility company International Power was sold following its takeover by GDF Suez. In the industrials sector, we sold positions in Keller and CRH. Within the derivatives segment of the portfolio, we use covered call options, which are instruments that allow the fund to generate additional income from existing investments. We ended the period with around 62% of the portfolio overwritten, which is towards the lower end of our longer term average.

### OUTLOOK

We have been positive about equities for some time and remain so as there are a number of good signs. Valuations remain reasonable despite recent gains and the economy has considerable recovery potential. Interest rates remain low, employment levels are high and house prices are generally stable. The banking system has also improved considerably. We believe that without any major shocks in 2013, investor confidence can continue to improve and economic growth can beat expectations.

Michael Clark and David Jehan  
Fund Managers  
28 February 13

\* Holdings can vary from those in the index quoted. For this reason the comparative index is used for reference only.

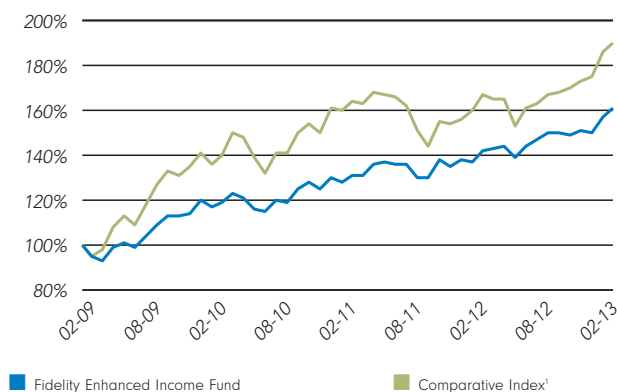
## PERFORMANCE RECORD

### PERFORMANCE OVER 12 MONTHS

Over the 12 month review period to 28 February 2013, the fund returned 13.4% with net income reinvested, underperforming its comparative index return of 14.1%.

### PERFORMANCE SINCE LAUNCH

02 February 09 to 28 February 13



■ Fidelity Enhanced Income Fund

■ Comparative Index<sup>1</sup>

1. Comparative Index: FTSE All Share Index (Net)

### DISCRETE 1 YEAR PERFORMANCE OVER THE LAST 5 YEARS TO:

	28/02/09	28/02/10	28/02/11	29/02/12	28/02/13
% Fund Performance	-	25.8	9.9	8.5	13.4
Comparative index	-	47.3	17.0	1.5	14.1

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested. Since launch the fund has returned 61.8%. Performance excludes initial charge.

Past performance is not a reliable indicator of future results.

## INVESTMENT OBJECTIVE AND POLICY

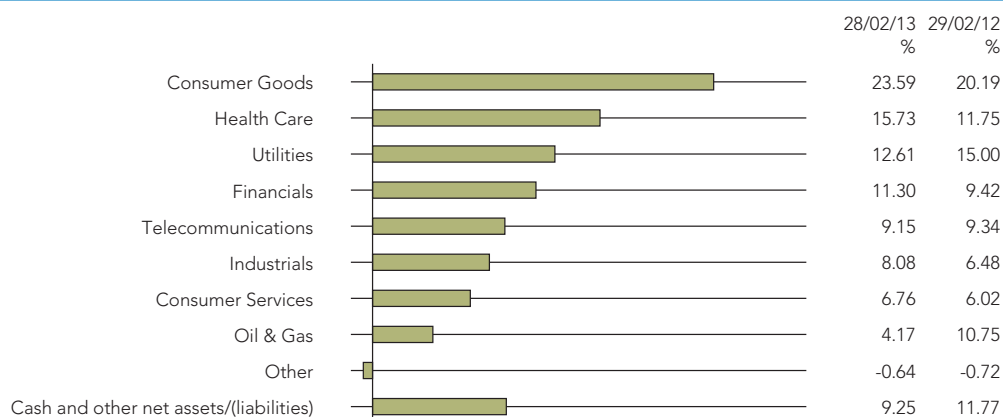
The fund's investment objective is to achieve income with the potential for some capital growth from a portfolio made up mainly of the securities of UK companies. Derivatives and forward transactions may be used for investment purposes and this may include using derivative instruments to generate additional income, for example, by the writing of call options. The fund may also invest in other transferable securities, units in collective investment schemes, money market instruments, cash and deposits.

## RISK PROFILE

If you make regular withdrawals from your investment, this may reduce your capital over time if the fund's growth does not compensate for the withdrawals. The value of your investment and the income from it can go down as well as up. You may not get back the amount you invested. What you get back is not guaranteed. It will depend on investment performance. The main aim of the fund is to produce income. When this income is paid out instead of being reinvested, there is little prospect of any real capital growth. The fund takes its annual management charge from your capital and not from the income generated by the fund. This means that any capital growth in the fund will be reduced by the charge and your capital may be reduced over time if the fund's growth does not compensate for it. For this fund, derivatives and forward transactions may be used for investment purposes, as well as for hedging and other efficient management purposes as permitted for all funds. Where this is the case, their use may lead to higher volatility in the fund's share price. For funds that use derivative transactions, there is a risk that the counterparty to the transaction will wholly or partially fail to honour its contractual obligations. This may result in financial loss to the fund. Where appropriate, collateral will be required to reduce exposure to a counterparty. Each of our funds is operated as a separate entity with its own assets and liabilities. However, if the liabilities of one fund were to exceed its assets, the other funds within the scheme might have to transfer across money to cover the liabilities. This means that the fund you invest in may be worth less if it has to transfer money to another fund.



## PORTFOLIO INFORMATION



## TOP HOLDINGS

The top ten holdings in the fund as at 28 February 2013 and at the previous year end are shown below.

Top holdings as at 28/02/13	% of total net assets
GlaxoSmithKline	6.79
AstraZeneca (UK)	5.87
BT	4.59
Reckitt Benckiser	4.41
Imperial Tobacco	4.35
BG	4.17
British American Tobacco	4.01
Centrica	3.63
Tesco	3.52
Unilever (UK)	3.27

Top holdings as at 29/02/12	% of total net assets
BG	6.89
GlaxoSmithKline	5.80
AstraZeneca (UK)	5.79
Vodafone	5.67
Imperial Tobacco	5.50
British American Tobacco	4.86
Centrica	3.98
Royal Dutch Shell A (UK)	3.86
BT	3.46
Tesco	3.23

## FUND FACTS

### INCOME (pence per share)

	XD date	A Income Shares	Y Income Shares
Final distribution	01/03/13	1.9895	2.1933
Interim distribution	01/12/12	1.8000	1.5000
Interim distribution	01/09/12	1.8000	1.5000
Interim distribution	01/06/12	1.8000	1.5000

	XD date	W Income Shares*	A Accumulation Shares
Final distribution	01/03/13	1.3216	4.0346
Interim distribution	01/12/12	0.8000	1.8000
Interim distribution	01/09/12	-	1.8000
Interim distribution	01/06/12	-	1.8000

	XD date	Y Accumulation Shares	W Accumulation Shares**
Final distribution	01/03/13	2.5838	1.7479
Interim distribution	01/12/12	1.5000	1.0000
Interim distribution	01/09/12	1.5000	1.0000
Interim distribution	01/06/12	1.5000	-

\* The W Income Shares were launched on 15/10/12.

\*\* The W Accumulation Shares were launched on 18/07/12.

### ONGOING CHARGES (%)

	A Income Shares	Y Income Shares
28/02/13	1.74	1.21
29/02/12	1.74	1.23
	W Income Shares	A Accumulation Shares
28/02/13	1.00	1.73
29/02/12	-	1.75
	Y Accumulation Shares	W Accumulation Shares
28/02/13	1.22	1.00
29/02/12	1.23	-

The ongoing charge figure is the ratio of total costs to average net assets.



## FUND FACTS - CONTINUED

### FUND SIZE

	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue
<b>A Income Shares</b>				<b>Y Income Shares</b>		
28/02/13	85.4	120.27	71,010,173	8.9	106.56	8,325,130
29/02/12	30.7	113.10	27,159,544	0.1	99.97	19,960
28/02/11	15.0	112.45	13,298,959	-	-	-
28/02/10	9.6	109.75	8,770,753	-	-	-
<b>W Income Shares</b>				<b>A Accumulation Shares</b>		
28/02/13	9.9	105.24	9,422,064	33.4	160.95	20,772,324
29/02/12	-	-	-	12.1	141.94	8,549,070
28/02/11	-	-	-	7.8	131.07	5,994,963
28/02/10	-	-	-	5.9	118.94	4,935,684
<b>Y Accumulation Shares</b>				<b>W Accumulation Shares</b>		
28/02/13	1.0	117.42	820,336	5.2	110.07	4,725,963
29/02/12	0.1	99.97	8,160	-	-	-

### INCOME PER SHARE AND PRICE HISTORY (pence)

Calendar year	Income per share	Lowest price	Highest price	Income per share	Lowest price	Highest price
<b>A Income Shares</b>				<b>Y Income Shares</b>		
2013 <sup>2</sup>	1.9895	115.40	122.90	2.1933	102.60	109.30
2012	8.5287	107.70	117.90	4.7834	95.20	104.40
2011	8.0982	103.60	117.60	-	-	-
2010	8.4763	103.00	115.70	-	-	-
2009	5.7006	86.37	113.90	-	-	-
<b>W Income Shares</b>				<b>A Accumulation Shares</b>		
2013 <sup>2</sup>	1.3216	100.60	107.10	4.0346	152.00	161.80
2012	0.8000	96.99	100.70	9.9991	137.30	152.00
2011	-	-	-	8.9278	122.60	138.50
2010	-	-	-	8.4907	111.90	131.10
2009	-	-	-	5.7006	87.16	120.30
<b>Y Accumulation Shares</b>				<b>W Accumulation Shares</b>		
2013 <sup>2</sup>	2.5838	110.80	118.00	1.7479	103.80	110.70
2012	4.5000	96.91	110.90	2.0000	98.03	103.80

#### Footnotes:

1. The net asset value is the accounting value at the year end on a fair value basis
2. Figures includes the 01/03/13 distribution

## FUND MANAGER'S COMMENTARY

## MARKET REVIEW

European equities enjoyed a much better 12 month period compared to the previous year. The turning point, in terms of confidence, came in July, when European Central Bank President Mario Draghi stated that the central bank would act as the lender of last resort to highly indebted sovereigns to limit the risk of any nation exiting the eurozone. Following Draghi's statement, the market enjoyed a strong reversionary rally, despite earnings and dividends continuing to be revised downwards. Financials and other cyclical sectors that had previously been weak were the strongest gainers during the period. Low valued companies and sectors were re-appraised in a more confident and liquid environment. Telecommunications and utilities, however, continued to struggle as dividends were lowered.

## PORTFOLIO ACTIVITY

The fund outperformed the comparative index (MSCI Europe ex UK Index Net)\* over the period. Strong security selection, especially in the financials and telecommunications sectors, contributed to returns. Among financials, private equity group 3i Group advanced on news that Sherborne Investors bought a stake in the company. 3i Group has had a chequered history, but under new management, it is reducing its cost base, focusing on realisations and improving operations. Another key holding UBS also performed well. I utilised the volatility in its share price to increase the exposure to the bank as it has undergone a radical change in strategy to reduce its investment bank division in favour of a growing wealth management business. However, I sold the position in ING Groep, which has deteriorating fundamentals and faces the risk of Dutch regulators pushing for higher Tier 1 capital. In the telecommunications sector, internet service provider and mobile operator Iliad Group rose on the back of strong revenues from its fixed line business and an increase in its mobile subscriber base. Conversely, I sold the position in Dutch telecommunications company KPN as it does not have a sustainable competitive advantage and there were issues surrounding its dividends. Meanwhile, in the industrials sector, I increased the exposure to Edenred, a prepaid service vouchers company that has growth opportunities linked to emerging market development. I also purchased a position in engine manufacturer MTU Aero Engines. The company has a stable global customer base and operates in an industry with high barriers to entry. On the other hand, in the energy sector, oil services contractor Saipem fell following corruption charges against its CEO. The company then went on to significantly lower its net profit guidance for 2013; the holding was sold.

## OUTLOOK

European economies are still challenged. Longer term issues such as de-leveraging and fiscal austerity are likely to restrain earnings and dividend growth. However, companies are in much better shape than the countries and economies of Europe. As a result, the fund remains focused on attractively valued companies with sound balance sheets, which can deliver consistent dividend growth even if European economies remain challenged.

Samuel Morse  
Fund Manager  
28 February 13

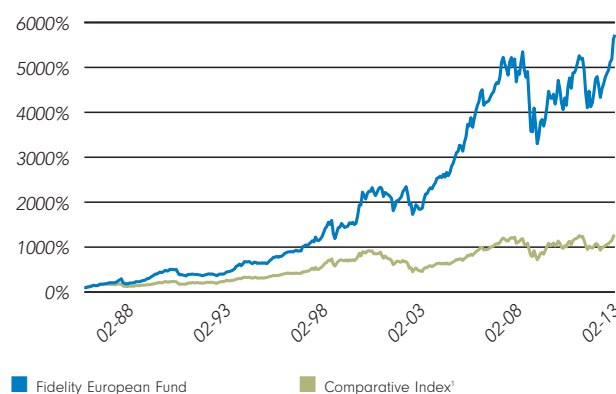
## PERFORMANCE RECORD

## PERFORMANCE OVER 12 MONTHS

Over the 12 month review period to 28 February 2013, the fund returned 20.8% with net income reinvested, outperforming its comparative index return of 17.8%.

## PERFORMANCE SINCE LAUNCH

04 November 85 to 28 February 13



1. Comparative Index: MSCI Europe (ex-UK) Index (Net)

## DISCRETE 1 YEAR PERFORMANCE OVER THE LAST 5 YEARS TO:

	28/02/09	28/02/10	28/02/11	29/02/12	28/02/13
% Fund Performance	-32.8	32.1	14.1	-4.7	20.8
Comparative index	-35.3	47.3	12.3	-9.7	17.8

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested. Since launch the fund has returned 5,628.0%. Over 5 years the fund has returned 16.7% compared with the comparative index return of 13.9%. Performance prior to 29/08/98 has been recalculated to take account of the conversion from Unit Trust to OEIC fund. Performance excludes initial charge.

Past performance is not a reliable indicator of future results.

## INVESTMENT OBJECTIVE AND POLICY

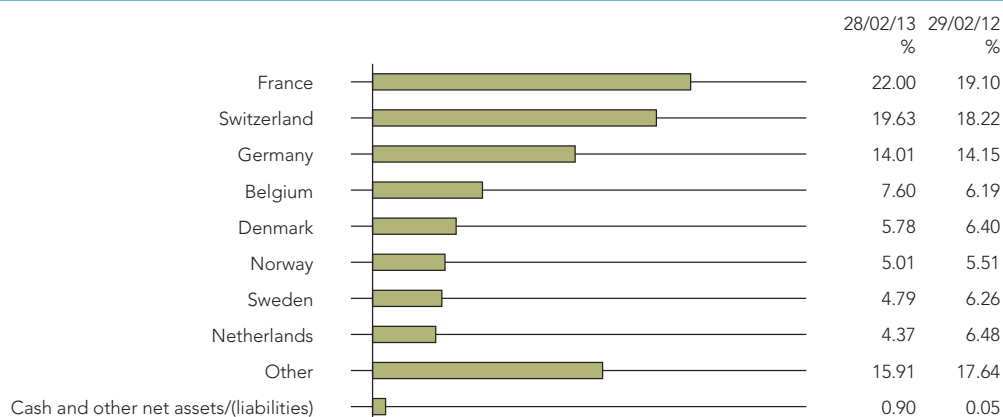
The fund's investment objective is to achieve long term capital growth from a portfolio primarily made up of the shares of continental European companies. The portfolio is likely to have a bias towards medium-sized and smaller companies. However, the ACD is not restricted in the choice of company either by size or industry, or in terms of the geographical split of the portfolio, which is largely determined by the availability of attractive investment opportunities rather than the outlook for each market.

## RISK PROFILE

If you make regular withdrawals from your investment, this may reduce your capital over time if the fund's growth does not compensate for the withdrawals. The value of your investment can go down as well as up. You may not get back the amount you invested. What you get back is not guaranteed. It will depend on investment performance. This fund invests in overseas markets. You may get back more or less as a result of currency fluctuations. This fund invests more heavily than others in smaller companies, which can carry a higher risk because their share prices may be more volatile than those of larger companies. The fund may invest in derivatives for the purposes of the efficient management of the fund. For funds that use derivative transactions, there is a risk that the counterparty to the transaction will wholly or partially fail to honour its contractual obligations. This may result in financial loss to the fund. Where appropriate, collateral will be required to reduce exposure to a counterparty. Each of our funds is operated as a separate entity with its own assets and liabilities. However, if the liabilities of one fund were to exceed its assets, the other funds within the scheme might have to transfer across money to cover the liabilities. This means that the fund you invest in may be worth less if it has to transfer money to another fund.

\* Holdings can vary from those in the index quoted. For this reason the comparative index is used for reference only.

# PORTFOLIO INFORMATION



# TOP HOLDINGS

The top ten holdings in the fund as at 28 February 2013 and at the previous year end are shown below.

Top holdings as at 28/02/13	% of total net assets
Nestle (Reg'd)	7.67
Sanofi-Aventis	5.45
Novo Nordisk (B)	4.62
SAP	4.39
Schneider Electric	4.02
UBS (Reg'd)	3.89
Anheuser-Busch InBev	3.17
Zurich Financial	3.08
Umicore	2.81
BNP Paribas	2.74

Top holdings as at 29/02/12	% of total net assets
Nestle (Reg'd)	7.28
Novo Nordisk (B)	4.36
Sanofi-Aventis	4.31
SAP	4.03
Schneider Electric	3.27
Zurich Financial	3.00
UBS (Reg'd)	2.89
Saipem	2.86
BNP Paribas	2.79
Umicore	2.69

# FUND FACTS

## INCOME (pence per share)

	XD date	A Income Shares	W Income Shares*
Final distribution	01/03/13	0.7158	0.4058
Interim distribution	01/09/12	1.1723	-
	XD date	A Accumulation Shares	Y Accumulation Shares**
Final distribution	01/03/13	22.6766	-
Interim distribution	01/09/12	-	-

\* The W Income Shares were launched on 15/10/12.

\*\* The Y Accumulation Shares were launched on 18/07/12.

## ONGOING CHARGES (%)

	A Income Shares	W Income Shares
28/02/13	1.70	0.95
29/02/12	1.72	-
	A Accumulation Shares	Y Accumulation Shares
28/02/13	1.71	1.17
29/02/12	1.72	-

The ongoing charge figure is the ratio of total costs to average net assets.

## FUND FACTS- CONTINUED

### FUND SIZE

	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue
<b>A Income Shares</b>				<b>W Income Shares</b>		
28/02/13	2.6	130.44	1,958,770	2.2	1,158.83	185,851
29/02/12	1.2	109.73	1,052,016	-	-	-
28/02/11	0.8	116.86	690,326	-	-	-
28/02/10	-	-	-	-	-	-
<b>A Accumulation Shares</b>				<b>Y Accumulation Shares</b>		
28/02/13	2,655.5	1,431.05	185,564,990	18.9	1,268.57	1,490,343
29/02/12	2,584.0	1,184.49	218,155,033	-	-	-
28/02/11	3,136.4	1,242.95	252,336,403	-	-	-
28/02/10	3,310.7	1,089.04	303,999,991	-	-	-

### INCOME PER SHARE AND PRICE HISTORY (pence)

Calendar year	Income per share	Lowest price	Highest price	Income per share	Lowest price	Highest price
<b>A Income Shares</b>				<b>W Income Shares</b>		
2013 <sup>2</sup>	0.7158	120.30	133.90	0.4058	1,062.00	1,183.00
2012	1.1723	97.20	119.90	-	974.80	1,058.00
2011	1.5016	89.69	125.30	-	-	-
2010	-	97.02	116.20	-	-	-
2009	-	-	-	-	-	-
2008	-	-	-	-	-	-
<b>A Accumulation Shares</b>				<b>Y Accumulation Shares</b>		
2013 <sup>2</sup>	22.6766	1,312.00	1,461.00	-	1,162.00	1,295.00
2012	12.0542	1,049.00	1,308.00	-	974.80	1,158.00
2011	6.6189	967.60	1,333.00	-	-	-
2010	9.4355	998.50	1,235.00	-	-	-
2009	15.7737	763.50	1,168.00	-	-	-
2008	5.8848	835.30	1,363.00	-	-	-

#### Footnotes:

1. The net asset value is the accounting value at the year end on a fair value basis
2. Figures includes the 01/03/13 distribution

## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

European equities ended the year higher, driven by the stabilisation of the eurozone debt crisis and positive economic data from the US and China. Although stocks fell initially due to the possibility of a Greek exit from the eurozone and weakness in Spain's banking sector, investor sentiment improved later in the period. In particular, equities rose following European Central Bank President Mario Draghi's statement, at the end of July, that policymakers would do "whatever it takes" to save the eurozone. Moreover, markets gained after US lawmakers reached an agreement on budget talks.

### PORTFOLIO ACTIVITY

The fund underperformed the comparative index (FTSE World Europe ex UK Index Net)\* over the period. Stock selection in the basic materials, financials and oil & gas sectors hurt performance. Mining stocks were weak as investors questioned the sustainability of high iron ore prices and as the price of gold tumbled. Elsewhere, the position in Saipem, a leading offshore construction business for the oil and gas industry, detracted from performance as it significantly lowered its earning estimates for 2013. However, in the medium term, the company remains well positioned to benefit from its strategic assets in the deep and ultra deep water market. Meanwhile, investors favoured cyclical sectors over the period. As a result, the underweight position in utilities and telecommunications, and an overweight exposure to consumer services and industrials added value. At a stock level, mobile security company Gemalto, luxury group Prada, apparel retailer Inditex, telecommunications company Iliad and media group Schibsted were supported by healthy results. I sold the position in Iliad following its strong performance, with the mobile business potential now well reflected in its valuation. The fund is overweight in emerging market consumer focused companies and real asset related areas. I increased the exposure to stocks that benefit from the rising middle class in developing economies by purchasing positions in speciality chemicals companies Syngenta, Clariant and Lanxess. Conversely, I took profits in the health care sector by selling shares in Roche and Elektro, which appeared to be fairly valued. I also sold leading hearing aid manufacturer William Demant Holding due to increasing threats to growth in the industry.

### OUTLOOK

The global economic outlook has become more positive, with central banks continuing to provide liquidity worldwide, an ongoing recovery in the all important US housing market and an improving economic outlook for China following the leadership transition. In Europe, however, the macroeconomic environment remains uncertain at best and economic indicators are yet to show signs of improvement. I expect the underlying trends in peripheral Europe to remain weak and continue to favour core eurozone countries.

Colin Stone  
Fund Manager  
28 February 13

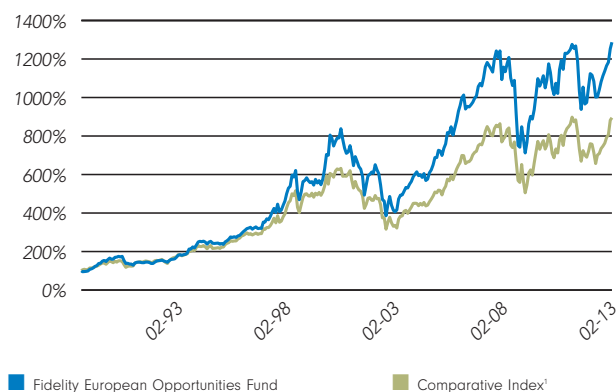
## PERFORMANCE RECORD

### PERFORMANCE OVER 12 MONTHS

Over the 12 month review period to 28 February 2013, the fund returned 14.6% with net income reinvested, underperforming its comparative index return of 17.7%.

### PERFORMANCE SINCE LAUNCH

12 September 88 to 28 February 13



1. Comparative Index: FTSE World Europe ex-UK Index (Net)

### DISCRETE 1 YEAR PERFORMANCE OVER THE LAST 5 YEARS TO:

	28/02/09	28/02/10	28/02/11	29/02/12	28/02/13
% Fund Performance	-38.6	53.3	13.2	-9.1	14.6
Comparative index	-35.7	48.8	12.9	-10.4	17.7

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested. Since launch the fund has returned 1,187.2%. Over 5 years the fund has returned 11.2% compared with the comparative index return of 14.0%. Performance prior to 29/08/98 has been recalculated to take account of the conversion from Unit Trust to OEIC fund. Benchmark to 31/12/93 was FTSE World Europe Index (Net). Performance excludes initial charge.

Past performance is not a reliable indicator of future results.

## INVESTMENT OBJECTIVE AND POLICY

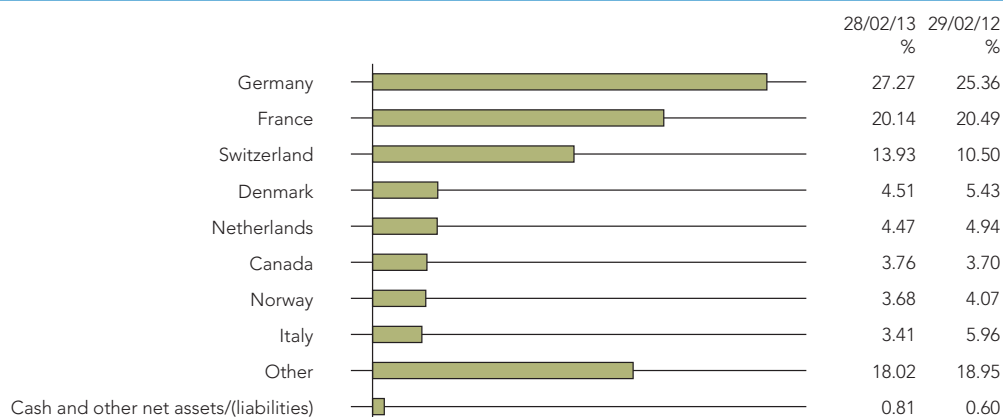
The fund's investment objective is to achieve long term capital growth from a portfolio primarily made up of the shares of continental European companies. The portfolio will be made up of a blend of larger, medium and smaller sized companies. The ACD is not restricted in the choice of company either by size or industry, or in terms of the geographical split of the portfolio, which is largely determined by the availability of attractive investment opportunities rather than the outlook for each market.

## RISK PROFILE

If you make regular withdrawals from your investment, this may reduce your capital over time if the fund's growth does not compensate for the withdrawals. The value of your investment can go down as well as up. You may not get back the amount you invested. What you get back is not guaranteed. It will depend on investment performance. Investments in small and emerging markets can be more volatile than other more developed markets. This fund invests in overseas markets. You may get back more or less as a result of currency fluctuations. The fund may invest in derivatives for the purposes of the efficient management of the fund. For funds that use derivative transactions, there is a risk that the counterparty to the transaction will wholly or partially fail to honour its contractual obligations. This may result in financial loss to the fund. Where appropriate, collateral will be required to reduce exposure to a counterparty. Each of our funds is operated as a separate entity with its own assets and liabilities. However, if the liabilities of one fund were to exceed its assets, the other funds within the scheme might have to transfer across money to cover the liabilities. This means that the fund you invest in may be worth less if it has to transfer money to another fund.

\* Holdings can vary from those in the index quoted. For this reason the comparative index is used for reference only.

## PORTFOLIO INFORMATION



## TOP HOLDINGS

The top ten holdings in the fund as at 28 February 2013 and at the previous year end are shown below.

Top holdings as at 28/02/13	% of total net assets
Sanofi-Aventis	4.88
Novo Nordisk (B)	4.51
UBS (Reg'd)	4.10
Volkswagen (Pref'd)	3.34
LVMH	3.29
Bayer	3.06
Schneider Electric	2.91
Linde	2.90
Essilor International	2.71
ASSA ABLOY (B)	2.56

Top holdings as at 29/02/12	% of total net assets
Linde	3.89
Saipem	3.75
Siemens (Bearer)	3.61
Sanofi-Aventis	3.36
LVMH	3.29
SAP	3.10
Novo Nordisk (B)	3.03
Allianz	2.96
Schneider Electric	2.74
UBS (Reg'd)	2.73

### Footnotes:

1. The net asset value is the accounting value at the year end on a fair value basis
2. Figures includes the 01/03/13 distribution

## FUND FACTS

### INCOME (pence per share)

	XD date	A Accumulation Shares	Y Accumulation Shares
Final distribution	01/03/13	1.5087	1.1261

	XD date	W Accumulation Shares*
Final distribution	01/03/13	-

\* The W Accumulation Shares were launched on 15/10/12.

### ONGOING CHARGES (%)

ORDINARY SHARES (%)		
	A Accumulation Shares	Y Accumulation Shares
28/02/13	1.72	1.18
29/02/12	1.72	1.19
		W Accumulation Shares
28/02/13		0.94
29/02/12		

The ongoing charge figure is the ratio of total costs to average net assets.

### FUND SIZE

	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue
	A Accumulation Shares			Y Accumulation Shares		
28/02/13	485.4	321.16	151,128,853	2.6	122.71	2,101,694
29/02/12	521.7	280.21	186,187,207	1.9	106.52	1,748,048
28/02/11	659.7	308.23	214,031,435	2.5	116.52	2,110,824
28/02/10	644.0	272.36	236,446,716	1.7	102.48	1,651,228
	W Accumulation Shares					
28/02/13	1.1	287.58	375,686			

### INCOME PER SHARE AND PRICE HISTORY (pence)

Calendar year	Income per share	Lowest price	Highest price	Income per share	Lowest price	Highest price
	A Accumulation Shares			Y Accumulation Shares		
2013 <sup>2</sup>	1.5087	300.20	327.10	1.1261	114.60	125.00
2012	0.8452	243.00	297.20	0.8681	92.50	113.40
2011	0.0964	221.80	323.00	0.5408	84.13	122.20
2010	0.1356	248.10	308.90	-	93.50	116.60
2009	2.8054	165.90	288.70	-	96.10	108.30
2008	0.0416	174.10	314.10	-	-	-
	W Accumulation Shares					
2013 <sup>2</sup>	-	268.50	292.80			
2012	-	246.90	265.70			

## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

Major sterling bond markets posted positive returns over the period. The Bank of England's low bank rate and quantitative easing programme kept UK government bond (Gilts) yields low and supported demand for higher yielding corporate bonds. Corporate bond markets were also boosted by European Central Bank President Mario Draghi's pledge to do "whatever it takes to preserve the euro", which raised investor confidence about the region's economic prospects. High yield corporate bonds were the best performing asset class, with average yields falling to a record low over the period. Meanwhile, investment grade corporate bonds outperformed Gilts.

### PORTFOLIO ACTIVITY

The fund underperformed the comparative index (60.0% BofA ML Euro-Sterling; 15.0% BofA ML Euro High Yield Cons GBP; 25.0% BofA ML Sterling High Yield Net)\* over the period. An underweight stance was retained in high yield bonds over most of the year, with the bulk of the portfolio invested in investment grade corporate bonds. This proved detrimental to performance as high yield bonds outperformed investment grade corporate bonds. I increased the credit risk in the portfolio by moving closer to the fund's neutral asset allocation position versus the comparative index. Around 65% of the fund is held in investment grade corporate bonds and 35% in high yield bonds. At a sector level, the underweight position coupled with adverse security selection in banks, particularly Tier 1 debt, was the most significant detractor from returns. However, losses in the financials sector were partially offset by the overweight exposure to insurance securities such as Aviva and Royal London. Over the period, the underweight stance in financials was reduced through the purchase of covered bonds and subordinated debt. Meanwhile, an overweight holding in BBB rated bonds added value. For instance, the bias towards railway company Russian Railways and leisure company Centre Parcs boosted performance. I continue to favour BBB rated corporate bonds from defensive sectors such as consumer staples, utilities, communications and high quality asset backed securities (ABS). An overweight exposure to ABS, including Enterprise Inns, buoyed returns. I increased the bias towards the telecommunications sector through Unity Media and Deutsche Telekom. The allocation to the transportation sector was also increased via a new position in a US Dollar bond issued by First Group. Elsewhere, I took profits in Pernod Ricard and Eurofins Scientific and reduced holdings in Priory Group in consumer non-cyclicals.

### OUTLOOK

Quantitative easing measures by major central banks continue to boost investor risk appetite, alleviating concerns around the eurozone debt crisis, uncertainty related to the US fiscal policy and deteriorating credit quality. At a corporate level, balance sheets remain in good condition, but shareholder friendly activity and mergers and acquisitions are on the rise. As a result, credit metrics are deteriorating. In this environment, assets that offer reasonably sustainable yields will remain in demand. Investment grade corporate bonds, where yields compensate investors for the level of credit risk and extra volatility of returns, offer the best return potential. However, careful security selection is becoming important to add value versus the comparative index.

Ian Spreadbury  
Fund Manager  
28 February 13

\* Holdings can vary from those in the index quoted. For this reason the comparative index is used for reference only.

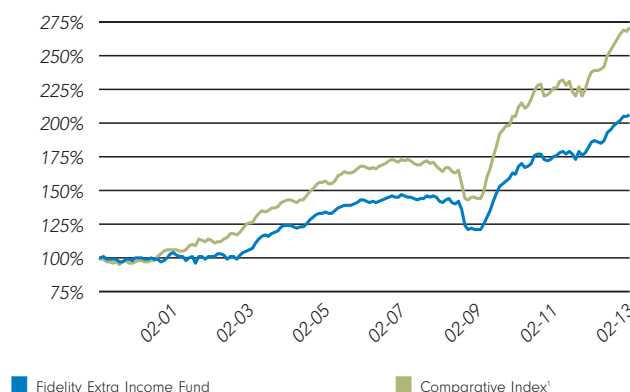
## PERFORMANCE RECORD

### PERFORMANCE OVER 12 MONTHS

Over the 12 month review period to 28 February 2013, the fund returned 10.6% with net income reinvested, underperforming its comparative index return of 13.6%.

### PERFORMANCE SINCE LAUNCH

17 March 99 to 28 February 13



1. Comparative Index: Comprises 60 % BofA ML Euro-Sterling Index (Net), 15 % BofA ML Euro High Yield Cons GBP Hedged Index (Net), 25 % BofA ML Sterling High Yield Index (Net)

### DISCRETE 1 YEAR PERFORMANCE OVER THE LAST 5 YEARS TO:

	28/02/09	28/02/10	28/02/11	29/02/12	28/02/13
% Fund Performance	-14.9	34.7	7.7	6.5	10.6
Comparative index	-13.3	42.4	10.4	5.6	13.6

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested. Since launch the fund has returned 105.9%. Over 5 years the fund has returned 45.4% compared with the comparative index return of 63.5%. There was a fixed-offer period from 25/02/99 to 17/03/99. Benchmark to 30/08/02 was SB Euro Sterling Investment Grade 5+ Index (Net). Performance excludes initial charge.

Past performance is not a reliable indicator of future results.

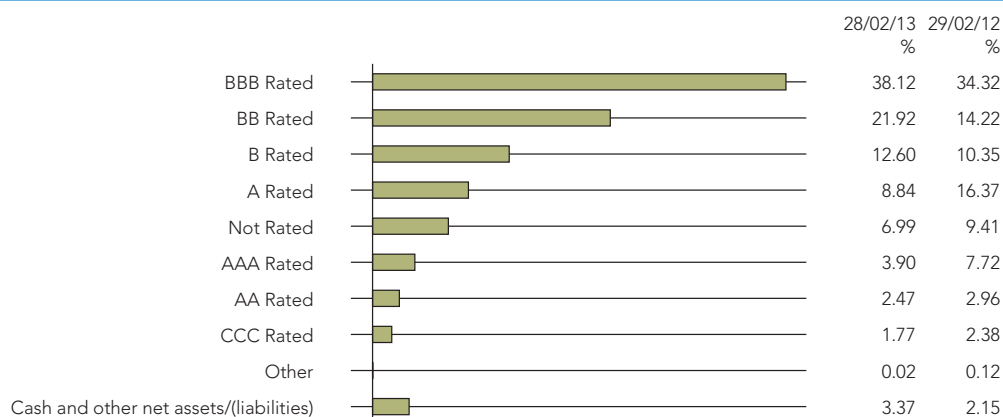
## INVESTMENT OBJECTIVE AND POLICY

The fund's investment objective is to achieve a relatively high level of income from a portfolio primarily invested in a combination of UK corporate and government bonds and other fixed income and money market securities, preference shares and convertibles.

## RISK PROFILE

If you make regular withdrawals from your investment, this may reduce your capital over time if the fund's growth does not compensate for the withdrawals. The value of your investment and the income from it can go down as well as up. You may not get back the amount you invested. What you get back is not guaranteed. It will depend on investment performance. The main aim of the fund is to produce income. When this income is paid out instead of being reinvested, there is little prospect of any real capital growth. A portion of this fund will invest in 'sub-investment grade' bonds. These bonds may produce a higher level of income than 'investment grade' bonds but at a higher risk to your capital. With funds that invest in bonds, there is a risk that the issuer of the bond may default on its repayments. The likelihood of this happening will depend on the credit-worthiness of the issuer. The risk of default is usually greatest with bonds that are classed as sub-investment grade. The fund may invest in derivatives for the purposes of the efficient management of the fund. For funds that use derivative transactions, there is a risk that the counterparty to the transaction will wholly or partially fail to honour its contractual obligations. This may result in financial loss to the fund. Where appropriate, collateral will be required to reduce exposure to a counterparty. Each of our funds is operated as a separate entity with its own assets and liabilities. However, if the liabilities of one fund were to exceed its assets, the other funds within the scheme might have to transfer across money to cover the liabilities. This means that the fund you invest in may be worth less if it has to transfer money to another fund.

## PORTFOLIO INFORMATION



## TOP HOLDINGS

The top ten holdings in the fund as at 28 February 2013 and at the previous year end are shown below.

Top holdings as at 28/02/13	% of total net assets
Enterprise Inns 6.375% 26/09/2031	1.26
Great Rolling Stock 6.25% 27/07/2020	1.15
Aviva 6.125% VRN (Perpetual)	1.15
Ondeo Services UK 6.875% 06/02/2023	1.11
Imperial Tobacco Finance 9.00% 17/02/2022	1.11
RZD Capital 7.487% 25/03/2031	1.10
Infinis 7.00% 15/02/2019 Reg S	1.07
EDF 5.50% 17/10/2041	1.03
Gala Finance 8.875% 01/09/2018 Reg S	1.00
Lafarge 8.75% 30/05/2017	1.00

Top holdings as at 29/02/12	% of total net assets
UK Gilt Treasury 4.50% 07/03/2013	1.84
UK Gilt Treasury 5.00% 07/03/2025	1.66
BAT International Finance 6.375% 12/12/2019	1.30
Infinis 9.125% 15/12/2014 Reg S	1.13
Natwest 6.50% 07/09/2021	1.11
Great Rolling Stock 6.25% 27/07/2020	1.10
Ondeo Services UK 6.875% 06/02/2023	1.09
Imperial Tobacco Finance 9.00% 17/02/2022	1.09
ING Bank 3.875% 23/12/2016	1.09
Allied Domecq Financial Services 6.625% 12/06/2014	1.03

## FUND FACTS

### INCOME (pence per share)

	XD date	A Income Shares	Gross paying A Income Shares
Final distribution	01/03/13	0.0709	0.0887
Interim distribution	01/02/13	0.0732	0.0916
Interim distribution	01/01/13	0.0751	0.0938
Interim distribution	01/12/12	0.0741	0.0926
Interim distribution	01/11/12	0.0735	0.0920
Interim distribution	01/10/12	0.0807	0.1009
Interim distribution	01/09/12	0.0708	0.0887
Interim distribution	01/08/12	0.0705	0.0882
Interim distribution	01/07/12	0.0703	0.0877
Interim distribution	01/06/12	0.0777	0.0969
Interim distribution	01/05/12	0.0713	0.0890
Interim distribution	01/04/12	0.0824	0.1034

	XD date	Y Income Shares	Gross paying Y Income Shares
Final distribution	01/03/13	0.3598	0.4674
Interim distribution	01/02/13	0.3840	0.4878
Interim distribution	01/01/13	0.3979	0.4980
Interim distribution	01/12/12	0.3910	0.4880
Interim distribution	01/11/12	0.3902	0.4874
Interim distribution	01/10/12	0.4236	0.5280
Interim distribution	01/09/12	0.3739	0.4702
Interim distribution	01/08/12	0.3740	0.4683
Interim distribution	01/07/12	0.3705	0.4632
Interim distribution	01/06/12	0.4067	0.5073
Interim distribution	01/05/12	0.3757	0.4694
Interim distribution	01/04/12	0.4319	0.5410

	XD date	A Accumulation Shares	Gross paying A Accumulation Shares
Final distribution	01/03/13	5.0252	6.5445



## FUND FACTS - CONTINUED

### ONGOING CHARGES (%)

	A Income Shares	Gross paying A Income Shares
28/02/13	1.46	1.46
29/02/12	1.46	1.46
	Y Income Shares	Gross paying Y Income Shares
28/02/13	0.78	0.77
29/02/12	0.78	0.78
	A Accumulation Shares	Gross paying A Accumulation Shares
28/02/13	1.46	1.46
29/02/12	1.46	1.46

The ongoing charge figure is the ratio of total costs to average net assets.

### FUND SIZE

Period	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue
A Income Shares				Gross paying A Income Shares		
28/02/13	210.8	25.53	825,877,065	220.1	25.53	862,035,977
29/02/12	197.4	23.86	827,179,946	228.6	23.86	958,211,612
28/02/11	203.6	23.34	872,330,956	235.6	23.34	1,009,486,081
28/02/10	216.2	22.48	961,819,839	235.6	22.48	1,048,236,980
Y Income Shares				Gross paying Y Income Shares		
28/02/13	3.2	117.09	2,769,181	6.0	117.09	5,146,910
29/02/12	12.1	109.41	11,068,570	1.5	109.42	1,371,941
28/02/11	3.8	107.03	3,555,965	1.6	107.02	1,460,799
28/02/10	1.0	103.09	964,891	0.9	103.06	897,369
A Accumulation Shares				Gross paying A Accumulation Shares		
28/02/13	16.9	146.88	11,471,760	8.3	153.70	5,406,721
29/02/12	13.3	132.44	10,032,912	5.6	137.35	4,109,710
28/02/11	12.0	124.69	9,613,334	3.6	128.08	2,797,150
28/02/10	7.3	115.80	6,339,341	2.0	117.88	1,686,170

### INCOME PER SHARE AND PRICE HISTORY (pence)

Calendar year	Income per share	Lowest price	Highest price	Income per share	Lowest price	Highest price
A Income Shares			Gross paying A Income Shares			
2013 <sup>2</sup>	0.2192	25.48	25.94	0.2786	25.48	25.96
2012	0.9184	23.14	25.72	1.1483	23.14	25.74
2011	0.8304	22.59	23.92	1.0412	22.59	23.93
2010	0.9209	22.27	24.20	1.1474	22.27	24.21
2009	1.0283	17.31	22.35	1.2859	17.31	22.36
2008	1.1386	17.84	22.93	1.4248	17.84	22.94
Y Income Shares			Gross paying Y Income Shares			
2013 <sup>2</sup>	1.1417	116.90	119.00	1.4532	116.90	119.10
2012	4.8025	106.10	118.00	6.0195	106.10	118.10
2011	4.3930	103.60	109.70	5.4957	103.60	109.80
2010	4.7329	102.10	111.00	5.9314	102.10	111.00
2009	1.3082	99.82	102.50	1.6104	99.84	102.60
A Accumulation Shares			Gross paying A Accumulation Shares			
2013 <sup>2</sup>	5.0252	146.20	148.40	6.5445	152.90	155.20
2012	4.8719	127.60	146.70	6.2806	132.10	153.30
2011	4.4716	123.10	129.10	5.7101	126.30	133.20
2010	5.2446	113.80	127.60	6.6105	115.70	130.70
2009	3.2133	84.77	113.90	3.7469	85.22	115.70
2008	-	86.05	101.30	-	86.29	101.40

### Footnotes:

1. The net asset value is the accounting value at the year end on a fair value basis
2. Figures includes the 01/03/13 distribution

## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

US equities rose over the 12 month period as improvements in two of the weakest areas of the economy, the job and housing sectors served to reiterate the nation's relatively defensive profile among Western countries. As a result, stocks benefited from fund flows out of bonds into equities. However, there were intermittent sell offs stemming from concerns about the European sovereign debt crisis and fears of a potential recession inducing tax increases and spending cuts in the US, referred to as the fiscal cliff. Encouragingly, aggressive policy interventions across the developed world helped restore confidence. President Obama's victory also removed election related uncertainty. Towards the end of the period, improving economic data and healthy corporate earnings announcements from the US provided further support.

### PORTFOLIO ACTIVITY

The fund uses a sub manager approach and provides access to Fidelity managers who may not be available to UK clients via UK funds. It was launched in order to enhance the investment universe available to the Investment Solutions Group (ISG), the investment team that manages "funds of funds" within Fidelity Worldwide Investment. The process of choosing one manager over another is called "manager selection". It is an important part of the ISG investment process as it aims to add value over the comparative index. Over the period, the fund had exposure to US stocks via the Large Cap Growth discipline run by Steve Balter and Chris Galizio. Selected holdings in health care, the best performing sector over the period, added value. Positions in Gilead Sciences and Pfizer, both of which have attractive risk/reward relative to other defensives, supported returns. The former has the best HIV drug franchise in the world and was buoyed by the Food and Drug Administration's approval of a new once-a-day HIV treatment. The allocation to both companies was increased over the period. In contrast, a significant exposure to technology hardware and equipment companies detracted from returns as this was one of the worst performing sectors. Notably, a holding in Apple hurt performance as it issued discouraging quarterly earnings and its tablet sales fell short of expectations. The position in software & services company Rovi, which was sold during the period, also held back gains as it posted disappointing quarterly results and lowered its earnings guidance for the year. On a positive note, the exposure to Google proved rewarding. A bias against financials weighed on relative returns as abating concerns of systemic failure and an improving economic outlook buoyed the sector. Elsewhere, the allocation to energy major Chevron undermined gains, as did a stake in Occidental Petroleum, which underperformed its peers over most of 2012. Holdings in the former were sold and in the latter reduced.

### OUTLOOK

The outlook for equities is optimistic, with good prospects for a synchronised global recovery. At a regional level, the US could benefit from the Federal Reserve's commitment to maintain an easy monetary policy stance until unemployment reaches 6.5%, provided inflation does not cross 2.5%. Rising US property prices are easing strains in the US banking system. A stronger US economy should help other economies to recover, particularly those in emerging markets and Asia.

Richard Skelt  
Fund Manager  
28 February 13

## PERFORMANCE RECORD

### PERFORMANCE OVER 12 MONTHS

Due to the nature and purpose of the fund, a comparative index is not appropriate. A performance graph has not been included.

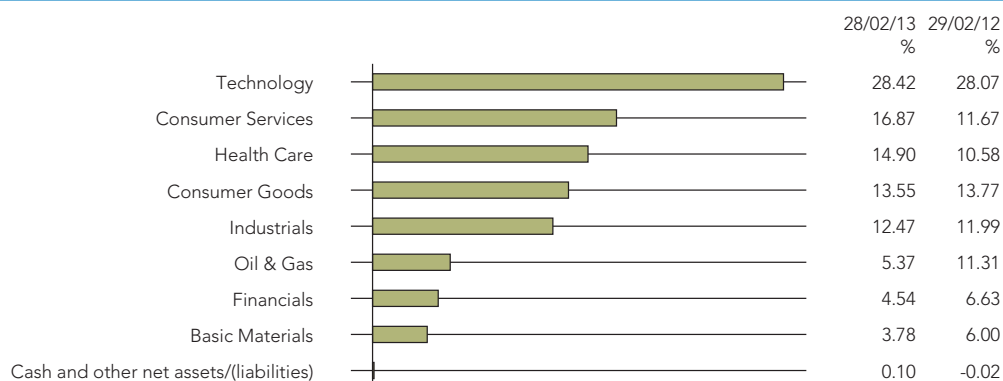
### INVESTMENT OBJECTIVE AND POLICY

The fund's investment objective is to achieve long term capital growth from a portfolio mainly made up of the securities of companies from around the world. The ACD is not restricted in its choice of the industrial or geographical split of the portfolio. The fund may invest in securities providing exposure to commodities and property. Derivatives may also be used for investment purposes.

### RISK PROFILE

If you make regular withdrawals from your investment, this may reduce your capital over time if the fund's growth does not compensate for the withdrawals. The value of your investment and the income from it can go down as well as up. You may not get back the amount you invested. What you get back is not guaranteed. It will depend on investment performance. This fund invests in overseas markets. You may get back more or less as a result of currency fluctuations. For this fund, derivatives and forward transactions may be used for investment purposes, as well as for hedging and other efficient management purposes as permitted for all funds. Where this is the case, their use may lead to higher volatility in the fund's share price. For funds that use derivative transactions, there is a risk that the counterparty to the transaction will wholly or partially fail to honour its contractual obligations. This may result in financial loss to the fund. Where appropriate, collateral will be required to reduce exposure to a counterparty. Each of our funds is operated as a separate entity with its own assets and liabilities. However, if the liabilities of one fund were to exceed its assets, the other funds within the scheme might have to transfer across money to cover the liabilities. This means that the fund you invest in may be worth less if it has to transfer money to another fund.

# PORTFOLIO INFORMATION



# TOP HOLDINGS

The top ten holdings in the fund as at 28 February 2013 and at the previous year end are shown below.

Top holdings as at 28/02/13	% of total net assets
Apple	7.44
Google (A)	6.52
Philip Morris International	4.52
Gilead Sciences	4.16
Oracle	3.84
Home Depot	3.65
PepsiCo	3.62
QUALCOMM	3.48
Honeywell International	2.75
TJX	2.74

Top holdings as at 29/02/12	% of total net assets
Google (A)	5.86
Philip Morris International	4.53
QUALCOMM	3.54
Oracle	3.49
ChevronTexaco	3.37
PepsiCo	3.25
Caterpillar	3.19
Occidental Petroleum	3.01
TJX	2.88
Honeywell International	2.85

# Footnotes:

1. The net asset value is the accounting value at the year end on a fair value basis
2. Figures includes the 01/03/13 distribution

# FUND FACTS

# INCOME (pence per share)

	XD date	A Accumulation Shares
Final distribution	01/03/13	-

# ONGOING CHARGES (%)

	A Accumulation Shares
28/02/13	1.72
29/02/12	1.72

The ongoing charge figure is the ratio of total costs to average net assets.

# FUND SIZE

	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue
		A Accumulation Shares	
28/02/13	178.8	354.36	50,446,901
29/02/12	117.1	318.08	36,819,474
28/02/11	129.6	313.68	41,323,232
28/02/10	125.5	277.15	45,270,832

# INCOME PER SHARE AND PRICE HISTORY (pence)

Calendar year	Income per share	Lowest price	Highest price
		A Accumulation Shares	
2013 <sup>2</sup>	-	320.00	357.40
2012	-	296.40	328.50
2011	-	252.40	324.40
2010	-	252.20	318.20
2009	-	180.80	269.50
2008	0.0383	97.58	223.90

## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

Aggressive policy intervention across developed economies fuelled stock market gains over the period. Investors welcomed steps announced by European policymakers to reduce lending rates for indebted nations as these removed the more immediate concerns surrounding the viability of the euro. Meanwhile, the Federal Reserve launched additional quantitative easing, which was linked to an improvement in key economic parameters. Positive jobs and housing data in the US also supported sentiment. Although contentious fiscal issues created some uncertainty, a compromise deal reached by policymakers averted an immediate recession. As far as emerging markets were concerned, increasingly positive economic data out of China removed fears of a sharp slowdown in economic growth.

### PORTFOLIO ACTIVITY

The fund outperformed the comparative index (MSCI AC World Index Net)\* over the period. The health care exposure contributed to returns as investors retained a preference for defensive value despite the removal of more immediate risks. Shares in Astellas Pharmaceuticals rose after its prostate cancer drug received approval ahead of expectations. Market participants also acknowledged Sanofi-Aventis post patent cliff growth prospects. Meanwhile, in the consumer sector, Kimberly-Clark, which has a very strong capital return model, posted a larger than expected increase in quarterly profits. Media business Reed Elsevier also reported encouraging results and announced plans to buy back shares. I sold bicycle manufacturer The Giant Manufacturing Company at a respectable profit after the shares had risen sharply. In contrast, stock selection in technology hampered performance. Weakness in the personal computing segment and disappointment with its dividend increase hurt the holding in Microsoft, but I increased the position given its attractive valuation. In running the fund my primary concern is to provide investors with a level of income that will grow over time, at least in line with inflation. My stock specific analysis ensures that the yield on offer is supported by a diverse and resilient income stream. At the end of February, the portfolio had considerable exposure to health care, consumer staples and selected financials. In terms of noteworthy trades, I initiated a holding in United Parcel Service, which has a strong balance sheet, great cash conversion and structural tailwinds from ecommerce and growth in global trade. I also bought Wolters Kluwer, a publisher that is undergoing a transformation from print to online, software and services that is under recognised. Johnson Matthey, Deutsche Telekom and AT&T were sold as these stocks met my price target.

### OUTLOOK

Investors will continue to grapple with the same issues, i.e. the eurozone crisis and the political gridlock in the US that have weighed on sentiment for several years now. There will be resultant periods of volatility and concerns about valuations. However, I think the prospects for a strategy focussed on resilient income producing equities remains solid in a world where interest rates on cash and core government bonds are low. Investors are looking beyond traditional sources of income and high quality, dividend paying equities provide a great alternative.

Dan Roberts  
Fund Manager  
28 February 13

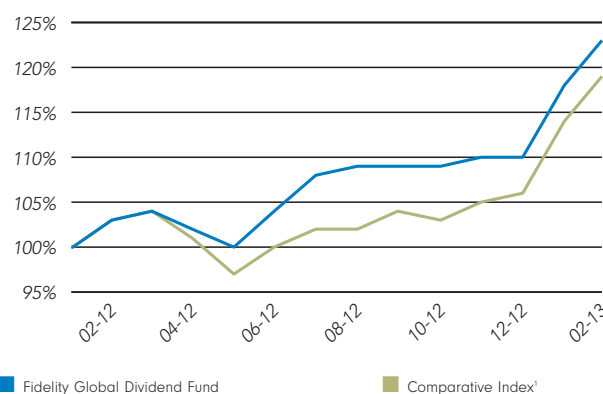
## PERFORMANCE RECORD

### PERFORMANCE OVER 12 MONTHS

Over the 12 month review period to 28 February 2013, the fund returned 19.2% with net income reinvested, outperforming its comparative index return of 15.0%.

### PERFORMANCE SINCE LAUNCH

30 January 12 to 28 February 13



1. Comparative Index: MSCI AC World Index (Net)

### DISCRETE 1 YEAR PERFORMANCE OVER THE LAST 5 YEARS TO:

	28/02/09	28/02/10	28/02/11	29/02/12	28/02/13
% Fund Performance	-	-	-	-	19.2
Comparative index	-	-	-	-	15.0

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested. Since launch the fund has returned 22.5%. Performance excludes initial charge.

Past performance is not a reliable indicator of future results.

## INVESTMENT OBJECTIVE AND POLICY

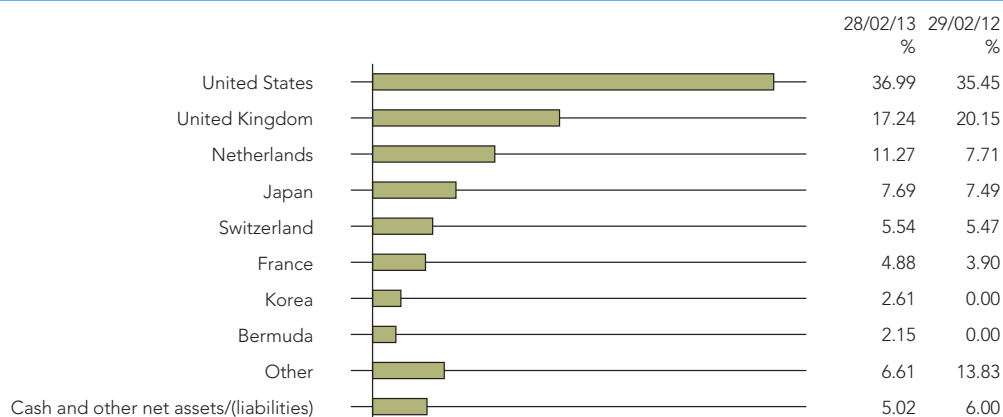
The Fund's investment objective is to achieve income and long-term capital growth from a portfolio consisting primarily of the shares of companies from around the world. The ACD will choose investments which it believes offer attractive dividend yields in addition to price appreciation. The Fund may also invest in other transferable securities, units in collective investment schemes, money market instruments, cash and deposits.

## RISK PROFILE

If you make regular withdrawals from your investment, this may reduce your capital over time if the fund's growth does not compensate for the withdrawals. The value of your investment can go down as well as up. You may not get back the amount you invested. What you get back is not guaranteed. It will depend on investment performance. The fund takes its annual management charge from your capital and not from the income generated by the fund. This means that any capital growth in the fund will be reduced by the charge and your capital may be reduced over time if the fund's growth does not compensate for it. This fund invests in overseas markets. You may get back more or less as a result of currency fluctuations. The fund may invest in derivatives for the purposes of the efficient management of the fund. For funds that use derivative transactions, there is a risk that the counterparty to the transaction will wholly or partially fail to honour its contractual obligations. This may result in financial loss to the fund. Where appropriate, collateral will be required to reduce exposure to a counterparty. Each of our funds is operated as a separate entity with its own assets and liabilities. However, if the liabilities of one fund were to exceed its assets, the other funds within the scheme might have to transfer across money to cover the liabilities. This means that the fund you invest in may be worth less if it has to transfer money to another fund.

\* Holdings can vary from those in the index quoted. For this reason the comparative index is used for reference only.

## PORTFOLIO INFORMATION



## TOP HOLDINGS

The top ten holdings in the fund as at 28 February 2013 and at the previous year end are shown below.

Top holdings as at 28/02/13	% of total net assets
HSBC (UK) (Reg'd)	3.80
Sanofi-Aventis	3.54
Reed Elsevier	3.52
Novartis (Reg'd)	3.46
Kimberly Clark	3.35
Astellas Pharmaceutical	3.08
Mattel	3.07
Microsoft	2.98
Wolters Kluwer	2.98
Minnesota Mining & Manufacturing	2.87

Top holdings as at 29/02/12	% of total net assets
Microsoft	4.06
Novartis (Reg'd)	3.20
Mattel	3.11
RJ Reynolds American	3.01
Sanofi-Aventis	2.92
Kimberly Clark	2.90
Astellas Pharmaceutical	2.57
HSBC (UK) (Reg'd)	2.57
ENI	2.52
Lockheed Martin	2.45

## FUND FACTS

### INCOME (pence per share)

	XD date	A Income Shares	Y Income Shares
Final distribution	01/03/13	1.1805	1.5762
Interim distribution	01/12/12	0.9000	0.9000
Interim distribution	01/09/12	0.9000	0.9000
Interim distribution	01/06/12	0.9000	0.9000

	XD date	W Income Shares*	A Accumulation Shares
Final distribution	01/03/13	0.8601	3.9062
Interim distribution	01/12/12	-	-
Interim distribution	01/09/12	-	-
Interim distribution	01/06/12	-	-

	XD date	Y Accumulation Shares	W Accumulation Shares**
Final distribution	01/03/13	4.2945	0.8568

\* The W Income Shares were launched on 15/10/12.

\*\* The W Accumulation Shares were launched on 15/10/12.

## FUND FACTS - CONTINUED

### ONGOING CHARGES (%)

	A Income Shares	Y Income Shares
28/02/13	1.81	1.28
29/02/12	1.73	1.20
	W Income Shares	A Accumulation Shares
28/02/13	1.06	1.81
29/02/12	-	1.73
	Y Accumulation Shares	W Accumulation Shares
28/02/13	1.28	1.06
29/02/12	1.20	-

The ongoing charge figure is the ratio of total costs to average net assets.

### FUND SIZE

	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue
	A Income Shares			Y Income Shares		
28/02/13	19.9	117.80	16,869,998	0.1	118.46	62,442
29/02/12	1.2	102.41	1,212,290	0.1	102.79	8,184
	W Income Shares			A Accumulation Shares		
28/02/13	-	111.14	43,211	15.0	122.47	12,241,567
29/02/12	-	-	-	3.0	102.74	2,942,095
	Y Accumulation Shares			W Accumulation Shares		
28/02/13	0.1	123.13	63,098	-	111.97	8,111
29/02/12	0.1	102.79	8,184	-	-	-

### INCOME PER SHARE AND PRICE HISTORY (pence)

Calendar year	Income per share	Lowest price	Highest price	Income per share	Lowest price	Highest price
	A Income Shares			Y Income Shares		
2013 <sup>2</sup>	1.1805	107.80	119.70	1.5762	108.70	120.80
2012	3.0358	98.46	109.40	2.7000	98.92	110.00
	W Income Shares			A Accumulation Shares		
2013 <sup>2</sup>	-	101.20	112.40	4.2945	111.00	123.20
2012	-	97.62	101.30	-	98.77	111.20
	Y Accumulation Shares			W Accumulation Shares		
2013 <sup>2</sup>	3.9062	111.60	123.90	0.8568	101.20	112.30
2012	0.3364	98.94	111.70	-	97.62	101.30

#### Footnotes:

1. The net asset value is the accounting value at the year end on a fair value basis
2. Figures includes the 01/03/13 distribution

## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

Aggressive policy intervention across developed economies fuelled stock market gains over the 12 month period. Investors welcomed steps announced by European policymakers to reduce lending rates for indebted nations as these removed the more immediate concerns surrounding the viability of the euro. Meanwhile, the Federal Reserve launched additional quantitative easing, which was linked to an improvement in key economic parameters. Positive jobs and housing data in the US also supported sentiment. Although contentious fiscal issues created some uncertainty, a compromise deal reached by policymakers averted an immediate recession. As far as emerging markets were concerned, incrementally positive economic data from China removed immediate fears of a sharp slowdown in growth.

### PORTFOLIO ACTIVITY

The fund outperformed the comparative index (MSCI AC WORLD Index Net)\* over the period. Consumer positions were among the top contributors to performance. Want Want China was expected to benefit from cheaper raw material prices, whilst new holding Glanbia moved closer to a spin off of its dairy business. Meanwhile, The TJX Companies' earnings reflected better than expected free cashflow and gross margins. I took profits in all three stocks. Elsewhere, online companies eBay and Amazon.com posted solid results; I lowered these positions. Peer Baidu was sold after it issued a disappointing revenue forecast. In the energy sector, Valero Energy reported favourable results driven by strong margins and increased throughput. It also announced a spin off. Conversely, some gold producers suffered following weakness in precious metal prices and were, in some cases, impacted by operational issues. Nevertheless, I continue to hold Newcrest Mining and Goldcorp as a hedge against a possible pick up in inflation. I purchased HeidelbergCement and ArcelorMittal as they should benefit from US construction activity. As far as positioning is concerned, I look to tap long term winners in a globalised world and have some high conviction themes. These include companies that are benefiting from emerging market growth, growing addressable markets, demographic shifts and innovation. I also like companies that are beneficiaries of the recovery in the US non residential construction market and of the US shale gas related renaissance. I also try to capture some equity income in the portfolio.

### OUTLOOK

I remain cautiously optimistic as prospects for the global economy continue to improve given the turnaround in US housing and the positive unemployment trend. The Chinese economy is showing initial signs of reflation and, whilst Europe remains challenged, many of the sovereign debt issues there have been put on the backburner. The fact that correlations have fallen suggests that markets have forgotten the intermittent risk on/risk off trades we have seen in the post crisis years. This is ideal for bottom up stock pickers like myself. However, whilst I remain optimistic in the medium to long term, I believe market sentiment is a bit more positive than I would like in the near term. The global economy continues to face challenges, chief among those being indebtedness.

Amit Lodha

Fund Manager  
28 February 13

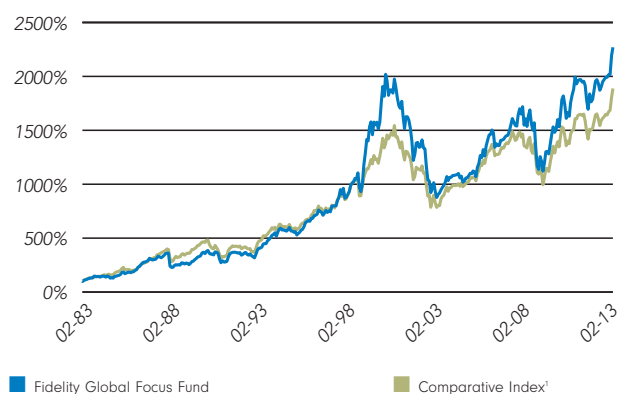
## PERFORMANCE RECORD

### PERFORMANCE OVER 12 MONTHS

Over the 12 month review period to 28 February 2013, the fund returned 16.1% with net income reinvested, outperforming its comparative index return of 15.0%.

### PERFORMANCE SINCE LAUNCH

11 October 82 to 28 February 13



1. Comparative Index: MSCI AC World Index (Net)

### DISCRETE 1 YEAR PERFORMANCE OVER THE LAST 5 YEARS TO:

	28/02/09	28/02/10	28/02/11	29/02/12	28/02/13
% Fund Performance	-30.3	46.7	19.2	-0.2	16.1
Comparative index	-26.2	44.5	13.9	0.3	15.0

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested. Since launch the fund has returned 2,170.0%. Over 5 years the fund has returned 41.2% compared with the comparative index return of 40.1%. Performance prior to 29/08/98 has been recalculated to take account of the conversion from Unit Trust to OEIC fund. Benchmark to 31/10/11 was MSCI World (Net). Performance excludes initial charge.

Past performance is not a reliable indicator of future results.

## INVESTMENT OBJECTIVE AND POLICY

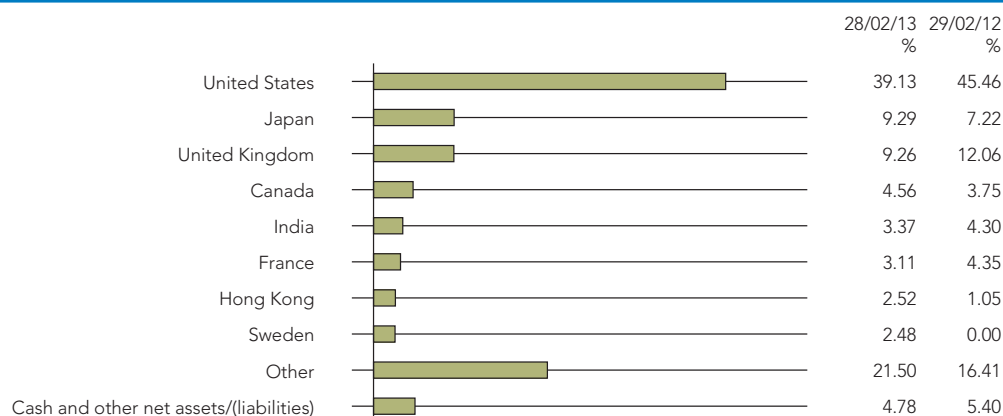
The fund's investment objective is to achieve long term capital growth from a diversified portfolio primarily made up of the shares of companies from around the world. In terms of geographical split, the portfolio is invested broadly in relation to the relative sizes and attractiveness of world equity markets. Within the portfolio there is a bias towards the larger quoted companies in each market, but the ACD is not restricted in this regard, or in terms of the industrial or geographical split of the portfolio.

## RISK PROFILE

If you make regular withdrawals from your investment, this may reduce your capital over time if the fund's growth does not compensate for the withdrawals. The value of your investment can go down as well as up. You may not get back the amount you invested. What you get back is not guaranteed. It will depend on investment performance. This fund invests in overseas markets. You may get back more or less as a result of currency fluctuations. This fund invests in a relatively small number of companies which can make it more volatile than funds that are more diversified. The fund may invest in derivatives for the purposes of the efficient management of the fund. For funds that use derivative transactions, there is a risk that the counterparty to the transaction will wholly or partially fail to honour its contractual obligations. This may result in financial loss to the fund. Where appropriate, collateral will be required to reduce exposure to a counterparty. Each of our funds is operated as a separate entity with its own assets and liabilities. However, if the liabilities of one fund were to exceed its assets, the other funds within the scheme might have to transfer across money to cover the liabilities. This means that the fund you invest in may be worth less if it has to transfer money to another fund.

\* Holdings can vary from those in the index quoted. For this reason the comparative index is used for reference only.

# PORTFOLIO INFORMATION



# TOP HOLDINGS

The top ten holdings in the fund as at 28 February 2013 and at the previous year end are shown below.

Top holdings as at 28/02/13	% of total net assets
Johnson & Johnson	2.39
ExxonMobil	2.12
Google (A)	2.03
HSBC (UK) (Reg'd)	1.95
Anadarko Petroleum	1.70
Citigroup	1.50
Sanofi-Aventis	1.40
Viacom (B)	1.33
Kasikornbank	1.25
Orix	1.25

Top holdings as at 29/02/12	% of total net assets
Microsoft	2.11
Goldcorp	1.87
Cisco Systems	1.74
Sanofi-Aventis	1.74
Citigroup	1.70
Citrix Systems	1.65
Google (A)	1.54
eBay	1.52
Kraft Foods	1.51
Danone	1.49

## Footnotes:

1. The net asset value is the accounting value at the year end on a fair value basis
2. Figures includes the 01/03/13 distribution

# FUND FACTS

## INCOME (pence per share)

	XD date	A Accumulation Shares	Y Accumulation Shares*
Final distribution	01/03/13	-	1.5218
	XD date		W Accumulation Shares**
Final distribution	01/03/13		1.8892

\* The Y Accumulation Shares were launched on 10/09/12. \*\* The W Accumulation Shares were launched on 15/10/12.

## ONGOING CHARGES (%)

	A Accumulation Shares	Y Accumulation Shares
28/02/13	1.73	1.20
29/02/12	1.72	-
	W Accumulation Shares	
28/02/13	0.96	
29/02/12	-	

The ongoing charge figure is the ratio of total costs to average net assets.

## FUND SIZE

	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue
	A Accumulation Shares			Y Accumulation Shares		
28/02/13	379.2	1,071.97	35,376,559	-	1,138.75	1,314
29/02/12	356.6	923.99	38,596,991	-	-	-
28/02/11	396.2	925.82	42,797,477	-	-	-
28/02/10	344.8	776.66	44,392,025	-	-	-
	W Accumulation Shares					
28/02/13	-	1,135.24	1,311			

## INCOME PER SHARE AND PRICE HISTORY (pence)

Calendar year	Income per share	Lowest price	Highest price	Income per share	Lowest price	Highest price
	A Accumulation Shares			Y Accumulation Shares		
2013 <sup>2</sup>	-	972.40	1,081.00	1.5218	1,032.00	1,148.00
2012	-	848.50	962.30	-	977.90	1,021.00
2011	-	773.60	950.20	-		
2010	-	722.00	945.50	-		
2009	1.3158	498.70	769.80	-		
2008	-	497.40	819.90	-		
	W Accumulation Shares					
2013 <sup>2</sup>	1.8892	1,029.00	1,145.00			
2012	-	974.70	1,018.00			



## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

Global government bonds recorded positive absolute returns but underperformed both investment grade and high yield corporate bonds over the period. High yield bonds were the best performing asset class. Risk appetite increased as global central banks took several steps to boost economic growth and increase liquidity. Investor optimism was further buoyed by European Central Bank President Mario Draghi's pledge to do "whatever it takes to preserve the euro", followed by the launch of the central bank's bond buying programme. Throughout the period, European policymakers continued their efforts towards systemic stability, which further improved the risk sentiment. Additionally, the US Federal Reserve decided to extend its asset purchases into 2013 in an effort to create a sustained economic upswing and boost the housing sector.

### PORTFOLIO ACTIVITY

The fund underperformed the comparative index (The BofA Merrill Lynch Global High Yield Constrained Index Hedged to GBP Net)\* since its launch on the 19th March 2012. Within the high yield credit spectrum, the portfolio was biased towards higher rated issues and remained underweight in riskier CCC rated securities. This proved detrimental to performance. However, I maintained the conservative asset allocation stance due to concerns that investors are not being adequately compensated for holding CCC risk given the long term GDP growth, default trends, market liquidity conditions and current valuations. At a sector level, adverse selection in telecommunications held back returns, but the overweight stance in the sector was increased through a new position in Altice Financing. Separately, profits were taken in Kabel, Cable & Wireless Communications and Polkomtel. Hedge positions through iTraxx credit default swaps (CDS) – protecting against default of a basket of European issuers – hampered performance as CDS spreads tightened. Conversely, the bias towards banking securities BPCE Group, RBS and Santander Finance boosted returns. I moved to a small overweight position in financials through new holdings in Lloyds TSB, Russian Standard Finance and Unicredit Spa. Transportation issues, including REFER, the Portuguese rail infrastructure manager, and China Automation Group, a rail signalling and safety systems provider, also added significant value. The fund retained a broadly neutral credit beta (a measure of the fund's sensitivity to credit spreads) position and a defensive tilt to sector positioning.

### OUTLOOK

Significant regional differences are developing in global markets. In the US, fiscal policy uncertainty will weigh on the growth rate. However, the real economy appears to be stabilising and may deliver higher than expected growth in 2013 and 2014. This will likely be driven by increases in capital expenditure, employment and housing market prospects. The eurozone, conversely, is threatening to go the way of Japan (i.e. slow growth and low yields). I expect political risks from Europe and broader US fiscal policy negotiations to continue to dominate headlines in the near term, which could lead to occasional bouts of volatility. With credit spreads having narrowed significantly to date, there is less scope for further spread compression. This leaves less margin for error in security selection. Therefore, I expect coupon income to be the major driver of returns in 2013.

Peter Khan  
Fund Manager  
28 February 13

\* Holdings can vary from those in the index quoted. For this reason the comparative index is used for reference only.

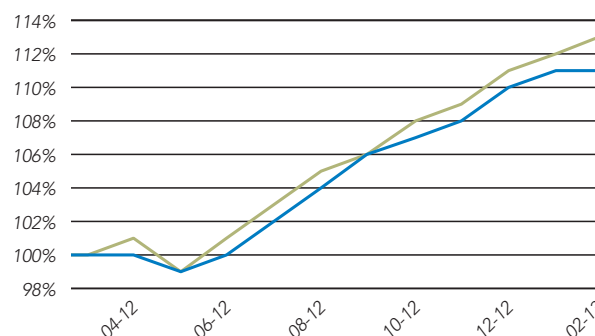
## PERFORMANCE RECORD

### PERFORMANCE

The fund was launched on 19 March 2012. Since its launch the fund returned 11.3% with net income reinvested underperforming its comparative index return of 12.9%.

### PERFORMANCE SINCE LAUNCH

19 March 12 to 28 February 13



■ Fidelity Global High Yield Fund

■ Comparative Index<sup>1</sup>

1. Comparative Index: The BofA Merrill Lynch Global High Yield Constrained Index Hedged to GBP

A discrete 1 year performance table has not been included as the fund was launched in March 2012 and does not have a full twelve month performance record to 28 February 2013.

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested. Since launch the fund has returned 11.3%. Performance excludes initial charge.

Past performance is not a reliable indicator of future results.

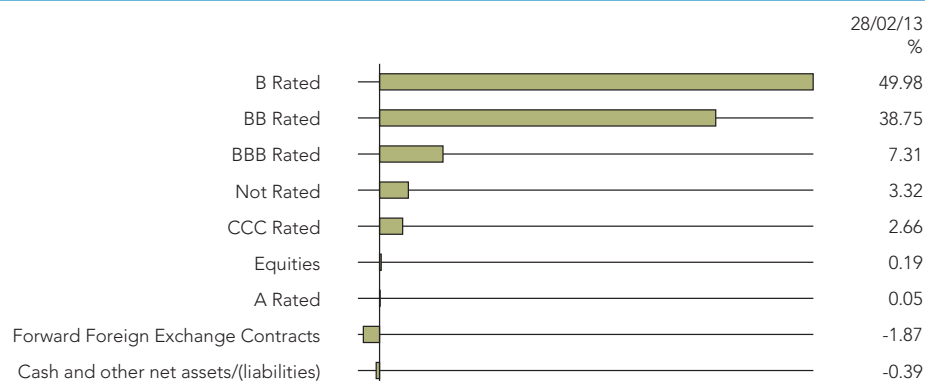
## INVESTMENT OBJECTIVE AND POLICY

The Fund's investment objective is to achieve a combination of both income and capital growth from a portfolio primarily invested in high-yielding, sub investment grade securities of issuers globally (those with a rating of BB+ or less from Standard & Poor's or equivalent rating from an internationally recognised rating agency). The Fund may also invest in other transferable securities, units in collective investment schemes, money market instruments, cash and deposits. Derivatives and forward transactions may be used for investment purposes.

## RISK PROFILE

If you make regular withdrawals from your investment, this may reduce your capital over time if the fund's growth does not compensate for the withdrawals. The value of your investment can go down as well as up. You may not get back the amount you invested. What you get back is not guaranteed. It will depend on investment performance. Investments in small and emerging markets can be more volatile than other more developed markets. This fund invests in overseas markets. You may get back more or less as a result of currency fluctuations. The fund takes its annual management charge from your capital and not from the income generated by the fund. This means that any capital growth in the fund will be reduced by the charge and your capital may reduce over time if the fund's growth does not compensate for it. This fund invests in a relatively small number of companies which can make it more volatile than funds that are more diversified. This fund may invest in derivatives for the purposes of the efficient management of the fund. For funds that use derivative transactions, there is a risk that the counterparty to the transaction will wholly or partially fail to honour its contractual obligations. This may result in financial loss to the fund. Where appropriate, collateral will be required to reduce exposure to a counterparty. With funds that invest in bonds, there is a risk that the issuer of the bond may default on its repayments. The likelihood of this happening will depend on the credit-worthiness of the issuer. This fund will invest in 'sub-investment grade' bonds. These bonds may produce a higher level of income than 'investment grade' bonds but at a higher risk to your capital. Each of our funds is operated as a separate entity with its own assets and liabilities. However, if the liabilities of one fund were to exceed its assets, the other funds within the scheme might have to transfer across money to cover the liabilities. This means that the fund you invest in may be worth less if it has to transfer money to another fund.

# PORTFOLIO INFORMATION



# TOP HOLDINGS

The top ten holdings in the fund as at 28 February 2013 is shown below.

Top holdings as at 28/02/13	% of total net assets
Heidelberg Cement Finance 9.50% 15/12/2018	1.48
Norcell 9.25% 09/2018 Reg S	1.44
Cemex SAB CV 9.00% 11/01/2018 Reg S	1.43
Petroleum Geo-Services 7.375% 15/12/2018 144A	1.42
Sprint Nextel 7.00% 01/03/2020 144A	1.38
First Data 7.375% 15/06/2019 144A	1.35
Ally Financial 8.00% 15/03/2020	1.31
Reynolds 5.75% 15/10/2020	1.21
Petroleos de Venezuela 5.25% 12/04/2017	1.15
UniCredit 6.95% 31/10/2022 Reg S	1.14

# FUND FACTS

## INCOME (pence per share)

	XD date	A Income Shares	Gross paying A Income Shares
Final distribution	01/03/13	2.6000	3.1220
Interim distribution	01/02/13	3.7740	4.8279
Interim distribution	01/01/13	3.8362	4.8836
Interim distribution	01/12/12	3.8840	4.9358
Interim distribution	01/11/12	3.9750	5.2163
Interim distribution	01/10/12	3.9277	4.9572
Interim distribution	01/09/12	4.1580	5.0005
Interim distribution	01/08/12	5.2088	6.5348
Interim distribution	01/07/12	3.8623	4.8664
Interim distribution	01/06/12	3.8319	4.8039
Interim distribution	01/05/12	3.8159	4.8118
Interim distribution	01/04/12	1.2471	1.6104

	XD date	Y Income Shares	Gross paying Y Income Shares
Final distribution	01/03/13	2.8570	3.5658
Interim distribution	01/02/13	4.2003	5.2580
Interim distribution	01/01/13	4.2556	5.3162
Interim distribution	01/12/12	4.2863	5.3640
Interim distribution	01/11/12	4.5174	5.6734
Interim distribution	01/10/12	4.3162	5.3860
Interim distribution	01/09/12	4.3803	5.4412
Interim distribution	01/08/12	5.5823	6.9876
Interim distribution	01/07/12	4.2184	5.2825
Interim distribution	01/06/12	4.2029	5.2501
Interim distribution	01/05/12	4.2333	5.2963
Interim distribution	01/04/12	1.3770	1.7406

	XD date	A Accumulation Shares	Gross paying A Accumulation Shares
Final distribution	01/03/13	45.5312	57.1588

	XD date	Y Accumulation Shares	Gross paying Y Accumulation Shares
Final distribution	01/03/13	49.4962	62.2441

	XD date	I Accumulation Shares
Final distribution	01/03/13	52.7675

## FUND FACTS - CONTINUED

### ONGOING CHARGES (%)

	A Income Shares	Gross paying A Income Shares
28/02/13	1.57	1.58
	Y Income Shares	Gross paying Y Income Shares
28/02/13	1.03	1.03
	A Accumulation Shares	Gross paying A Accumulation Shares
28/02/13	1.58	1.56
	Y Accumulation Shares	Gross paying Y Accumulation Shares
28/02/13	1.04	1.04
	I Accumulation Shares	
28/02/13		0.63

The ongoing charge figure is the ratio of total costs to average net assets.

### FUND SIZE

	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue
	A Income Shares			Gross paying A Income Shares		
28/02/13	0.3	1,063.65	25,561	0.4	1,063.81	36,142
	Y Income Shares			Gross paying Y Income Shares		
28/02/13	3.4	1,063.66	317,201	-	1,063.43	1,632
	A Accumulation Shares			Gross paying A Accumulation Shares		
28/02/13	0.2	1,109.88	18,015	0.5	1,121.94	41,273
	Y Accumulation Shares			Gross paying Y Accumulation Shares		
28/02/13	10.6	1,115.11	949,305	-	1,128.36	1,632
	I Accumulation Shares					
28/02/13	-	1,118.51	1,632			

### INCOME PER SHARE AND PRICE HISTORY (pence)

Calendar year	Income per share	Lowest price	Highest price	Income per share	Lowest price	Highest price
	A Income Shares			Gross paying A Income Shares		
2013 <sup>2</sup>	10.2102	1,058.00	1,073.00	12.8335	1,058.00	1,074.00
2012	33.9107	972.50	1,061.00	42.7371	972.90	1,063.00
	Y Income Shares			Gross paying Y Income Shares		
2013 <sup>2</sup>	11.3129	1,058.00	1,074.00	14.1400	1,058.00	1,075.00
2012	37.1141	972.50	1,062.00	46.4217	972.50	1,063.00
	A Accumulation Shares			Gross paying A Accumulation Shares		
2013 <sup>2</sup>	45.5312	1,097.00	1,113.00	57.1588	1,107.00	1,125.00
2012	-	981.70	1,097.00	-	983.50	1,107.00
	Y Accumulation Shares			Gross paying Y Accumulation Shares		
2013 <sup>2</sup>	49.4962	1,102.00	1,118.00	62.2441	1,113.00	1,131.00
2012	-	982.20	1,101.00	-	984.90	1,113.00
	I Accumulation Shares					
2013 <sup>2</sup>	52.7675	1,104.00	1,121.00			
2012	-	982.90	1,104.00			

#### Footnotes:

1. The net asset value is the accounting value at the period end on a fair value basis
2. Figures includes the 01/03/13 distribution

## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

Property stocks rose sharply and outperformed equities as a whole over a period marked by aggressive policy intervention across major economies. Being a capital intensive sector, signs of improving capital availability boosted property stocks across regions. In fact, property businesses whose debt came due were able to replace higher cost debt with lower cost issuances. Meanwhile, fundamentals were stable or improved at the margin, although macroeconomic uncertainty around the US fiscal cliff, the Chinese slowdown and Japanese easing did bear some influence on the sector. Encouragingly, new supply remained benign across most segments, making for supportive demand/supply dynamics. Whilst valuations were no longer as attractive, there was continued interest in property as an asset class given its yield and real asset backing nature.

### PORTFOLIO ACTIVITY

The fund underperformed the comparative index (FTSE EPRA/NAREIT Developed Index Net)\* over the period. The Hong Kong exposure was negatively impacted by new policy measures to cool the property market, which did not alter stock specific fundamentals. Meanwhile, not holding Sumitomo Realty & Development held back relative returns following encouraging earnings. I prefer other Japanese stocks, such as Orix JREIT (Japanese real estate investment trust), which contributed to performance; I increased this position. Elsewhere, stock picking in the US detracted from returns. Host Hotels & Resorts reported solid quarterly results, but investors worried that it was expensive. I continue to like its strong lodging portfolio and have increased the allocation. Similarly, whilst Kimco Realty's earnings guidance disappointed, its capital recycling programme should release value going forward. In contrast, my decision to sell Vornado Realty Trust, which was weighed down by a lacklustre office rental market, paid off. The exposure to UK based student accommodation provider The UNITE Group also contributed to returns after it reported better than expected results. I sold this holding. Sector and country positioning result from bottom up stock selection rather than strong sector views. I bought shares in General Growth Properties, an attractively valued mall owner that has been taking steps to delever and improve execution. I also purchased a holding in TAG Immobilien, which was trading at a discount to its peers. TAG's recent focus on residential at the expense of non residential, where it is selling its commercial portfolio, makes it marginally more immune to the macroeconomic environment. I sold the position in Digital Realty Trust as I am wary of new supply in the data centre related property space.

### OUTLOOK

The outlook for listed property remains positive. Whilst property stocks as a whole are no longer cheap, there is a sizable disparity by geography, which allows bottom up stock pickers to find ideas. Continued money printing with a view to sustain the low interest rate environment should benefit the sector given the yield benefits of owning property directly or via REITs, which issue dividends. The added security of real asset backing and inflation protection should also support interest in the sector.

Steve Buller  
Fund Manager  
28 February 13

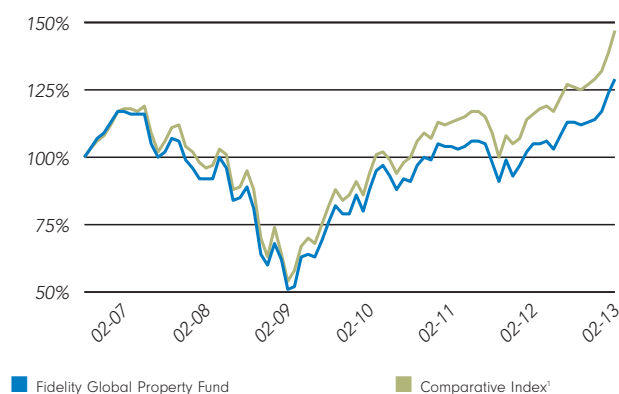
## PERFORMANCE RECORD

### PERFORMANCE OVER 12 MONTHS

Over the 12 month review period to 28 February 2013, the fund returned 23.6% with net income reinvested, underperforming its comparative index return of 26.1%.

### PERFORMANCE SINCE LAUNCH

05 September 06 to 28 February 13



1. Comparative Index: FTSE EPRA/NAREIT Developed Index (Gross)

### DISCRETE 1 YEAR PERFORMANCE OVER THE LAST 5 YEARS TO:

	28/02/09	28/02/10	28/02/11	29/02/12	28/02/13
% Fund Performance	-45.1	72.9	18.6	0.7	23.6
Comparative index	-43.5	72.8	21.0	2.6	26.1

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested. Since launch the fund has returned 29.5%. Over 5 years the fund has returned 40.2% compared with the comparative index return of 52.7%. Performance excludes initial charge.

Past performance is not a reliable indicator of future results.

## INVESTMENT OBJECTIVE AND POLICY

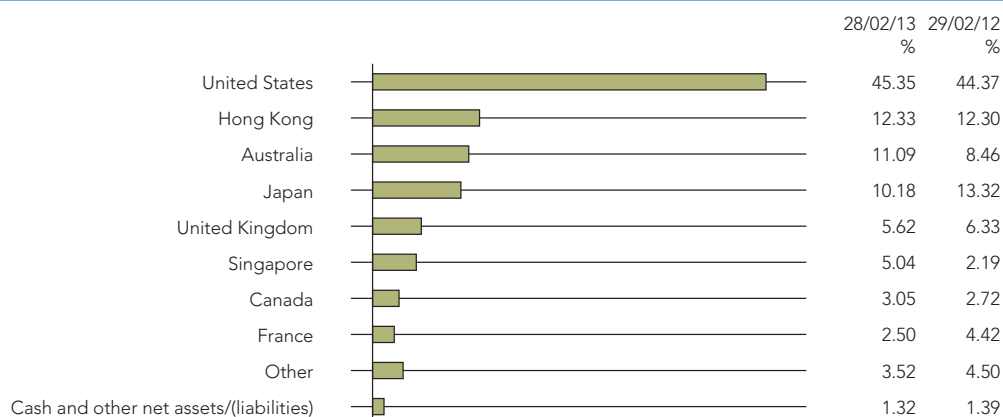
The fund's investment objective is to achieve a combination of income and long term capital growth from a portfolio primarily made up of the securities of companies principally involved in the real estate industry and other real estate-related investments.

## RISK PROFILE

If you make regular withdrawals from your investment, this may reduce your capital over time if the fund's growth does not compensate for the withdrawals. The value of your investment can go down as well as up. You may not get back the amount you invested. What you get back is not guaranteed. It will depend on investment performance. Investments in small and emerging markets can be more volatile than other more developed markets. This fund invests in overseas markets. You may get back more or less as a result of currency fluctuations. The fund takes its annual management charge from your capital and not from the income generated by the fund. This means that any capital growth in the fund will be reduced by the charge and your capital may reduce over time if the fund's growth does not compensate for it. This fund invests in a relatively small number of companies which can make it more volatile than funds that are more diversified. This fund may invest in derivatives for the purposes of the efficient management of the fund. For funds that use derivative transactions, there is a risk that the counterparty to the transaction will wholly or partially fail to honour its contractual obligations. This may result in financial loss to the fund. Where appropriate, collateral will be required to reduce exposure to a counterparty. Each of our funds is operated as a separate entity with its own assets and liabilities. However, if the liabilities of one fund were to exceed its assets, the other funds within the scheme might have to transfer across money to cover the liabilities. This means that the fund you invest in may be worth less if it has to transfer money to another fund.

\* Holdings can vary from those in the index quoted. For this reason the comparative index is used for reference only.

# PORTFOLIO INFORMATION



# TOP HOLDINGS

The top ten holdings in the fund as at 28 February 2013 and at the previous year end are shown below.

Top holdings as at 28/02/13	% of total net assets
Westfield	5.85
Sun Hung Kai Properties	5.33
Simon Property Real Estate Investment Trust	5.16
Public Storage	5.14
Ventas Real Estate investment Trust	5.09
Prologis	3.78
British Land	3.28
Host Hotels And Resorts Real Estate Investment Trust	3.17
HCP	3.01
Mitsui Fudosan	2.89

Top holdings as at 29/02/12	% of total net assets
Sun Hung Kai Properties	6.08
Simon Property Real Estate Investment Trust	5.02
Prologis	4.89
Mitsui Fudosan	4.28
Mitsubishi Estate	4.24
Public Storage	4.15
Equity Residential Properties Real Estate Investment Trust	4.02
Unibail-Rodamco	3.82
Westfield	3.23
Kimco Realty	2.99

# Footnotes:

- The net asset value is the accounting value at the year end on a fair value basis
- Figures includes the 01/03/13 distribution

# FUND FACTS

## INCOME (pence per share)

	XD date	A Accumulation Shares	Y Accumulation Shares*
Final distribution	01/03/13	0.6370	0.7755
Interim distribution	01/09/12	0.9557	-

	XD date	W Accumulation Shares**
Final distribution	01/03/13	0.7209
Interim distribution	01/09/12	-

\* The Y Accumulation Shares were launched on 18/07/12. \*\* The W Accumulation Shares were launched on 15/10/12.

## ONGOING CHARGES (%)

	A Accumulation Shares	Y Accumulation Shares
28/02/13	1.74	1.16
29/02/12	1.74	-

	W Accumulation Shares
28/02/13	0.95
29/02/12	-

The ongoing charge figure is the ratio of total costs to average net assets.

## FUND SIZE

	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue
	A Accumulation Shares			Y Accumulation Shares		
28/02/13	274.9	129.29	212,659,661	0.6	115.86	527,957
29/02/12	195.0	104.70	186,283,238	-	-	-
28/02/11	191.1	103.96	183,863,441	-	-	-

	W Accumulation Shares		
28/02/13	-	114.60	8,111

## INCOME PER SHARE AND PRICE HISTORY (pence)

Calendar year	Income per share	Lowest price	Highest price	Income per share	Lowest price	Highest price
	A Accumulation Shares			Y Accumulation Shares		
2013 <sup>2</sup>	0.6370	118.40	129.80	0.7755	105.90	116.30
2012	1.6068	96.59	117.50	-	98.61	105.20
2011	1.0256	86.52	109.40			
2010	0.9493	79.85	105.50			
2009	1.5174	45.56	86.84			
2008	1.1536	50.86	101.40			
	W Accumulation Shares					
2013 <sup>2</sup>	0.7209	104.80	115.10			
2012	-	99.02	104.00			

## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

Global equities rose during the review period, aided in part by a series of stimulus support programmes by leading central banks. In a noteworthy move, the Federal Reserve announced additional quantitative easing, under which it offered to buy mortgage bonds for an indefinite period. Meanwhile, European policymakers and politicians intervened on several occasions to alleviate the risk of a sovereign debt crisis, but regional economic growth remained under pressure. Nonetheless, investors were heartened by reports that Chinese economic growth was gaining momentum. The US Congress' just-in-time budget deal to avert the fiscal cliff also bolstered sentiment.

### PORTFOLIO ACTIVITY

The fund outperformed the comparative index (MSCI AC World Real Asset Composite Index Net)\* over the period. Holdings in selected chemicals and energy companies that are exposed to US shale gas benefited from lower input costs and higher margins. These included US refiner Valero, which reported a noteworthy increase in production volumes; petrochemical producer LyondellBasell Industries; and a new position in leading shale gas producer EOG Resources. Energy holdings, particularly those with substantial East African assets such as Africa Oil and Ophir Energy, also bolstered returns. The former, a Canadian oil & gas exploration company, announced the discovery of oil bearing sands at its Ngamia-1 fields in Kenya. I sold both these stocks to take profits. In view of uncertainty during the period, SBA Communications and American Tower, both of which had predictable, recurring revenues, enhanced gains. These telecommunications tower operators also benefited from the need to install extra antennas to cope with increased smartphone internet traffic. I reduced the exposure to SBA following a sustained uptrend in its shares. Instead, I bought two infrastructure holdings, Wijaya Karta and Flughafen Wein, which supported returns. The former, an Indonesian construction company, maintained a strong order book amid the ongoing infrastructure investment cycle in the country, highlighted by its recent win of an airport terminal expansion contract. The latter, the owner and operator of Vienna International Airport, was a beneficiary of long life infrastructure assets coupled with favourable demographics. Selected gold stocks, which tracked precious metal prices lower and were, in some cases, adversely impacted by operational issues, were the biggest detractors from performance.

### OUTLOOK

As unprecedented monetary policy support continues in the West, I am mindful of potential inflationary pressures and continue to find value in real asset driven opportunities. From a pure valuation perspective, opportunities are a little less inspiring than a year ago. Nonetheless, there are a number of encouraging long term themes. These include a recovery in the US housing market, improvement in employment levels, expectations that corporate capital expenditure will pick up pace and re-shoring of manufacturing in the US as a result of low cost shale energy. I am also confident that the Chinese recovery is well grounded.

Amit Lodha  
Fund Manager  
28 February 13

\* Holdings can vary from those in the index quoted. For this reason the comparative index is used for reference only.

## PERFORMANCE RECORD

### PERFORMANCE OVER 12 MONTHS

Over the 12 month review period to 28 February 2013, the fund returned 12.0% with net income reinvested, outperforming its comparative index return of 8.7%.

### PERFORMANCE SINCE LAUNCH

14 September 11 to 28 February 13



1. Comparative Index: MSCI All Countries World Real Asset Composite Index (Net of Lux)

### DISCRETE 1 YEAR PERFORMANCE OVER THE LAST 5 YEARS TO:

	28/02/09	28/02/10	28/02/11	29/02/12	28/02/13
% Fund Performance	-	-	-	-	12.0
Comparative index	-	-	-	-	8.7

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested. Since launch the fund has returned 23.0% Performance excludes initial charge.

Past performance is not a reliable indicator of future results.

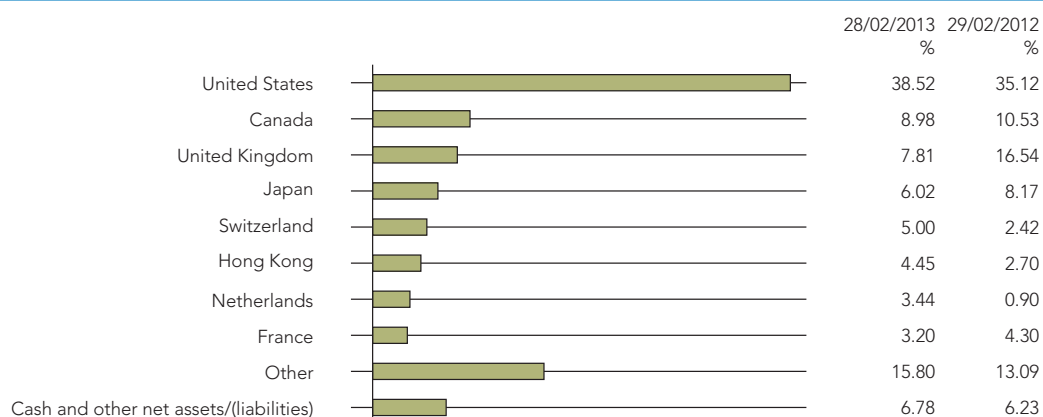
## INVESTMENT OBJECTIVE AND POLICY

The Fund's investment objective is to achieve long term capital growth from a portfolio primarily made up of the shares of companies around the world that provide exposure to commodities, property, industrials, utilities, energy, materials or infrastructure. Up to 20% of the portfolio may consist of Exchange Traded Funds (ETFs), Exchange Traded Commodities qualifying as transferable securities, bonds, warrants and convertibles. The ACD is not restricted in its choice of companies either by size or industry, or in terms of the geographical split of the portfolio, and will concentrate its investment in a more limited number of companies and therefore the resulting portfolio will be less diversified. The Fund may also invest in other transferable securities, units in collective investment schemes, money market instruments, cash and deposits.

## RISK PROFILE

If you make regular withdrawals from your investment, this may reduce your capital over time if the fund's growth does not compensate for the withdrawals. The value of your investment can go down as well as up. You may not get back the amount you invested. What you get back is not guaranteed. It will depend on investment performance. This fund invests in overseas markets. You may get back more or less as a result of currency fluctuations. This fund invests in a relatively small number of companies, which can make it more volatile than funds that are more diversified. The fund may invest in derivatives for the purposes of the efficient management of the fund. For funds that use derivative transactions, there is a risk that the counterparty to the transaction will wholly or partially fail to honour its contractual obligations. This may result in financial loss to the fund. Where appropriate, collateral will be required to reduce exposure to a counterparty. Each of our funds is operated as a separate entity with its own assets and liabilities. However, if the liabilities of one fund were to exceed its assets, the other funds within the scheme might have to transfer across money to cover the liabilities. This means that the fund you invest in may be worth less if it has to transfer money to another fund.

# PORTFOLIO INFORMATION



## TOP HOLDINGS

The top ten holdings in the fund as at 28 February 2013 and at the previous year end are shown below.

Top holdings as at 28/02/13	% of total net assets
ExxonMobil	4.45
Anadarko Petroleum	3.44
Cummins	2.97
Suncor Energy	2.73
Mitsubishi Estate	2.58
FDX	2.34
Halliburton	2.27
American Tower	2.19
Vornado Realty Trust	2.03
Imperial Oil	1.88

Top holdings as at 29/02/12	% of total net assets
ExxonMobil	4.16
Goldcorp	4.02
Valero Energy	2.70
Sun Hung Kai Properties	2.70
Schlumberger (US)	2.56
BP	2.56
Occidental Petroleum	2.35
Danaher	2.22
Centrica	2.22
ConocoPhillips	2.15

### Footnotes:

1. The net asset value is the accounting value at the year end on a fair value basis
2. Figures includes the 01/03/13 distribution

## FUND FACTS

### INCOME (pence per share)

	XD date	A Accumulation Shares	Y Accumulation Shares
Final distribution	01/03/13	1.1196	0.7473

	XD date	W Accumulation Shares*
Final distribution	01/03/13	0.1215

\*The W Accumulation Shares were launched on 15/10/12.

### ONGOING CHARGES (%)

	A Accumulation Shares	Y Accumulation Shares
28/02/13	2.45	1.92
29/02/12	2.35	1.68
	W Accumulation Shares	
28/02/13	1.70	
29/02/12	-	

The ongoing charge figure is the ratio of total costs to average net assets.

### FUND SIZE

	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue
	A Accumulation Shares			Y Accumulation Shares		
28/02/13	1.3	122.30	1,028,060	-	122.41	11,436
29/02/12	1.3	109.70	1,308,483	0.1	110.15	8,160
	W Accumulation Shares					
28/02/13	-	111.46	8,111			

### INCOME PER SHARE AND PRICE HISTORY (pence)

Calendar year	Income per share	Lowest price	Highest price	Income per share	Lowest price	Highest price
	A Accumulation Shares			Y Accumulation Shares		
2013 <sup>2</sup>	1.1196	113.70	124.10	0.7473	114.00	124.40
2012	-	97.78	112.10	-	98.14	112.40
2011	-	89.51	104.40	-	89.54	104.50
	W Accumulation Shares					
2013 <sup>2</sup>	0.1215	103.60	112.90			
2012	-	98.11	102.10			



## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

Global equities rose during the review period, aided in large part by a series of stimulus support programmes by leading central banks. In a noteworthy move, the Federal Reserve announced additional quantitative easing, under which it offered to buy mortgage bonds for an indefinite period. Meanwhile, European policymakers and politicians intervened on several occasions to alleviate the risk of a sovereign debt meltdown, but regional economic growth remained under pressure. Political events, including the US presidential elections, the resolution of concerns about potentially recession inducing tax increases and spending cuts in the US (commonly referred to as the fiscal cliff) and a change in the Chinese leadership, also remained in focus. Investors were therefore heartened by reports that Chinese economic growth was gaining momentum. The US Congress' just-in-time budget deal to avert the fiscal cliff also bolstered sentiment.

### PORTFOLIO ACTIVITY

The fund outperformed the comparative index (MSCI World Index Net)\* over the period, aided by rewarding security selection in the consumer discretionary sector. In particular, Fuji Heavy Industries was a key contributor to performance. Its Subaru brand continued to gain market share in the US and its results revealed volume growth, pricing improvement and cost reduction. The automobile manufacturer also raised its operating profit outlook on the strength of strong US car sales and a weaker yen. I also purchased positions in well known automobile stocks Volkswagen and Renault. Meanwhile, the exposure to eBay supported returns in light of its consistently robust results, driven by strength in its PayPal payment platform and a growing proportion of purchases from mobile devices. Within media, the position in Time Warner and a new holding in Kabel Deutschland added value. Investors favoured Time Warner's robust cashflows amid strong domestic and international demand for TV content. I sold this holding following a period of strong performance. Elsewhere, a new position in US refiner Marathon Petroleum was a noteworthy contributor to returns as it delivered robust refining margins and higher transportation through its pipeline network. The company also authorised an additional share repurchase programme. In contrast, Microsoft detracted from performance in view of a lacklustre response to the launch of Windows 8. I reduced the exposure to Baidu, which came under pressure as its latest quarterly results revealed the slowest pace of profit growth since 2009, failing to meet expectations. I also sold the holding in Barrick Gold as the Canadian gold producer faced operational issues and delays in production, which held back its shares.

### OUTLOOK

Signs of a sustainable recovery in the US supported the recent uptrend in global equities. Given that economic activity in the US appears to be well grounded, there are a host of attractive opportunities to be explored in the country. Many are supported by positive fundamentals, which offers a good choice of investible businesses. Furthermore, overall fund flow from bonds toward equities and corporate activity, such as mergers & acquisitions and spinoffs, are also creating a favourable backdrop for the portfolio. However, in light of the recent market uptrend, it is increasingly challenging to find a range of exceptional value opportunities.

Jeremy Podger  
Fund Manager  
28 February 13

\* Holdings can vary from those in the index quoted. For this reason the comparative index is used for reference only.

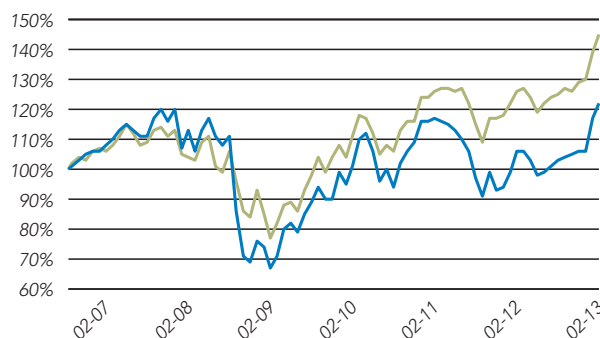
## PERFORMANCE RECORD

### PERFORMANCE OVER 12 MONTHS

Over the 12 month review period to 28 February 2013, the fund returned 15.6% with net income reinvested, outperforming its comparative index return of 15.0%.

### PERFORMANCE SINCE LAUNCH

15 September 06 to 28 February 13



■ Fidelity Global Special Situations Fund

■ Comparative Index<sup>1</sup>

1. Comparative Index: MSCI AC World Index (Net)

### DISCRETE 1 YEAR PERFORMANCE OVER THE LAST 5 YEARS TO:

	28/02/09	28/02/10	28/02/11	29/02/12	28/02/13
% Fund Performance	-41.3	51.6	15.7	-9.3	15.6
Comparative index	-26.2	44.5	13.9	0.1	15.0

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested. Since launch the fund has returned 22.2%. Over 5 years the fund has returned 8.0% compared with the comparative index return of 39.9%. Benchmark to 29/02/2012 was MSCI World Index (Net). Performance excludes initial charge.

Past performance is not a reliable indicator of future results.

## INVESTMENT OBJECTIVE AND POLICY

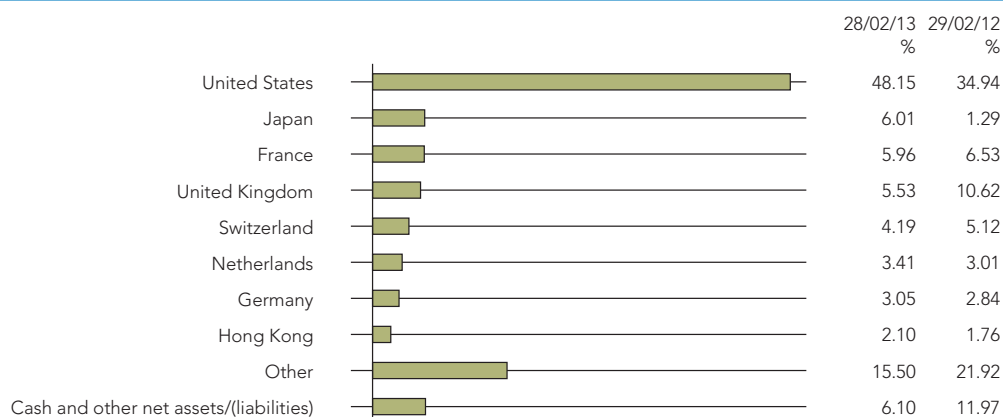
The fund's investment objective is to achieve long term capital growth from a portfolio primarily made up of the shares of companies around the world. The fund will have a blend of investments in larger, medium and smaller sized companies. The ACD is not restricted in its choice of companies either by size or industry, or in terms of the geographical split of the portfolio, and will choose stocks largely determined by the availability of attractive investment opportunities. The fund may also invest in other transferable securities, units in collective investment schemes, money market instruments, cash and deposits. Derivatives and forward transactions may also be used for investment purposes.

## RISK PROFILE

If you make regular withdrawals from your investment, this may reduce your capital over time if the fund's growth does not compensate for the withdrawals. The value of your investment can go down as well as up. You may not get back the amount you invested. What you get back is not guaranteed. It will depend on investment performance. Investments in small and emerging markets can be more volatile than other more developed markets. This fund invests in overseas markets. You may get back more or less as a result of currency fluctuations. This fund invests more heavily than others in smaller companies, which can carry a higher risk because their share prices may be more volatile than those of larger companies. For this fund, derivatives and forward transactions may be used for investment purposes, as well as for hedging and other efficient management purposes as permitted for all funds. Where this is the case, their use may lead to higher volatility in the fund's share price. For funds that use derivative transactions, there is a risk that the counterparty to the transaction will wholly or partially fail to honour its contractual obligations. This may result in financial loss to the fund. Where appropriate, collateral will be required to reduce exposure to a counterparty. Each of our funds is operated as a separate entity with its own assets and liabilities. However, if the liabilities of one fund were to exceed its assets, the other funds within the scheme might have to transfer across money to cover the liabilities. This means that the fund you invest in may be worth less if it has to transfer money to another fund.



# PORTFOLIO INFORMATION



# TOP HOLDINGS

The top ten holdings in the fund as at 28 February 2013 and at the previous year end are shown below.

Top holdings as at 28/02/13	% of total net assets
Google (A)	2.78
Sanofi-Aventis	2.72
Walt Disney	2.67
Microsoft	2.48
Lowes	2.35
eBay	2.17
Comcast (A)	2.15
Johnson & Johnson	2.04
Vodafone	2.03
JPMorgan Chase	1.87

Top holdings as at 29/02/12	% of total net assets
Sanofi-Aventis	3.67
eBay	3.22
ExxonMobil	3.12
Royal Dutch Shell A (NL)	3.01
Fidelity Institutional Liquidity Fund (EUR)	2.86
Fidelity Institutional Liquidity Fund (GBP)	2.71
Noble Switzerland	2.62
Fidelity Institutional Liquidity Fund (USD)	2.55
Zimmer	2.54
Fidelity National Information Services	2.42

# FUND FACTS

## INCOME (pence per share)

	XD date	A Accumulation Shares	Y Accumulation* Shares
Final distribution	01/03/13	6.7044	5.2748

	XD date	J Accumulation Shares	W Accumulation** Shares
Final distribution	01/03/13	0.6248	3.6263

\*The Y Accumulation Shares were launched on 18/07/12.

\*\* The W Accumulation Shares were launched on 15/10/12.

## ONGOING CHARGES (%)

	A Accumulation Shares	Y Accumulation Shares
28/02/13	1.71	1.16
29/02/12	1.71	-
	J Accumulation Shares	W Accumulation Shares
28/02/13	1.68	0.94
29/02/12	1.68	-

The ongoing charge figure is the ratio of total costs to average net assets.

**FUND FACTS - CONTINUED**
**FUND SIZE**

	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue
A Accumulation Shares				Y Accumulation Shares		
28/02/13	1,468.9	1,900.62	77,287,092	1.4	1,844.54	75,360
29/02/12	1,470.2	1,645.48	89,345,442	-	-	-
28/02/11	1,896.1	1,813.33	104,562,639	-	-	-
28/02/10	1,837.5	1,567.09	117,255,963	-	-	-
J Accumulation Shares				W Accumulation Shares		
28/02/13	5.8	165.32	3,482,209	0.1	1,758.55	5,263
29/02/12	6.3	143.08	4,431,419	-	-	-
28/02/11	11.0	157.63	6,956,165	-	-	-
28/02/10	21.6	140.04	15,457,554	-	-	-

**INCOME PER SHARE AND PRICE HISTORY (pence)**

Calendar year	Income per share	Lowest price	Highest price	Income per share	Lowest price	Highest price
A Accumulation Shares			Y Accumulation Shares			
2013 <sup>2</sup>	6.7044	1,685.00	1,922.00	5.2748	1,634.00	1,865.00
2012	-	1,468.00	1,676.00	-	1,488.00	1,618.00
2011	-	1,349.00	1,862.00	-	-	-
2010	-	1,448.00	1,809.00	-	-	-
2009	14.8256	959.90	1,558.00	-	-	-
2008	-	958.40	1,885.00	-	-	-
J Accumulation Shares			W Accumulation Shares			
2013 <sup>2</sup>	0.6248	146.60	167.20	3.6263	1,557.00	1,778.00
2012	-	127.60	145.80	-	1,468.00	1,542.00
2011	-	117.30	161.80	-	-	-
2010	-	126.00	157.30	-	-	-
2009	0.0123	83.47	135.50	-	-	-

**Footnotes:**

1. The net asset value is the accounting value at the year end on a fair value basis
2. Figures includes the 01/03/13 distribution

## FUND MANAGER'S COMMENTARY

## MARKET REVIEW

Global equities rose strongly over the period. Whilst ongoing concerns about the European sovereign debt crisis and fears over global growth dampened sentiment from time to time, supportive policy actions by central banks and the European Union's moves to contain the crisis supported markets. Towards the end of the period, improving economic data from the US and China also provided support. At a regional level, Pacific ex Japan rose the most in sterling terms, followed by the US and Europe ex UK. The UK and Japan rose by smaller margins, but still generated double digit returns. Returns in sterling terms were aided by its depreciation versus the US dollar and the euro, but hurt by its appreciation against the yen.

## PORTFOLIO ACTIVITY

The fund underperformed the comparative index (40 % FTSE All Share Index, 60 % MSCI World Index Net)\* over the period. The fund is run using a manager selection process under which I allocate assets to regional Fidelity sub managers for stock picking. I did not change the composition of the underlying managers over the period. The underperformance was largely attributable to the UK, the largest segment in the portfolio. Overweight positions in selected energy and mining companies hurt returns. Notably, shares in Rockhopper Exploration declined after it announced that Premier Oil would acquire 60% of its North Falklands Basin licences whilst markets expected a buyout. The allocation to oil services company Saipem, which hampered performance following an unexpected profit warning, was sold. Elsewhere, gold mining company Randgold Resources was hurt by disruptions at various mines and the move away from safe haven stocks towards the end of 2012. Meanwhile, holdings in education publisher Pearson and consumer products group Reckitt Benckiser were sold given concerns over future growth prospects and stock valuations. Instead, several positions with growth potential, such as US video games producer Electronics Arts and semiconductor materials manufacturer IQE were purchased. In the Europe ex UK segment, the overweight stance in selected health care and consumer staples companies weighed on returns. In the US, stock picking in technology, energy and financials detracted from performance. Speciality retailer Home Depot, which is expected to benefit from the improving US housing market, was added to the portfolio. Meanwhile, stock selection in software & services firms and materials companies supported returns from both the Pacific ex Japan and Japan segments. In the former, a position in China-based real estate portal SouFun Holdings gained on signs of a recovery in the market and attractive growth in its cards and marketing services businesses. Lack of exposure to gold mining company Newcrest Mining also added relative value as its share price declined.

## OUTLOOK

The outlook for equities is supported by improving economic data coupled with monetary policies aimed at increasing money supply. At a regional level, the US is likely to benefit from its pro growth monetary policy and recovery in the housing sector. Economic growth in the UK remains weak and in Europe ex UK, the focus on fiscal austerity could lead to sub par economic growth in the longer term. In Japan, the new government's commitment to stimulus supports the outlook, whilst the economic recovery in China should benefit the Pacific ex Japan region.

Richard Skelt  
Fund Manager  
28 February 13

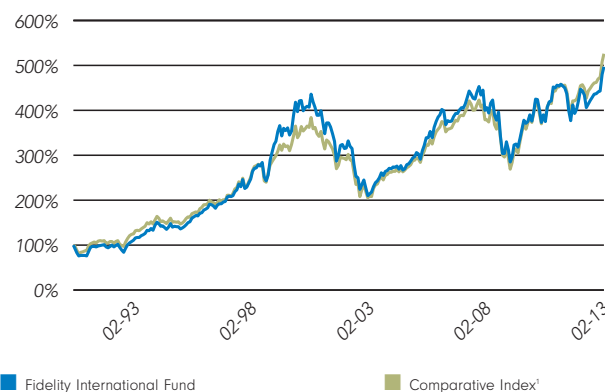
## PERFORMANCE RECORD

## PERFORMANCE OVER 12 MONTHS

Over the 12 month review period to 28 February 2013, the fund returned 11.1% with net income reinvested, underperforming its comparative index return of 15.6%.

## PERFORMANCE SINCE LAUNCH

09 July 90 to 28 February 13



■ Fidelity International Fund

■ Comparative Index<sup>1</sup>

1. Comparative Index: 40 % FTSE All Share Index (Net), 60 % MSCI World Index (Net)

## DISCRETE 1 YEAR PERFORMANCE OVER THE LAST 5 YEARS TO:

	28/02/09	28/02/10	28/02/11	29/02/12	28/02/13
% Fund Performance	-29.8	38.8	15.4	-1.8	11.1
Comparative index	-28.9	45.7	15.2	0.7	15.6

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested. Since launch the fund has returned 396.8%. Over 5 years the fund has returned 22.5% compared with the comparative index return of 38.9%. Performance prior to 29/08/98 has been recalculated to take account of the conversion from Unit Trust to OEIC fund. Benchmark to 31/12/97 was 50% FTSE World (ex-UK) Index (Net), 50% FTSE All Share Index (Net). From 01/01/98 to 30/06/99 the benchmark was 50% MSCI World (ex-UK) Index (Net), 50% FTSE All Share Index (Net). Performance excludes initial charge.

Past performance is not a reliable indicator of future results.

## INVESTMENT OBJECTIVE AND POLICY

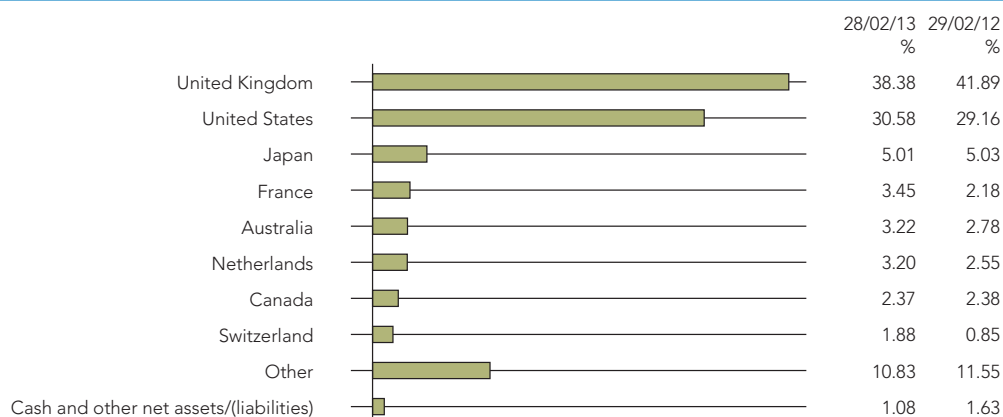
The fund's investment objective is to achieve long term capital growth from a diversified portfolio primarily made up of shares issued by companies around the world. At least half the portfolio will be invested in the EU, with the balance invested in the world's major equity markets, broadly in relation to their size and relative attractiveness. Within the portfolio there is a bias towards the larger companies in each market, but the ACD is not restricted in this regard or in terms of the industrial or geographical split of the portfolio (outside of that mentioned above).

## RISK PROFILE

If you make regular withdrawals from your investment, this may reduce your capital over time if the fund's growth does not compensate for the withdrawals. The value of your investment can go down as well as up. You may not get back the amount you invested. What you get back is not guaranteed. It will depend on investment performance. This fund invests in overseas markets. You may get back more or less as a result of currency fluctuations. The fund may invest in derivatives for the purposes of the efficient management of the fund. For funds that use derivative transactions, there is a risk that the counterparty to the transaction will wholly or partially fail to honour its contractual obligations. This may result in financial loss to the fund. Where appropriate, collateral will be required to reduce exposure to a counterparty. Each of our funds is operated as a separate entity with its own assets and liabilities. However, if the liabilities of one fund were to exceed its assets, the other funds within the scheme might have to transfer across money to cover the liabilities. This means that the fund you invest in may be worth less if it has to transfer money to another fund.

\* Holdings can vary from those in the index quoted. For this reason the comparative index is used for reference only.

## PORTFOLIO INFORMATION



## TOP HOLDINGS

The top ten holdings in the fund as at 28 February 2013 and at the previous year end are shown below.

Top holdings as at 28/02/13	% of total net assets
BP	3.06
Rio Tinto	2.33
BG	2.25
Barclays	2.18
Diageo	2.08
Unilever (UK)	1.92
Ocado	1.35
Randgold Resources	1.31
Apple	1.25
Nanoco	1.22

Top holdings as at 29/02/12	% of total net assets
BP	4.46
BG	3.21
Barclays	2.42
Rio Tinto	1.68
Diageo	1.65
Unilever (UK)	1.65
Randgold Resources	1.60
Rockhopper Exploration	1.56
Apple	1.56
Xstrata	1.31

### Footnotes:

1. The net asset value is the accounting value at the year end on a fair value basis
2. Figures includes the 01/03/13 distribution

## FUND FACTS

### INCOME (pence per share)

	XD date	A Accumulation Shares
Final distribution	01/03/13	0.5797

### ONGOING CHARGES (%)

	A Accumulation Shares
28/02/13	1.75
29/02/12	1.72

The ongoing charge figure is the ratio of total costs to average net assets.

### FUND SIZE

	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue
		A Accumulation Shares	
28/02/13	248.0	124.12	199,842,315
29/02/12	252.5	111.69	226,118,694
28/02/11	288.0	113.83	253,049,927
28/02/10	282.1	98.64	286,032,688

### INCOME PER SHARE AND PRICE HISTORY (pence)

Calendar year	Income per share	Lowest price	Highest price
		A Accumulation Shares	
2013 <sup>2</sup>	0.5797	113.10	125.40
2012	0.1012	99.59	113.60
2011	-	90.28	116.00
2010	0.6019	91.14	113.60
2009	1.4780	66.17	98.75
2008	0.7640	69.75	112.20

## FUND MANAGER'S COMMENTARY

## MARKET REVIEW

The Japanese market rallied strongly at the start of 2012, but started to lose momentum by the second quarter as fears of a global slowdown took hold. Weak economic data releases from China and the US, coupled with the growing threat from the eurozone debt crisis, precipitated a correction in share prices that continued in April and May. Increased risk aversion fuelled demand for the yen as a safe haven currency, exerting further pressure on Japanese stocks. Improvements in US economic data provided a subsequent boost to sentiment, but Japanese stocks lacked direction. Central bank stimulus measures lifted Japanese equities, though tensions with China and negative earnings revisions capped gains. Towards the end of the period, however, equity markets rebounded strongly. Expectations that a new government would push the Bank of Japan (BoJ) to implement more aggressive monetary policies contributed to a weakening of the yen and boosted share prices. An improvement in US economic indicators and signs that the Chinese economy was close to bottoming out further supported the market.

## PORTFOLIO ACTIVITY

The fund underperformed the comparative index (TOPIX Index Net)\* over the period, with poor stock selection in the information technology sector generating a significant drag on returns. Videogame developer Nintendo struggled amid renewed concerns about the eurozone debt crisis and the strength of the yen in the first half of the period. It subsequently lowered its full year guidance due to lower forecasted hardware and software sales. Meanwhile, upstream energy and trading companies mirrored sluggish trends in resource prices, and downstream materials companies struggled as supply/demand conditions remained harsh. On the other hand, stock selection in telecommunications added value. eAccess, Japan's fourth ranked mobile carrier, rose sharply after competitor Softbank moved to acquire the company via a stock swap deal. Meanwhile, Sekisui House, a leading home builder, continued to gain ground as fundamentals improved against a backdrop of central bank easing. An underweight stance in the struggling utilities sector also paid off. The fund remained overweight in the energy and telecommunications sectors, where relative valuations continued to look attractive. I took profits in strong performing financials and reflationary stocks, including Mitsubishi Estate, Obayashi and Sekisui House. On the other hand, I increased the exposure to globally competitive materials companies, such as Shin-Etsu Chemical, which were well placed to benefit from a pickup in the US, strong demand for mobile devices and a weaker yen. I also added laggard technology (Hitachi) and automobile parts (Bridgestone) stocks. Consumer staples, industrials and utilities remained underweight in the fund.

## OUTLOOK

The stabilisation of global economic data has diminished the near term risk to global growth and enhanced the recovery prospects for Japan. At the same time, the reflationary policies of the new Shinzo Abe government and the potential for more aggressive easing measures from the BoJ should spur the country's recovery process. The sharp reversal in the yen and the accompanying stock market rally have largely been driven by expectations. Whilst some level of near term consolidation appears likely given the extent of the share price gains, concrete policy action will be required for a sustainable uptrend to take hold. Specific policy decisions taken at the next BoJ meeting in early April, the first under the new leadership, are therefore likely to exert considerable influence on financial markets. The medium to long term market outlook will depend on the success of the economic policies advocated by Abe government. In particular, fiscal and monetary policies aimed at stimulating growth through inflationary means such as public spending and strategies to stimulate private sector investment. If these expectations make corporations and individuals more willing to increase risk, Japanese stocks could see a sustainable uptrend.

June-Yon Kim  
Fund Manager  
28 February 13

\* Holdings can vary from those in the index quoted. For this reason the comparative index is used for reference only.

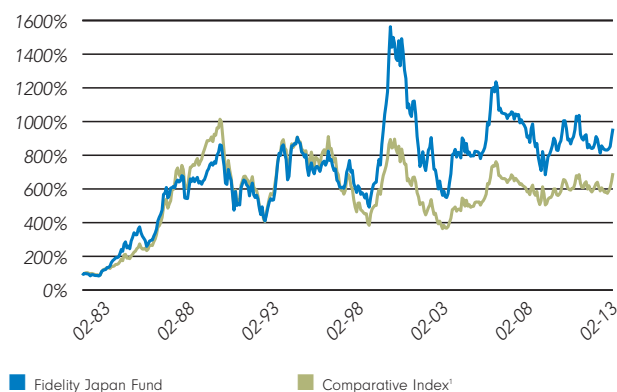
## PERFORMANCE RECORD

## PERFORMANCE OVER 12 MONTHS

Over the 12 month review period to 28 February 2013, the fund returned 5.2% with net income reinvested, underperforming its comparative index return of 9.8%.

## PERFORMANCE SINCE LAUNCH

12 October 81 to 28 February 13



1. Comparative Index: TOPIX Index (Net)

## DISCRETE 1 YEAR PERFORMANCE OVER THE LAST 5 YEARS TO:

	28/02/09	28/02/10	28/02/11	29/02/12	28/02/13
% Fund Performance	-25.2	37.1	10.6	-12.2	5.2
Comparative index	-13.8	23.6	9.7	-7.7	9.8

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested. Since launch the fund has returned 858.4%. Over 5 years the fund has returned 4.9% compared with the comparative index return of 18.5%. Performance prior to 29/08/98 has been recalculated to take account of the conversion from Unit Trust to OEIC fund. Performance excludes initial charge.

Past performance is not a reliable indicator of future results.

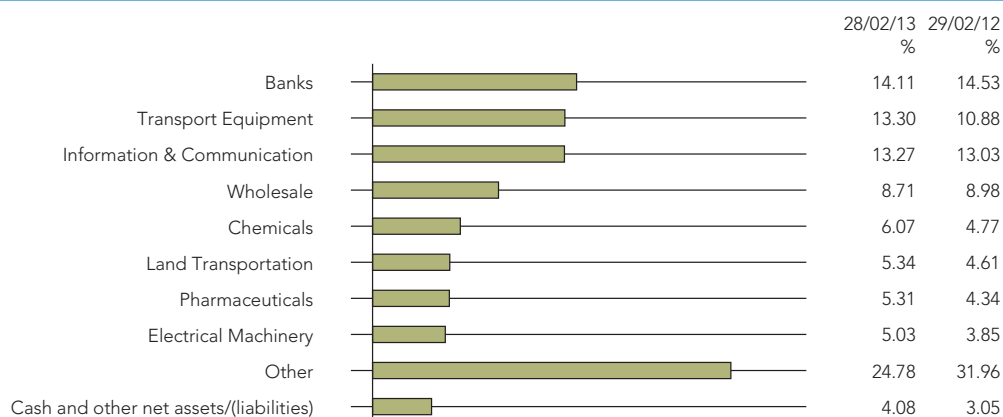
## INVESTMENT OBJECTIVE AND POLICY

The fund's investment objective is to achieve long term capital growth from a portfolio primarily made up of shares of Japanese companies. The portfolio is likely to have a bias towards larger companies, although the ACD is not restricted in its choice of company by either size or industry.

## RISK PROFILE

If you make regular withdrawals from your investment, this may reduce your capital over time if the fund's growth does not compensate for the withdrawals. The value of your investment can go down as well as up. You may not get back the amount you invested. What you get back is not guaranteed. It will depend on investment performance. This fund invests in overseas markets. You may get back more or less as a result of currency fluctuations. The fund may invest in derivatives for the purposes of the efficient management of the fund. For funds that use derivative transactions, there is a risk that the counterparty to the transaction will wholly or partially fail to honour its contractual obligations. This may result in financial loss to the fund. Where appropriate, collateral will be required to reduce exposure to a counterparty. Each of our funds is operated as a separate entity with its own assets and liabilities. However, if the liabilities of one fund were to exceed its assets, the other funds within the scheme might have to transfer across money to cover the liabilities. This means that the fund you invest in may be worth less if it has to transfer money to another fund.

# PORTFOLIO INFORMATION



## TOP HOLDINGS

The top ten holdings in the fund as at 28 February 2013 and at the previous year end are shown below.

Top holdings as at 28/02/13	% of total net assets
Mitsubishi UFJ Financial	5.97
Toyota Motor	4.60
Honda Motor	4.60
Sumitomo Mitsui Financial	4.35
Nissan Motor	4.10
Sumitomo Mitsui	3.79
JX	3.45
NTT DoCoMo	3.45
Nippon Telegraph & Telephone	3.34
Sumitomo	3.25

Top holdings as at 29/02/12	% of total net assets
Mitsubishi UFJ Financial	5.87
Toyota Motor	5.83
NTT DoCoMo	4.47
Sumitomo Mitsui	4.27
Sumitomo Mitsui Financial	4.03
JX	3.91
Sumitomo	3.64
Nippon Telegraph & Telephone	3.46
Mitsubishi	3.29
Inpex	3.09

### Footnotes:

1. The net asset value is the accounting value at the year end on a fair value basis
2. Figures includes the 01/03/13 distribution

## FUND FACTS

### INCOME (pence per share)

	XD date	A Accumulation Shares	Y Accumulation Shares*
Final distribution	01/03/13	1.9978	1.2953

	XD date	W Accumulation Shares**
Final distribution	01/03/13	-

\* The Y Accumulation Shares were launched on 18/07/12. \*\* The W Accumulation Shares were launched on 15/10/12.

### ONGOING CHARGES (%)

A Accumulation Shares		Y Accumulation Shares
28/02/13	1.75	1.20
29/02/12	1.73	-
		W Accumulation Shares
28/02/13		0.96
29/02/12		

The ongoing charge figure is the ratio of total costs to average net assets.

### FUND SIZE

	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue
	A Accumulation Shares			Y Accumulation Shares		
28/02/13	82.9	239.17	34,676,173	0.1	228.86	37,243
29/02/12	72.4	227.50	31,809,923	-	-	-
28/02/11	115.8	258.99	44,711,105	-	-	-
28/02/10	124.5	234.35	53,131,329	-	-	-
	W Accumulation Shares					
28/02/13	-	231.06	4,556			

### INCOME PER SHARE AND PRICE HISTORY (pence)

Calendar year	Income per share	Lowest price	Highest price	Income per share	Lowest price	Highest price
	A Accumulation Shares			Y Accumulation Shares		
2013 <sup>2</sup>	1.9978	216.10	240.10	1.2953	206.70	229.70
2012	1.3337	199.00	230.50	-	193.70	206.30
2011	1.1624	201.30	262.30	-	-	-
2010	-	216.70	260.10	-	-	-
2009	0.8979	161.10	226.70	-	-	-
2008	-	164.80	254.20	-	-	-
	W Accumulation Shares					
2013 <sup>2</sup>	-	208.60	231.90			
2012	-	198.40	208.20			

## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

The Japanese market rallied strongly at the start of 2012, but started to lose momentum by the second quarter as fears of a global slowdown took hold. Weak economic data releases from China and the US, coupled with the growing threat from the eurozone debt crisis, precipitated a correction in share prices that continued in April and May. Increased risk aversion fuelled demand for the yen as a safe haven currency, exerting further pressure on Japanese stocks. Improvements in US economic data provided a subsequent boost to sentiment, but Japanese stocks lacked direction. Central bank stimulus measures lifted Japanese equities, though tensions with China and negative earnings revisions capped gains. Towards the end of the period, however, equity markets rebounded strongly. Expectations that a new government would push the Bank of Japan (BoJ) to implement more aggressive monetary policies contributed to a weakening of the yen and boosted share prices. An improvement in US economic indicators and signs that the Chinese economy was close to bottoming out further supported the market.

### PORTFOLIO ACTIVITY

The fund outperformed the comparative index (Russell/Nom Mid Small Cap Index Net)\* over the period. Japanese financials rebounded strongly amid heightened expectations for more aggressive monetary easing and reflationary policies. Second tier lender Shinsei Bank was a key contributor to performance. Real estate and financial services companies also added value. In the chemicals sector, Nitto Denko, a key beneficiary of the rapid growth in the smartphone and tablet markets, appreciated sharply as the weak yen enhanced the cost competitiveness of its polarising and touch screen films. Elsewhere, Fuji Heavy Industries, manufacturer of the Subaru brand of cars, contributed significantly to performance. In addition to a tailwind from the weaker yen, the company's upward revision to earnings, owing to an improved product/geographical mix and cost controls, provided a further lift to its share price. In contrast, Nidec, the world's leading maker of hard disk drive (HDD) motors, was the largest individual detractor from returns over the period. It suffered from weak personal computer demand and a more constrained growth outlook for the HDD market. Meanwhile, optical equipment maker Tamron and electronic/automobile parts producer NOK succumbed to concerns about weakening end demand. I selectively added new positions in banks, real estate companies and insurers as the advent of a more reflationary administration paved the way for additional monetary easing and fiscal support. Sumitomo Mitsui, Tokyo Tatemono and T&D were key buy trades. I also increased the exposure to globally competitive materials companies, as well as to providers of medical equipment and care services that are adapting to the dynamic of Japan's ageing society. On the other hand, the allocation to the technology sector was reduced. I lowered holdings in strong performers, including stylus pen maker Wacom and sold those facing structural headwinds in areas such as HDDs (TDK), lenses (Tamron) and social games (Horiba). A combination of profit taking and selective eliminations resulted in reduced weightings in the automobiles and retail sectors.

### OUTLOOK

The stabilisation of the global economy has diminished the near term risk to growth and enhanced the recovery prospects for Japan. Inventory adjustments have largely run their course, exports are bottoming out and industrial production is gaining momentum. Meanwhile, the reflationary policies of the new Shinzo Abe government should spur the recovery process. Since Japanese stocks started making sharp gains in late 2012, key factors determining sector returns have shifted from high beta to reversal/rotation, and micro level fundamentals are likely to take the reins in coming months. The outsized returns generated by large caps, which tend to outperform in the initial phase of a market upturn, should filter through to smaller companies that are well placed to deliver growth in Japan and open up global markets with their unique products and/or creative business models.

Jun Tano

Fund Manager  
28 February 13

\* Holdings can vary from those in the index quoted. For this reason the comparative index is used for reference only.

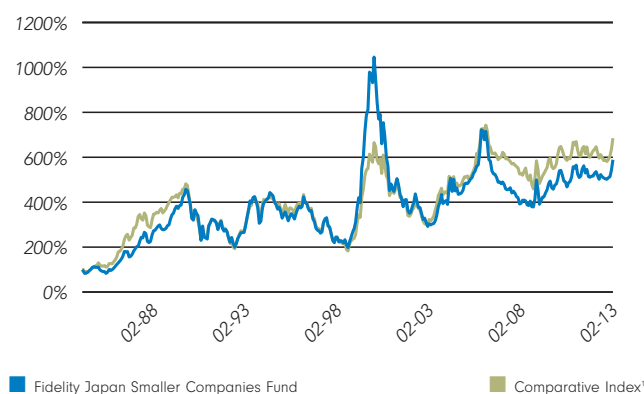
## PERFORMANCE RECORD

### PERFORMANCE OVER 12 MONTHS

Over the 12 month review period to 28 February 2013, the fund returned 11.3% with net income reinvested, outperforming its comparative index return of 8.0%.

### PERFORMANCE SINCE LAUNCH

16 April 84 to 28 February 13



1. Comparative Index: Russell/Nom Mid Small Cap Index (Net)

### DISCRETE 1 YEAR PERFORMANCE OVER THE LAST 5 YEARS TO:

	28/02/09	28/02/10	28/02/11	29/02/12	28/02/13
% Fund Performance	-1.0	28.7	12.3	-6.4	11.3
Comparative index	-8.5	26.7	9.6	-5.3	8.0

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested. Since launch the fund has returned 488.8%. Over 5 years the fund has returned 49.2% compared with the comparative index return of 29.8%. Performance prior to 29/08/98 has been recalculated to take account of the conversion from Unit Trust to OEIC fund. Benchmark to 31/12/98 was TOPIX Index (Net). From 01/01/99 to 29/08/03 the benchmark was TOPIX 2nd Section Index (Net). Performance excludes initial charge.

Past performance is not a reliable indicator of future results.

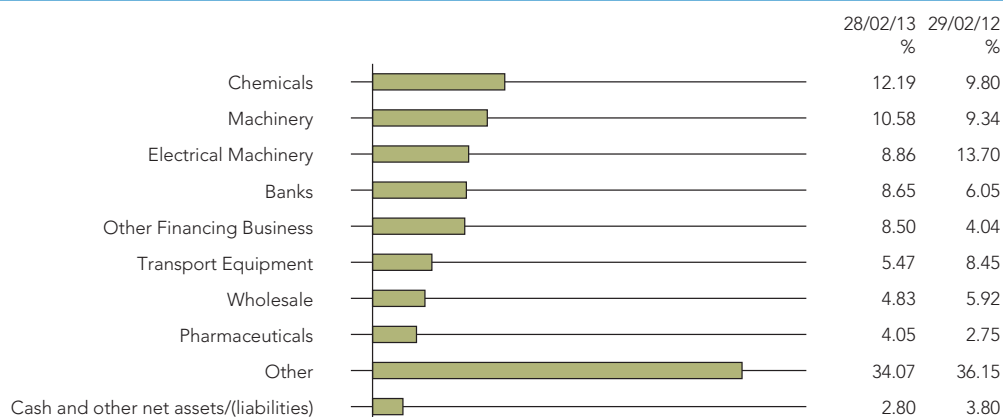
## INVESTMENT OBJECTIVE AND POLICY

The fund's investment objective is to provide long term growth potential from a portfolio of Japanese equities. The portfolio is likely to have a bias towards medium-sized and smaller companies, although the ACD is not restricted in its choice of company by either size or industry.

## RISK PROFILE

If you make regular withdrawals from your investment, this may reduce your capital over time if the fund's growth does not compensate for the withdrawals. The value of your investment can go down as well as up. You may not get back the amount you invested. What you get back is not guaranteed. It will depend on investment performance. This fund invests in overseas markets. You may get back more or less as a result of currency fluctuations. This fund invests more heavily than others in smaller companies, which can carry a higher risk because their share prices may be more volatile than those of larger companies. The fund may invest in derivatives for the purposes of the efficient management of the fund. For funds that use derivative transactions, there is a risk that the counterparty to the transaction will wholly or partially fail to honour its contractual obligations. This may result in financial loss to the fund. Where appropriate, collateral will be required to reduce exposure to a counterparty. Each of our funds is operated as a separate entity with its own assets and liabilities. However, if the liabilities of one fund were to exceed its assets, the other funds within the scheme might have to transfer across money to cover the liabilities. This means that the fund you invest in may be worth less if it has to transfer money to another fund.

## PORTFOLIO INFORMATION



## TOP HOLDINGS

The top ten holdings in the fund as at 28 February 2013 and at the previous year end are shown below.

Top holdings as at 28/02/13	% of total net assets
Nitto Denko	3.99
Kubota	3.70
Shinsei Bank	2.26
Otsuka	2.11
Fuji Heavy Industries	2.00
Mitsubishi UFJ Lease And Finance	1.97
Aeon Credit Service	1.91
Toray Industries	1.87
Toyo Suisam Kaisha	1.73
Bank of Yokohama	1.73

Top holdings as at 29/02/12	% of total net assets
Nidec	2.25
Toyo Suisam Kaisha	2.04
NOK	1.89
Toray Industries	1.74
Bank of Yokohama	1.73
Kubota	1.67
SMC	1.62
Horiba	1.61
Wacom	1.57
Shinsei Bank	1.56

### Footnotes:

1. The net asset value is the accounting value at the year end on a fair value basis
2. Figures includes the 01/03/13 distribution

## FUND FACTS

### INCOME (pence per share)

	XD date	A Accumulation Shares	W Accumulation Shares*
Final distribution	01/03/13	0.1694	-

\* The W Accumulation Shares were launched on 15/10/12.

### ONGOING CHARGES (%)

	A Accumulation Shares	W Accumulation Shares
28/02/13	1.75	0.96
29/02/12	1.73	-

The ongoing charge figure is the ratio of total costs to average net assets.

### FUND SIZE

	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue
	A Accumulation Shares			W Accumulation Shares		
28/02/13	64.7	146.92	44,011,202	-	155.46	6,363
29/02/12	71.2	132.11	53,858,354	-	-	-
28/02/11	81.1	141.08	57,495,984	-	-	-
28/02/10	85.4	125.82	67,871,474	-	-	-

### INCOME PER SHARE AND PRICE HISTORY (pence)

Calendar year	Income per share	Lowest price	Highest price	Income per share	Lowest price	Highest price
	A Accumulation Shares			W Accumulation Shares		
2013 <sup>2</sup>	0.1694	129.70	147.20	-	137.00	155.70
2012	0.1516	122.50	134.70	-	130.00	136.90
2011	0.1308	112.40	142.70	-	-	-
2010	-	116.70	140.40	-	-	-
2009	-	95.24	127.40	-	-	-
2008	-	85.29	124.80	-	-	-



## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

The UK stock market advanced over the 12 month period. Positive investor sentiment was largely supported by encouraging policy announcements by global central banks, including the Bank of England, which increased its quantitative easing programme to £375 billion. On the economic front, the UK economy grew 0.2% in 2012 according to revised data from the Office for National Statistics, and there were signs that inflationary pressures were subsiding. At a sector level, technology, financials and consumer related companies were among the notable gainers, whilst there was a rotation out of defensive sectors. Major sterling bond markets posted positive returns, with high yield corporate bonds proving to be the best performing asset class.

### PORTFOLIO ACTIVITY

The fund outperformed the comparative index (65 % FTSE All Share Index, 35 % FTSE All Stocks Index Net)\* over the period, primarily due to an underweight stance in the resources sectors as global demand concerns weighed on these stocks. Some key holdings in defensive sectors, such as telecommunications and health care, also showed resilience and supported returns. In the health care sector, the position in Swiss pharmaceuticals company Roche was beneficial to performance as it reported strong annual results, mainly on account of growing demand for its cancer medicines. We also raised the exposure to Novartis and Sanofi in this sector. Elsewhere, the new holding in TalkTalk Telecom added value after it reported encouraging half yearly results. On the downside, water utility group Pennon was among the leading detractors from returns after it issued a profit warning for its waste division. The holding in utility company International Power was sold following its takeover by GDF Suez. During the period, we purchased new positions in G4S and Greggs. G4S, like many security and guarding service companies, has had some problems in 2012, which undermined its share price. But the business remains sound, with strong cashflow and a good yield. Greggs is also an undervalued stock, particularly in view of its excellent profit history over the past few years. Elsewhere, in the industrials sector, we sold positions in Keller and CRH. Within the bond portion of the portfolio, we retain a focus on bonds issued by companies that demonstrate lower sensitivity to the economic cycle but still offer a healthy yield premium over the market average. As a result, the fund is overweight in BBB rated corporate bonds with a bias towards defensive sectors and high quality asset backed securities. We are also notably underweight in financials bonds versus the comparative index. However, this positioning held back returns as the sector outperformed.

### OUTLOOK

We have been positive about equities for some time and remain so as there are a number of good signs. Valuations are reasonable despite recent gains and the economy has considerable recovery potential. We believe that without any major shocks in 2013, investor confidence can continue to improve and economic growth can beat expectations. In the current environment, those assets that offer reasonably sustainable yields will remain in demand. Investment grade corporate bonds, where yields compensate investors for the level of credit risk and extra volatility of returns, offer the best return potential.

Michael Clark and Ian Spreadbury  
Fund Managers  
28 February 13

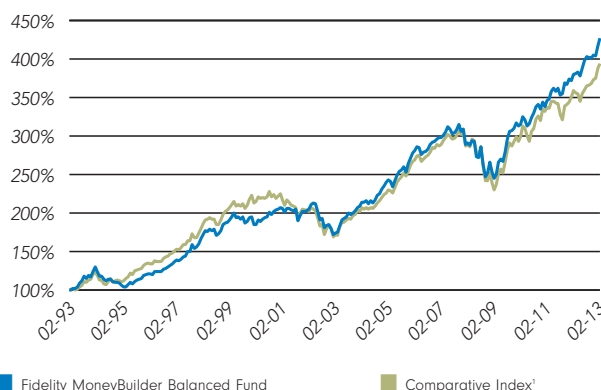
## PERFORMANCE RECORD

### PERFORMANCE OVER 12 MONTHS

Over the 12 month review period to 28 February 2013, the fund returned 12.4% with net income reinvested, outperforming its comparative index return of 9.9%.

### PERFORMANCE SINCE LAUNCH

08 February 93 to 28 February 13



1. Comparative Index: Comprises 65 % FTSE All Share Index (Net), 35 % FTSE All Stocks Index (Net)

### DISCRETE 1 YEAR PERFORMANCE OVER THE LAST 5 YEARS TO:

	28/02/09	28/02/10	28/02/11	29/02/12	28/02/13
% Fund Performance	-15.6	28.5	9.6	10.0	12.4
Comparative index	-20.4	29.9	13.0	6.4	9.9

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested. Since launch the fund has returned 327.4%. Over 5 years the fund has returned 47.0% compared with the comparative index return of 36.6%. Performance prior to 29/08/98 has been recalculated to take account of the conversion from Unit Trust to OEIC fund. Benchmark to 31/07/95 was 55% FTSE All Share Index (Net), 45% FTSE All Stocks Index (Net). From 01/08/95 to 21/06/00 the benchmark was 50% FTSE All Share Index (Net), 50% of FTSE All Stocks Index (Net). Performance excludes initial charge.

Past performance is not a reliable indicator of future results.

## INVESTMENT OBJECTIVE AND POLICY

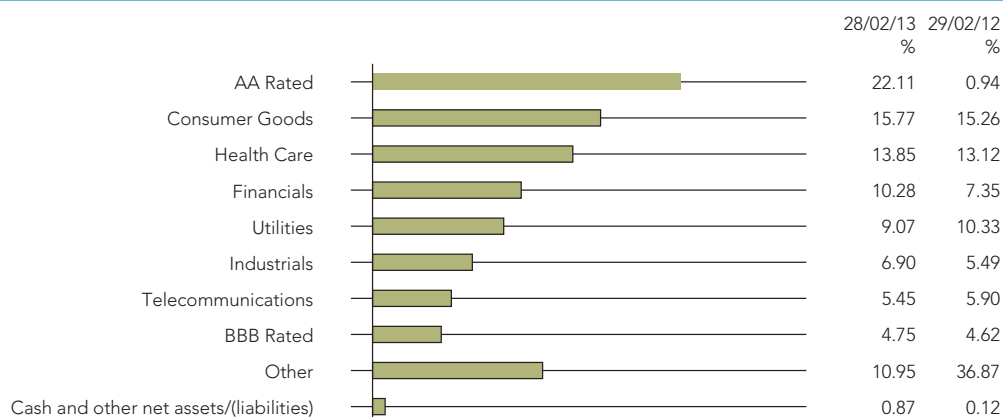
The fund's investment objective is to achieve an attractive level of income together with some long term capital growth from a portfolio invested primarily in the UK. The portfolio will be invested in a combination of UK government and corporate bonds and other fixed interest securities, preference shares, convertibles and ordinary shares.

## RISK PROFILE

If you make regular withdrawals from your investment, this may reduce your capital over time if the fund's growth does not compensate for the withdrawals. The value of your investment and the income from it can go down as well as up. You may not get back the amount you invested. What you get back is not guaranteed. It will depend on investment performance. With funds that invest in bonds, there is a risk that the issuer of the bond may default on its repayments. The likelihood of this happening will depend on the credit-worthiness of the issuer. The risk of default is usually greatest with bonds that are classed as sub-investment grade. This fund invests in overseas markets. You may get back more or less as a result of currency fluctuations. This fund takes its annual management charge from your capital and not from the income generated by the fund. This means that any capital growth in the fund will be reduced by the charge and your capital may reduce over time if the fund's growth does not compensate for it. The fund may invest in derivatives for the purposes of the efficient management of the fund. For funds that use derivative transactions, there is a risk that the counterparty to the transaction will wholly or partially fail to honour its contractual obligations. This may result in financial loss to the fund. Where appropriate, collateral will be required to reduce exposure to a counterparty. Each of our funds is operated as a separate entity with its own assets and liabilities. However, if the liabilities of one fund were to exceed its assets, the other funds within the scheme might have to transfer across money to cover the liabilities. This means that the fund you invest in may be worth less if it has to transfer money to another fund.

\* Holdings can vary from those in the index quoted. For this reason the comparative index is used for reference only.

## PORTFOLIO INFORMATION



## TOP HOLDINGS

The top ten holdings in the fund as at 28 February 2013 and at the previous year end are shown below.

Top holdings as at 28/02/13	% of total net assets
UK Gilt Treasury 4.50% 07/03/2013	8.17
GlaxoSmithKline	4.96
AstraZeneca (UK)	4.35
UK Gilt Treasury 4.25% 07/03/2036	3.18
Reckitt Benckiser	3.05
British American Tobacco	3.02
Imperial Tobacco	2.99
BT	2.80
UK Gilt Treasury 5.00% 07/09/2014	2.62
Tesco	2.26

Top holdings as at 29/02/12	% of total net assets
UK Gilt Treasury 5.00% 07/03/2025	6.87
GlaxoSmithKline	5.68
AstraZeneca (UK)	4.52
Vodafone	3.86
UK Gilt Treasury 4.25% 07/03/2036	3.62
British American Tobacco	3.58
UK Gilt Treasury 5.25% 07/06/2012	3.56
Imperial Tobacco	3.52
UK Gilt 5.00% 07/09/2014	3.30
UK Gilt Treasury War Loan 3.50% (Perpetual)	2.95

### Footnotes:

1. The net asset value is the accounting value at the year end on a fair value basis
2. Figures includes the 01/03/13 distribution

## FUND FACTS

### INCOME (pence per share)

	XD date	A Income Shares	Y Income Shares*
Final distribution	01/03/13	0.8870	0.8336
Interim distribution	01/02/13	0.0940	0.0940
Interim distribution	01/01/13	0.0940	-
Interim distribution	01/12/12	0.0940	-
Interim distribution	01/11/12	0.0940	-
Interim distribution	01/10/12	0.0940	-
Interim distribution	01/09/12	0.0940	-
Interim distribution	01/08/12	0.0940	-
Interim distribution	01/07/12	0.0940	-
Interim distribution	01/06/12	0.0940	-
Interim distribution	01/05/12	0.0940	-
Interim distribution	01/04/12	0.0940	-

\* The Y Income Shares were launched on 10/09/12.

### ONGOING CHARGES (%)

	A Income Shares	Y Income Shares
28/02/13	1.20	0.67
29/02/12	1.21	-

The ongoing charge figure is the ratio of total costs to average net assets

### FUND SIZE

	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue
	A Income Shares			Y Income Shares		
28/02/13	294.3	45.93	640,825,499	0.1	52.65	241,658
29/02/12	243.3	42.63	570,805,282	-	-	-
28/02/11	243.3	40.52	600,351,245	-	-	-
28/02/10	228.8	38.59	592,920,567	-	-	-

### INCOME PER SHARE AND PRICE HISTORY (pence)

Calendar year	Income per share	Lowest price	Highest price	Income per share	Lowest price	Highest price
	A Income Shares			Y Income Shares		
2013 <sup>2</sup>	1.0750	44.68	46.99	0.9276	50.99	53.68
2012	1.8584	41.97	44.90	-	49.42	50.99
2011	1.7631	39.40	42.98	-	-	-
2010	1.1740	37.53	41.66	-	-	-
2009	1.3649	29.98	39.33	-	-	-
2008	1.5767	29.71	41.67	-	-	-

## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

The UK stock market advanced over the 12 month period. Positive investor sentiment was largely supported by encouraging policy announcements by global central banks, including the Bank of England, which increased its quantitative easing programme to £375 billion. On the economic front, the UK economy grew 0.2% in 2012 according to revised data from the Office for National Statistics, and there were signs that inflationary pressures were subsiding. At a sector level, technology, financials and consumer related companies were among the notable gainers, whilst there was a rotation out of defensive sectors. Concerns about demand, especially from China, capped returns from the mining sector. Meanwhile, global economic uncertainties combined with a potentially higher oil supply cushion weighed on oil prices, which in turn impacted returns from related stocks.

### PORTFOLIO ACTIVITY

The fund outperformed the comparative index (FTSE All Share Index)\* over the period, primarily due to an underweight stance in resources as global demand concerns weighed on these stocks. Some key holdings in defensive sectors, such as telecommunications and health care, showed resilience and supported returns. At a stock level, the position in UK consumer products major Reckitt Benckiser added value as its 2012 results beat consensus estimates. It also issued a positive sales forecast for 2013. Swiss pharmaceuticals company Roche was also among the primary contributors to performance as it reported strong annual results, mainly on account of growing demand for its cancer medicines. Elsewhere, the new holding in TalkTalk Telecom boosted returns after it reported encouraging half yearly results. Conversely, water utility group Pennon was among the leading detractors from performance as it issued a profit warning for its waste division. Nevertheless, its half year earnings were in line with expectations and South West Water, its core business, continues to perform well. As far as positioning is concerned, I raised holdings in Novartis and Sanofi in the health care sector. I also bought new positions in G4S and Greggs. G4S, like many security and guarding service companies, has had some problems in 2012, which undermined its share price. But the business remains sound, with strong cashflow and good yields. Greggs is an undervalued stock, particularly in view of its excellent profit history over the past few years. It has also consistently increased its dividend payout. Meanwhile, I reduced the exposure to National Grid given increased risk of slower dividend growth amid regulatory changes, and Vodafone due to its weakening outlook. The holding in utility company International Power was also sold following its takeover by GDF Suez.

### OUTLOOK

I have been positive about equities for some time and remain so as there are a number of good signs. Valuations are reasonable despite recent gains and the economy has considerable recovery potential. Interest rates remain low, employment levels are high and house prices are generally stable. The banking system has also improved considerably. I believe that without any major shocks in 2013, investor confidence can continue to improve and economic growth can beat expectations.

Michael Clark  
Fund Manager  
28 February 13

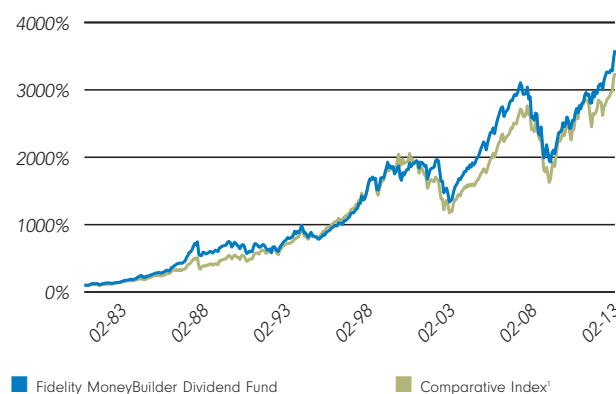
## PERFORMANCE RECORD

### PERFORMANCE OVER 12 MONTHS

Over the 12 month review period to 28 February 2013, the fund returned 17.5% with net income reinvested, outperforming its comparative index return of 14.1%.

### PERFORMANCE SINCE LAUNCH

10 November 80 to 28 February 13



1. Comparative Index: FTSE All Share Index (Net)

### DISCRETE 1 YEAR PERFORMANCE OVER THE LAST 5 YEARS TO:

	28/02/09	28/02/10	28/02/11	29/02/12	28/02/13
% Fund Performance	-25.2	28.0	12.2	9.1	17.5
Comparative index	-33.0	47.3	17.0	1.5	14.1

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested. Since launch the fund has returned 3,488.8%. Over 5 years the fund has returned 37.8% compared with the benchmark return of 33.8%. Performance prior to 29/08/98 has been recalculated to take account of the conversion from Unit Trust to OEIC fund. Performance excludes initial charge.

Past performance is not a reliable indicator of future results.

## INVESTMENT OBJECTIVE AND POLICY

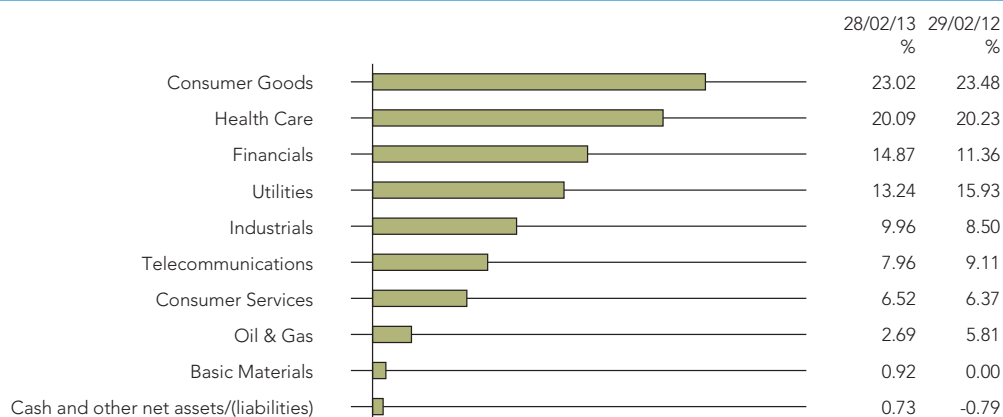
The fund's investment objective is to achieve a combination of income and long term capital growth from a portfolio primarily made up of investments in the UK, including ordinary shares, preference shares, convertibles and fixed interest securities. The portfolio is likely to have a bias towards larger companies, although the ACD is not restricted in its choice of company by either size or industry.

## RISK PROFILE

If you make regular withdrawals from your investment, this may reduce your capital over time if the fund's growth does not compensate for the withdrawals. The value of your investment and the income from it can go down as well as up. You may not get back the amount you invested. What you get back is not guaranteed. It will depend on investment performance. This fund invests in overseas markets. You may get back more or less as a result of currency fluctuations. The fund takes its annual management charge from your capital and not from the income generated by the fund. This means that any capital growth in the fund will be reduced by the charge and your capital may reduce over time if the fund's growth does not compensate for it. The fund may invest in derivatives for the purposes of the efficient management of the fund. For funds that use derivative transactions, there is a risk that the counterparty to the transaction will wholly or partially fail to honour its contractual obligations. This may result in financial loss to the fund. Where appropriate, collateral will be required to reduce exposure to a counterparty. Each of our funds is operated as a separate entity with its own assets and liabilities. However, if the liabilities of one fund were to exceed its assets, the other funds within the scheme might have to transfer across money to cover the liabilities. This means that the fund you invest in may be worth less if it has to transfer money to another fund.

\* Holdings can vary from those in the index quoted. For this reason the comparative index is used for reference only.

## PORTFOLIO INFORMATION



## TOP HOLDINGS

The top ten holdings in the fund as at 28 February 2013 and at the previous year end are shown below.

Top holdings as at 28/02/13	% of total net assets
GlaxoSmithKline	7.28
AstraZeneca (UK)	6.39
Reckitt Benckiser	4.48
British American Tobacco	4.44
Imperial Tobacco	4.39
BT	4.11
Tesco	3.32
Altria	3.10
Centrica	3.08
HSBC (UK) (Reg'd)	2.97

Top holdings as at 29/02/12	% of total net assets
GlaxoSmithKline	8.74
AstraZeneca (UK)	6.95
Vodafone	5.95
British American Tobacco	5.52
Imperial Tobacco	5.41
BG	4.27
Centrica	3.97
Penlon	3.82
Altria	3.57
Reckitt Benckiser	3.31

### Footnotes:

1. The net asset value is the accounting value at the year end on a fair value basis
2. Figures includes the 01/03/13 distribution

## FUND FACTS

### INCOME (pence per share)

	XD date	A Income Shares	Y Income Shares
Final distribution	01/03/13	4.0404	2.0287
Interim distribution	01/12/12	2.0000	1.0000
Interim distribution	01/09/12	2.0000	1.0000
Interim distribution	01/06/12	2.0000	1.0000

### ONGOING CHARGES (%)

	A Income Shares	Y Income Shares
28/02/13	1.20	0.67
29/02/12	1.22	0.67

The ongoing charge figure is the ratio of total costs to average net assets.

### FUND SIZE

	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue
	A Income Shares			Y Income Shares		
28/02/13	541.0	227.31	238,002,905	33.5	112.51	29,815,810
29/02/12	430.5	202.67	212,415,034	0.1	99.9	26,660
28/02/11	452.8	194.83	232,401,728	-	-	-
28/02/10	479.6	181.82	263,799,792	-	-	-

### INCOME PER SHARE AND PRICE HISTORY (pence)

Calendar year	Income per share	Lowest price	Highest price	Income per share	Lowest price	Highest price
	A Income Shares			Y Income Shares		
2013 <sup>2</sup>	4.0404	214.90	233.30	2.0287	106.30	115.50
2012	9.5278	195.70	216.20	3.0000	96.53	106.80
2011	8.7118	182.30	206.60	-	-	-
2010	8.4344	171.20	197.60	-	-	-
2009	14.2598	136.50	187.20	-	-	-
2008	10.3567	148.80	248.70	-	-	-

## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

The UK stock market advanced over the 12 month period. Positive investor sentiment was largely supported by encouraging policy announcements by global central banks, including the Bank of England, which increased its quantitative easing programme to £375 billion. On the economic front, the UK economy grew 0.2% in 2012 according to revised data from the Office for National Statistics, and there were signs that inflationary pressures were subsiding. At a sector level, technology, financials and consumer related companies were among the notable gainers, whilst there was a rotation out of defensive sectors. Concerns about demand, especially from China, capped returns from the mining sector. Meanwhile, global economic uncertainties combined with a potentially higher oil supply cushion weighed on oil prices, which in turn impacted returns from related stocks.

### PORTFOLIO ACTIVITY

The fund outperformed the comparative index (FTSE All Share Index)\* over the period. In an environment of increased investor risk appetite, the overweight stance in banks and in companies that are more sensitive to the improving economic cycle buoyed returns. In the banking sector, Lloyds Banking Group and Barclays were among the top contributors to performance as funding conditions improved. Investors also started to appreciate the underlying value of these quality franchises given their stronger balance sheets, improving capital and earnings growth potential. Elsewhere, a positive outlook for earnings lifted key holdings. For example, chip designer ARM added value as its quarterly earnings beat forecasts. The company also issued a confident outlook driven by substantial demand growth from its mobile computing and cloud based network segments. The underweight stance in oil major Royal Dutch Shell was also a significant contributor to relative returns. Conversely, the allocation to BG fell after the leading gas producer surprisingly lowered its production outlook due to project delays, casting doubts on its cashflow and earnings projections. I remain overweight, though, as I am positive on the quality of its Brazilian assets. During the period, I added to the existing position in International Consolidated Airlines and bought low-cost carrier easyJet, both of which should benefit from an expected improvement in the competitive environment. I also purchased a new position in cruise operator Carnival in view of the potential for a cyclical earnings recovery. Notable sales included mining company Xstrata and UK supermarket major Tesco. I sold the former as I was increasingly cautious on commodity prices and the latter as it continues to be impacted by negative UK consumer sentiment. The position in educational publisher Pearson was also reduced.

### OUTLOOK

Equities remain attractive on a valuation basis and are under owned versus other asset classes, so there is the potential for solid gains this year. Unease over the eurozone debt crisis, the continuing political debate over the ways and means to tackle the US fiscal deficit and geopolitical tensions could result in short term bouts of volatility. However, the overall economic environment is likely to be relatively benign for equities this year, and I would see any volatility as an opportunity to add to existing positions.

**James Griffin**  
Fund Manager  
28 February 13

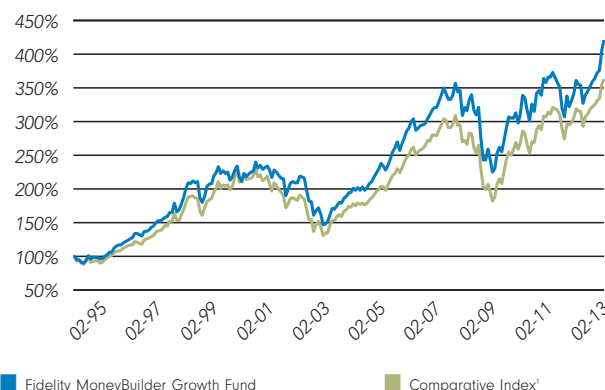
## PERFORMANCE RECORD

### PERFORMANCE OVER 12 MONTHS

Over the 12 month review period to 28 February 2013, the fund returned 16.5% with net income reinvested, outperforming its comparative index return of 14.1%.

### PERFORMANCE SINCE LAUNCH

14 February 94 to 28 February 13



■ Fidelity MoneyBuilder Growth Fund ■ Comparative Index<sup>1</sup>

1. Comparative Index: FTSE All Share Index (Net)

### DISCRETE 1 YEAR PERFORMANCE OVER THE LAST 5 YEARS TO:

	28/02/09	28/02/10	28/02/11	29/02/12	28/02/13
% Fund Performance	-29.9	38.1	17.6	-1.4	16.5
Comparative index	-33.0	47.3	17.0	1.5	14.1

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested. Since launch the fund has returned 320.8%. Over 5 years the fund has returned 30.9% compared with the comparative index return of 33.8%. Performance prior to 29/08/98 has been recalculated to take account of the conversion from Unit Trust to OEIC fund. Performance excludes initial charge.

Past performance is not a reliable indicator of future results.

## INVESTMENT OBJECTIVE AND POLICY

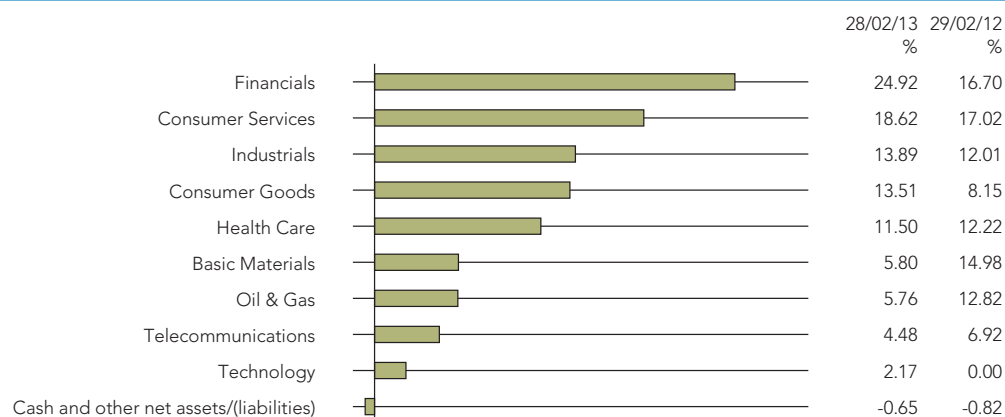
The fund's investment objective is to achieve a combination of income and long term capital growth from a portfolio primarily made up of the shares of UK companies. The portfolio is likely to have a bias towards larger companies, although the ACD is not restricted in its choice of company by either size or industry.

## RISK PROFILE

If you make regular withdrawals from your investment, this may reduce your capital over time if the fund's growth does not compensate for the withdrawals. The value of your investment can go down as well as up. You may not get back the amount you invested. What you get back is not guaranteed. It will depend on investment performance. Investments in small and emerging markets can be more volatile than other more developed markets. This fund invests in overseas markets. You may get more or less as a result of currency fluctuations. The fund takes its annual management charge from your capital and not from the income generated by the fund. This means that any capital growth in the fund will be reduced by the charge and your capital may reduce over time if the fund's growth does not compensate for it. The fund may invest in derivatives for the purposes of the efficient management of the fund. For funds that use derivative transactions, there is a risk that the counterparty to the transaction will wholly or partially fail to honour its contractual obligations. This may result in financial loss to the fund. Where appropriate, collateral will be required to reduce exposure to a counterparty. Each of our funds is operated as a separate entity with its own assets and liabilities. However, if the liabilities of one fund were to exceed its assets, the other funds within the scheme might have to transfer across money to cover the liabilities. This means that the fund you invest in may be worth less if it has to transfer money to another fund.

\* Holdings can vary from those in the index quoted. For this reason the comparative index is used for reference only.

## PORTFOLIO INFORMATION



## TOP HOLDINGS

The top ten holdings in the fund as at 28 February 2013 and at the previous year end are shown below.

Top holdings as at 28/02/13	% of total net assets
HSBC (UK) (Reg'd)	8.13
GlaxoSmithKline	7.17
Lloyds Banking Group	6.00
Diageo	5.71
Barclays	5.56
Rolls-Royce	4.65
Vodafone	4.48
Shire	4.34
WPP	4.03
SABMiller	3.90

Top holdings as at 29/02/12	% of total net assets
GlaxoSmithKline	7.79
BG	6.98
Vodafone	6.27
HSBC (UK) (Reg'd)	5.32
Diageo	5.15
Rio Tinto	4.49
Shire	4.43
Barclays	4.22
Pearson	3.99
Rolls-Royce	3.83

## FUND FACTS

### INCOME (pence per share)

	XD date	A Income Shares	Y Income Shares*
Final distribution	01/03/13	0.5315	0.6496
Interim distribution	01/09/12	0.9359	0.3210

	XD date	ISA class income Shares
Final distribution	01/03/13	0.5928
Interim distribution	01/09/12	0.9959

\* The Y Income Shares were launched on 18/07/12.

### ONGOING CHARGES (%)

	A Income Shares	Y Income Shares
28/02/13	1.20	0.66
29/02/12	1.20	-

	ISA class income Shares
28/02/13	1.00
29/02/12	1.00

The ongoing charge figure is the ratio of total costs to average net assets.

**FUND FACTS - CONTINUED**
**FUND SIZE**

	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue
	<b>A Income Shares</b>			<b>Y Income Shares</b>		
28/02/13	544.7	61.55	885,012,443	0.3	60.89	429,347
29/02/12	485.4	54.24	894,807,181	-	-	-
28/02/11	382.1	56.51	676,259,498	-	-	-
28/02/10	346.6	48.93	708,414,633	-	-	-
	<b>ISA class income Shares</b>					
28/02/13	115.7	62.00	186,617,260			
29/02/12	100.5	54.60	184,044,492			
28/02/11	100.6	56.85	176,913,316			
28/02/10	68.0	49.25	138,043,122			

**INCOME PER SHARE AND PRICE HISTORY (pence)**

Calendar year	Income per share	Lowest price	Highest price	Income per share	Lowest price	Highest price
	<b>A Income Shares</b>			<b>Y Income Shares</b>		
2013 <sup>2</sup>	0.5315	56.80	62.56	0.6496	56.26	62.00
2012	1.5043	48.21	56.12	0.3210	49.00	55.56
2011	1.1068	44.61	58.34	-	-	-
2010	1.0757	46.23	57.05	-	-	-
2009	1.7278	34.09	50.31	-	-	-
2008	1.7440	35.60	59.50	-	-	-
	<b>ISA class income Shares</b>					
2013 <sup>2</sup>	0.5928	57.25	63.07			
2012	1.6191	48.56	56.55			
2011	1.2072	44.91	58.74			
2010	1.1815	46.57	57.42			
2009	1.8055	34.28	50.65			
2008	1.8392	35.81	59.84			

**Footnotes:**

1. The net asset value is the accounting value at the year end on a fair value basis
2. Figures includes the 01/03/13 distribution



## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

Major sterling bond markets posted positive returns over the period. The Bank of England's low bank rate and quantitative easing programme helped keep UK government bond (Gilts) yields low and supported demand for higher yielding corporate bonds. Corporate bond markets were also boosted by European Central Bank President Mario Draghi's pledge to do "whatever it takes to preserve the euro", which raised investor confidence about the region's economic prospects. High yield corporate bonds were the best performing asset class, with average yields falling to a record low over the period. Meanwhile, investment grade corporate bonds outperformed Gilts.

### PORTFOLIO ACTIVITY

The fund underperformed the comparative index (BofA ML Euro-Sterling Net)\* over the period. The significant underweight in financials bonds held back returns as the sector outperformed. I increased the allocation to financials, mainly by buying covered bonds issued by banks such as Abbey National (Santander UK) and Clydesdale Bank. The loss stemming from the financials positioning was partially offset by my preference for lower rated investment grade corporate bonds. As such, I retain a focus on bonds issued by companies that demonstrate lower sensitivity to the economic cycle, but still offer a healthy yield premium over the market average. As a result, the fund is overweight in BBB rated corporate bonds, with a bias towards defensive sectors such as utilities, transportation, consumer staples, communications and high quality asset backed securities. Within consumer staples, I bought new positions in GlaxoSmithKline, Coca-Cola and Procter & Gamble. Conversely, profits were taken in Kraft Foods. The exposure to the transportation sector was also increased via a new holding in the newly issued US Dollar bond of First Group. Elsewhere, I reduced the overweight stance in telecommunications by lowering the allocation to Comcast and Eutelsat. During the period, I added credit risk to the fund in anticipation of further positive returns from corporate bonds. At the end of the period, the fund's interest rate duration was 7.3 years, 0.4 years below the comparative index.

### OUTLOOK

Quantitative easing measures by major central banks continue to boost investor risk appetite, alleviating concerns around the eurozone debt crisis, uncertainty related to the US fiscal policy and deteriorating credit quality. At a corporate level, balance sheets remain in good condition, but shareholder friendly activity and mergers and acquisitions are on the rise. As a result, credit metrics are deteriorating. In this environment, assets that offer reasonably sustainable yields will remain in demand. Investment grade corporate bonds, where yields compensate investors for the level of credit risk and extra volatility of returns, offer the best return potential. However, careful security selection is becoming important to add value versus the comparative index.

Ian Spreadbury  
Fund Manager  
28 February 13

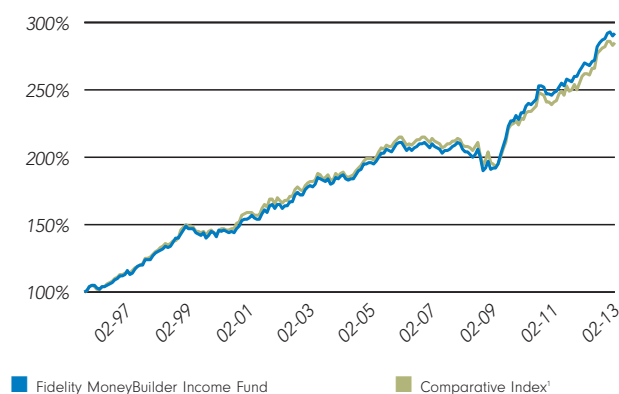
## PERFORMANCE RECORD

### PERFORMANCE OVER 12 MONTHS

Over the 12 month review period to 28 February 2013, the fund returned 8.2% with net income reinvested, underperforming its comparative index return of 9.1%.

### PERFORMANCE SINCE LAUNCH

12 September 95 to 28 February 13



1. Comparative Index: BofA ML Euro-Sterling (Net)

### DISCRETE 1 YEAR PERFORMANCE OVER THE LAST 5 YEARS TO:

	28/02/09	28/02/10	28/02/11	29/02/12	28/02/13
% Fund Performance	-6.7	21.4	6.6	8.8	8.2
Comparative index	-6.7	16.9	5.6	8.5	9.1

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested. Since launch the fund has returned 191.7%. Over 5 years the fund has returned 41.9% compared with the comparative index return of 36.4%. There was a fixed-offer period from 12/09/95 to 03/10/95. Performance prior to 29/08/98 has been recalculated to take account of the conversion from Unit Trust to OEIC fund. Benchmark to 29/09/00 was SB Euro-Sterling Investment Grade 5+ Index (Net). From 02/10/00 to 28/09/01 the benchmark was 50% BofA ML 5+ Year Euro-Sterling Index (Net), 50% BofA ML Euro-Sterling Index (Net). Performance excludes initial charge.

Past performance is not a reliable indicator of future results.

## INVESTMENT OBJECTIVE AND POLICY

The fund's investment objective is to achieve an attractive level of income from a portfolio primarily invested in sterling-denominated fixed interest securities.

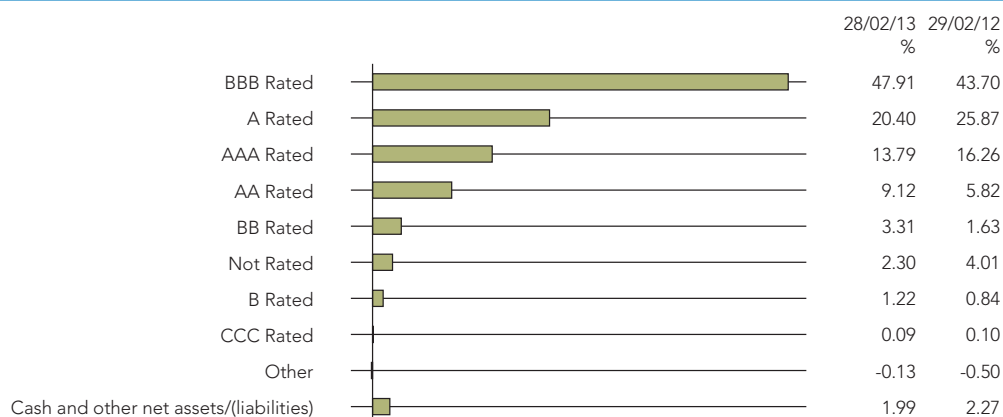
## RISK PROFILE

If you make regular withdrawals from your investment, this may reduce your capital over time if the fund's growth does not compensate for the withdrawals. The value of your investment and the income from it can go down as well as up. You may not get back the amount you invested. What you get back is not guaranteed. It will depend on investment performance. The main aim of this fund is to produce income. When this income is paid out instead of being reinvested, there is little prospect of any real capital growth. A portion of this fund will invest in 'sub-investment grade' bonds. These bonds may produce a higher level of income than 'investment grade' bonds but at a higher risk to your capital. With funds that invest in bonds, there is a risk that the issuer of the bond may default on its repayments. The likelihood of this happening will depend on the credit-worthiness of the issuer. The fund may invest in derivatives for the purposes of the efficient management of the fund. For funds that use derivative transactions, there is a risk that the counterparty to the transaction will wholly or partially fail to honour its contractual obligations. This may result in financial loss to the fund. Where appropriate, collateral will be required to reduce exposure to a counterparty. Each of our funds is operated as a separate entity with its own assets and liabilities. However, if the liabilities of one fund were to exceed its assets, the other funds within the scheme might have to transfer across money to cover the liabilities. This means that the fund you invest in may be worth less if it has to transfer money to another fund.

\* Holdings can vary from those in the index quoted. For this reason the comparative index is used for reference only.



# PORTFOLIO INFORMATION



# TOP HOLDINGS

The top ten holdings in the fund as at 28 February 2013 and at the previous year end are shown below.

Top holdings as at 28/02/13	% of total net assets
European Investment Bank 6.00% 07/12/2028	2.40
UK Gilt Treasury War Loan 3.50% (Perpetual)	1.80
Fidelity Institutional Liquidity Fund (GBP)	1.51
Abbey National Treasury 5.125% 14/04/2021	1.44
CPUK Finance 4.811% 28/02/2042	1.30
Aspire Defence Finance 4.674% 31/03/2040 (A)	1.13
Barclays Bank 4.25% 12/01/2022	1.09
GlaxoSmithKline Capital 3.375% 20/12/2027	1.07
Great Rolling Stock 6.875% 27/07/2035	1.07
Co-Op Bank 4.75% 11/11/2021	1.06

Top holdings as at 29/02/12	% of total net assets
UK Gilt Treasury War Loan 3.50% (Perpetual)	2.26
UK Gilt Treasury 4.50% 07/03/2013	1.60
UK Gilt Treasury 2.25% 07/03/2014	1.51
CPUK Finance 4.811% 28/02/2042	1.39
Severn Trent Water Utilities 6.00% 22/01/2018	1.35
Vodafone 5.375% 05/12/2017	1.33
Aspire Defence Finance 4.674% 31/03/2040 (A)	1.25
Tesco Property Finance 6.0517% 13/10/2039	1.16
Great Rolling Stock 6.875% 27/07/2035	1.15
Anheuser-Busch InBev 6.50% 23/06/2017	1.13

# FUND FACTS

## INCOME (pence per share)

	XD date	A Income Shares	Gross paying A Income Shares
Final distribution	01/03/13	0.0810	0.1013
Interim distribution	01/02/13	0.0888	0.1110
Interim distribution	01/01/13	0.0887	0.1109
Interim distribution	01/12/12	0.0842	0.1053
Interim distribution	01/11/12	0.0847	0.1059
Interim distribution	01/10/12	0.0835	0.1044
Interim distribution	01/09/12	0.0855	0.1067
Interim distribution	01/08/12	0.0866	0.1084
Interim distribution	01/07/12	0.0831	0.1039
Interim distribution	01/06/12	0.0879	0.1099
Interim distribution	01/05/12	0.0830	0.1038
Interim distribution	01/04/12	0.0849	0.1063

	XD date	Y Income Shares	Gross paying Y Income Shares
Final distribution	01/03/13	0.3012	0.3370
Interim distribution	01/02/13	0.3303	0.4128
Interim distribution	01/01/13	0.3299	0.4128
Interim distribution	01/12/12	0.3140	0.3930
Interim distribution	01/11/12	0.3167	0.3961
Interim distribution	01/10/12	0.3108	0.3888
Interim distribution	01/09/12	0.3186	0.3984
Interim distribution	01/08/12	0.3225	0.4031
Interim distribution	01/07/12	0.3085	0.3858
Interim distribution	01/06/12	0.3250	0.4073
Interim distribution	01/05/12	0.3080	0.3852
Interim distribution	01/04/12	0.3155	0.3958

	XD date	A Accumulation Shares	Gross paying Y Accumulation Shares
Final distribution	01/03/13	4.2939	46.6043

## FUND FACTS - CONTINUED

### ONGOING CHARGES (%)

	A Income Shares	Gross paying A Income Shares
28/02/13	0.99	0.99
29/02/12	1.00	1.00
	Y Income Shares	Gross paying Y Income Shares
28/02/13	0.56	0.56
29/02/12	0.57	0.57
	A Accumulation Shares	Gross paying Y Accumulation Shares
28/02/13	0.99	0.56
29/02/12	1.00	0.57

The ongoing charge figure is the ratio of total costs to average net assets.

### FUND SIZE

	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue
A Income Shares			Gross paying A Income Shares			
28/02/13	1,524.9	33.97	4,488,474,785	947.9	33.98	2,789,906,854
29/02/12	1,456.4	32.35	4,501,234,889	877.6	32.36	2,712,309,253
28/02/11	1,338.1	30.80	4,344,155,581	827.2	30.80	2,685,501,149
28/02/10	994.2	29.88	3,326,825,705	834.8	29.88	2,793,500,134
Y Income Shares			Gross paying Y Income Shares			
28/02/13	394.3	113.64	347,009,381	294.8	113.67	259,360,096
29/02/12	314.2	108.23	290,264,263	111.9	108.23	103,416,508
28/02/11	185.6	103.03	180,186,580	44.5	103.04	43,144,059
28/02/10	5.7	100.06	5,681,263	7.4	99.97	7,364,317
A Accumulation Shares			Gross paying Y Accumulation Shares			
28/02/13	136.4	145.18	93,930,148	10.9	1,138.72	958,746
29/02/12	78.0	134.05	58,153,973	0.4	1,039.79	35,657
28/02/11	43.2	123.57	34,926,439	-	-	-
28/02/10	5.6	115.73	4,838,521	-	-	-

### INCOME PER SHARE AND PRICE HISTORY (pence)

Calendar year	Income per share	Lowest price	Highest price	Income per share	Lowest price	Highest price
A Income Shares			Gross paying A Income Shares			
2013 <sup>2</sup>	0.2585	33.75	34.51	0.3232	33.76	34.53
2012	1.0122	31.92	34.53	1.2658	31.92	34.55
2011	1.0373	30.54	32.13	1.2988	30.55	32.15
2010	1.0893	29.67	32.18	1.3586	29.67	32.19
2009	1.1091	25.35	30.16	1.3872	25.36	30.18
2008	1.2084	25.75	29.96	1.5115	25.75	29.98
Y Income Shares			Gross paying Y Income Shares			
2013 <sup>2</sup>	0.9614	112.90	115.50	1.2026	113.00	115.50
2012	3.7627	106.80	115.50	4.7054	106.80	115.60
2011	3.8283	102.20	107.50	4.7860	102.20	107.60
2010	3.9650	99.22	107.70	4.9584	99.25	107.70
2009	1.0194	98.39	100.90	1.2545	98.44	101.00
A Accumulation Shares			Gross paying Y Accumulation Shares			
2013 <sup>2</sup>	4.2939	143.90	146.70	46.6043	1,128.00	1,150.00
2012	4.2214	131.60	146.40	11.4398	1,019.00	1,147.00
2011	4.1692	122.20	132.00	-	995.30	1,021.00
2010	3.3400	114.30	127.40	-	-	-
2009	-	99.98	115.50	-	-	-

### Footnotes:

1. The net asset value is the accounting value at the year end on a fair value basis
2. Figures includes the 01/03/13 distribution

## FUND MANAGER'S COMMENTARY

## MARKET REVIEW

The UK stock market advanced over the 12 month period. Positive investor sentiment was largely supported by encouraging policy announcements by global central banks, including the Bank of England, which increased its quantitative easing programme to £375 billion. On the economic front, revised data from the Office for National Statistics showed that the UK economy grew 0.2% in 2012 and there were signs that inflationary pressures were subsiding. At a sector level, technology, financials and consumer related firms companies were among the best performers, whilst there was a rotation out of the defensive sectors. Concerns about demand, especially from China, capped returns from the mining sector. Meanwhile, global economic uncertainties combined with a potentially higher oil supply cushion weighed down on oil prices, which in turn impacted returns from related stocks.

## PORTFOLIO ACTIVITY

The fund aims to achieve long term capital growth by closely matching the performance of the FTSE All Share Index. Therefore, the return of the fund and its comparative index should be similar over time, before costs. However, the fund is priced at midday, whereas the comparative index is officially priced several hours later, when the UK stock market closes. This timing difference can cause positive or negative variations in apparent relative returns and increase the reported tracking error of the fund. By comparing the fund's returns to a customised midday total return index over the period of 12.9% (2012: 2.44%), the difference in performance amounts to -0.7%. This difference is explained primarily by the fund's ongoing charges, taxation and transaction costs. The difference for the previous period was -0.58%, and a similar difference was therefore to be expected for this period. The fund belongs to a group known as "passive" or "index tracker" funds, whereby the portfolio holds securities that are representative of the index. No active decisions at a sector or geographical level are made. I endeavour to minimise deviation from the index by using an index tracking technique, which includes replication of the larger companies represented in the index, and a sampling within the smaller company component of the index, in order to reduce costs. The sampling technique used attempts to identify a sub set of liquid small cap stocks that will align the fund's portfolio to the net exposures of the broader index as closely as possible. As a result, the return of the fund and its comparative index should be similar over time, before costs. Please note, the fund's cash position does not mean that it is under exposed to the index, as any cash balance is typically equitised with equity index futures contracts. This helps to efficiently manage cashflows in the fund at reduced costs. When taking into account exposure achieved by these futures contracts, the fund's sector and top holdings weights more closely match the index.

## OUTLOOK

There are a number of encouraging signs for equity markets, such as low interest rates and recovering employment levels, as well as a more stable banking system. However, significant uncertainties remain, which could lead to short-term volatility, but investor confidence is expected to improve further provided there are no major shocks in 2013. UK equities remain attractively valued and under-owned versus other asset classes.

Matt Jones  
Fund Manager  
28 February 13

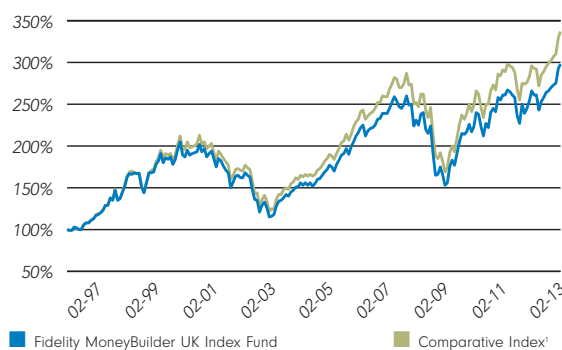
## PERFORMANCE RECORD

## PERFORMANCE OVER 12 MONTHS

Over the 12 month review period to 28 February 2013, the fund returned 12.2% with net income reinvested, underperforming its comparative index return of 14.1%

## PERFORMANCE SINCE LAUNCH

31 January 96 to 28 February 13



1. Comparative Index: FTSE All Share Index (Net)

## DISCRETE 1 YEAR PERFORMANCE OVER THE LAST 5 YEARS TO:

	28/02/09	28/02/10	28/02/11	29/02/12	28/02/13
% Fund Performance	-33.7	45.7	16.8	1.9	12.2
Comparative index	-33.0	47.3	17.0	1.5	14.1

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested. Since launch the fund has returned 198.4%. Over 5 years the fund has returned 29.0% compared with the comparative index return of 33.8%. Performance prior to 29/08/98 has been recalculated to take account of the conversion from Unit Trust to OEIC fund. Benchmark to 31/12/98 was FTSE 100 Index (Net). Performance excludes initial charge.

Past performance is not a reliable indicator of future results.

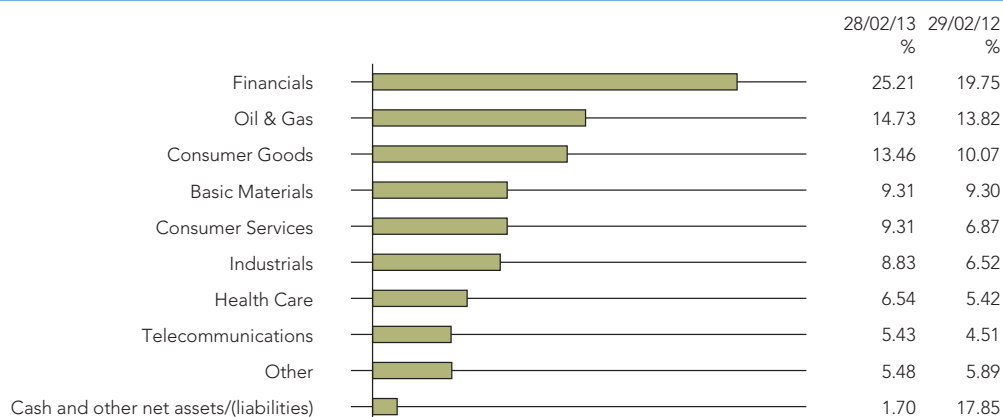
## INVESTMENT OBJECTIVE AND POLICY

The fund's investment objective is to achieve long term capital growth by closely matching the performance of the FT-SE Actuaries All-Share Index. The ACD will aim to hold securities that represent the FT-SE Actuaries All-Share Index (or, in the event of this index ceasing to be compiled, such other index as the ACD may deem appropriate). In order to manage the cash position of the portfolio, the ACD may utilise stock index futures as allowed by the regulations. **Note:** The Shares in the Fund are not in any way sponsored, endorsed, sold or promoted by FTSE International Limited ("FTSE") or by the London Stock Exchange Plc ("the Exchange") or by The Financial Times Limited ("FT"), and neither FTSE nor the Exchange nor FT makes any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FT-SE Actuaries All-Share Index ("the Index") and/or the figure at which the said Index stands at any particular time on any particular day or otherwise. The Index is compiled and calculated by FTSE. However, neither FTSE nor the Exchange nor FT shall be liable (whether in negligence or otherwise) to any person for any error in the Index, and neither FTSE nor the Exchange nor FT shall be under any obligation to advise any person of any error in the Index. "FTSE™" and "FT-SE®" are trade marks of the London Stock Exchange Plc and The Financial Times Limited and are used by FTSE International Limited under licence. "AllShare(tm)" is a trade mark of FTSE International Limited.

## RISK PROFILE

If you make regular withdrawals from your investment, this may reduce your capital over time if the fund's growth does not compensate for the withdrawals. The value of your investment can go down as well as up. You may not get back the amount you invested. What you get back is not guaranteed. It will depend on investment performance. The fund may invest in derivatives for the purposes of the efficient management of the fund. For funds that use derivative transactions, there is a risk that the counterparty to the transaction will wholly or partially fail to honour its contractual obligations. This may result in financial loss to the fund. Where appropriate, collateral will be required to reduce exposure to a counterparty. Each of our funds is operated as a separate entity with its own assets and liabilities. However, if the liabilities of one fund were to exceed its assets, the other funds within the scheme might have to transfer across money to cover the liabilities. This means that the fund you invest in may be worth less if it has to transfer money to another fund.

## PORTFOLIO INFORMATION



## TOP HOLDINGS

The top ten holdings in the fund as at 28 February 2013 and at the previous year end are shown below.

Top holdings as at 28/02/13	% of total net assets
HSBC (UK) (Reg'd)	6.71
BP	4.20
Vodafone	4.05
Royal Dutch Shell A (UK)	4.02
GlaxoSmithKline	3.54
British American Tobacco	3.32
Royal Dutch Shell B (UK)	2.92
Fidelity Institutional Liquidity Fund (GBP)	2.71
Diageo	2.46
BHP Billiton	2.18

Top holdings as at 29/02/12	% of total net assets
HSBC (UK) (Reg'd)	4.19
BP	3.91
Fidelity Institutional Liquidity Fund (GBP)	3.80
Vodafone	3.59
Royal Dutch Shell A (UK)	3.51
GlaxoSmithKline	2.95
Royal Dutch Shell B (UK)	2.63
British American Tobacco	2.61
Rio Tinto	2.23
BG	2.15

### Footnotes:

1. The net asset value is the accounting value at the year end on a fair value basis
2. Figures includes the 01/03/13 distribution

## FUND FACTS

### INCOME (pence per share)

	XD date	A Accumulation Shares
Final distribution	01/03/13	2.1111

### ONGOING CHARGES (%)

	A Accumulation Shares
28/02/13	0.30
29/02/12	0.30

The ongoing charge figure is the ratio of total costs to average net assets.

### FUND SIZE

	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue
		A Accumulation Shares	
28/02/13	984.4	74.45	1,322,234,092
29/02/12	866.7	66.32	1,306,871,487
28/02/11	831.0	65.13	1,275,809,093
28/02/10	660.9	55.71	1,186,391,075

### INCOME PER SHARE AND PRICE HISTORY (pence)

Calendar year	Income per share	Lowest price	Highest price
		A Accumulation Shares	
2013 <sup>2</sup>	2.1111	70.03	74.96
2012	1.9210	59.89	69.37
2011	1.5355	54.68	67.20
2010	1.5195	51.86	64.98
2009	2.0247	35.03	56.60
2008	2.1103	36.77	62.99

## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

US equities rose sharply over the period as continued improvements in two of the weakest areas of the economy the job and housing sectors served to reiterate America's relatively defensive profile among Western countries. As a result, such stocks benefited from fund flows out of bonds into equities. However, there were occasional periods of uncertainty stemming from fears of potentially recession inducing tax increases and spending cuts in the US, referred to as the 'fiscal cliff.' Encouragingly, continued monetary policy support across the developed world helped support sentiment. Furthermore, investors were relieved to see policymakers reach a compromise deal that averted an immediate recession. As far as businesses were concerned, earnings expectations were tempered by subdued growth prospects, but balance sheets and cash holdings remained healthy enough to weather an uncertain backdrop.

### PORTFOLIO ACTIVITY

The fund aims to achieve long term capital growth by closely matching the performance of the S&P 500 Index. Therefore, the return of the fund and its comparative index should be similar over time, before costs. However, the fund is priced at midday, whereas the comparative index is officially priced several hours later, when the US stock market closes. This timing difference can cause positive or negative variations in apparent relative returns and increase the reported tracking error of the fund. By revaluing the fund at US market close and comparing this return (16.1%) to the return of the comparative index over the period it is apparent there is no variation in return and the difference in performance versus the comparative index remains as 1.0%. Ordinarily, this difference is expected to be negative and is explained primarily by the fund's ongoing charges, taxation and transaction costs. However, the timing of the investment of the fund's initial capital at launch accounted for the positive difference, though this is not expected to be repeated with subsequent cash flows in future years.. The fund belongs to a group known as "passive" or "index tracker" funds, whereby the portfolio holds securities that are representative of the index. No active decisions at a sector or geographical level are made. We endeavour to minimise deviation from the index by using an index tracking technique, which comprises full replication of the companies represented in the index. As a result, the return of the fund and its comparative index should be similar over time, before costs. Please note, the fund's cash position does not mean that it is under exposed to the index, as any cash balance is typically equitised with equity index futures contracts. This helps to efficiently manage cashflows in the fund at reduced costs. When taking into account exposure achieved by these futures contracts, the fund's sector and top holdings weights more closely match the index.

### OUTLOOK

The US economy is improving and should benefit from the recovery in housing, which is finally coming through. Furthermore, the corporate sector remains healthy. Whilst the ongoing reduction in indebtedness will keep growth rates constrained, it is encouraging to see the Federal Reserve reiterate its commitment to supporting the economy, particularly at a time when European sovereign debt issues simmer from time to time. However, valuations are now fair and consensus earnings expectations for 2013 remain on the higher side.

Management Team  
Fund Managers  
28 February 13

## INVESTMENT OBJECTIVE AND POLICY

The Fund's investment objective is to achieve long term capital growth by closely matching the performance of the S&P 500 index. The ACD will aim to hold securities that represent the S&P 500 index (or in the event of this index ceasing to be compiled such index as the ACD may deem appropriate). In order to manage the cash position of the portfolio, the ACD may utilise stock index futures as allowed by the regulations.

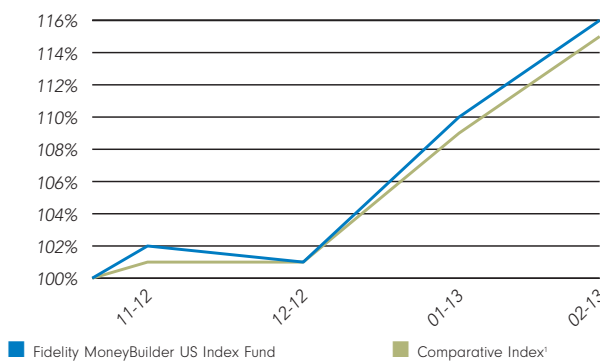
## PERFORMANCE RECORD

### PERFORMANCE

The fund was launched on 19 November 2012. Since its launch the fund returned 16.1% with net income reinvested outperforming its comparative index return of 15.1%.

### PERFORMANCE SINCE LAUNCH

19 November 12 to 28 February 13



1. Comparative Index: S&P 500 Index (Net)

A discrete 1 year performance table has not been included as the fund was launched in March 2012 and does not have a full twelve month performance record to 28 February 2013.

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested. Since launch the fund has returned 16.1%. Performance excludes initial charge.

Past performance is not a reliable indicator of future results.

## RISK PROFILE

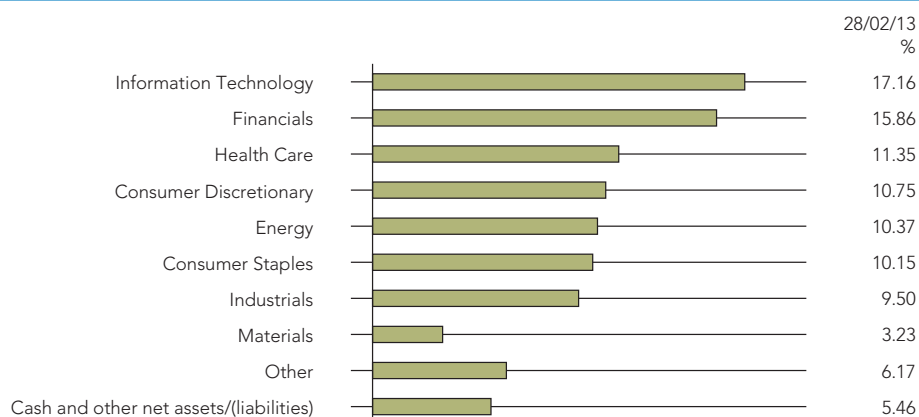
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## PORTFOLIO INFORMATION



## TOP HOLDINGS

The top ten holdings in the fund as at 28 February 2013 is shown below.

Top holdings as at 28/02/13	% of total net assets
Apple	2.86
ExxonMobil	2.81
General Electric	1.69
ChevronTexaco	1.57
IBM	1.48
Google (A)	1.46
Johnson & Johnson	1.45
Microsoft	1.45
Procter & Gamble	1.44
AT&T	1.40

### Footnotes:

1. The net asset value is the accounting value at the period end on a fair value basis
2. Figures includes the 01/03/13 distribution

## FUND FACTS

### INCOME (pence per share)

	XD date	A Accumulation Shares*	F Accumulation Shares*
Final distribution	01/03/13	0.5498	6.2853

	XD date	I Accumulation Shares*
Final distribution	01/03/13	0.5944

\* The fund was launched on 19 November 2012.

### ONGOING CHARGES (%)

	A Accumulation Shares	F Accumulation Shares
28/02/13	0.29	0.04
		I Accumulation Shares
28/02/13		0.16

The ongoing charge figure is the ratio of total costs to average net assets.

### FUND SIZE

	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue
	A Accumulation Shares			F Accumulation Shares		
28/02/13	12.9	116.12	11,131,208	5.3	1,162.16	455,284
	I Accumulation Shares					
28/02/13	0.1	116.18	67,923			

### INCOME PER SHARE AND PRICE HISTORY (pence)

Calendar year	Income per share	Lowest price	Highest price	Income per share	Lowest price	Highest price
	A Accumulation Shares			F Accumulation Shares		
2013 <sup>2</sup>	0.5498	103.20	117.00	6.2853	1,033.00	1,171.00
2012	-	100.00	103.10	-	1,000.00	1,031.00
	I Accumulation Shares					
2013 <sup>2</sup>	0.5944	103.30	117.10			
2012	-	100.00	103.10			



## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

The MSCI World Index advanced over the review period. Investor sentiment was bolstered largely in response to the US Congress reaching a deal to avert the fiscal cliff just in time before the deadline expired. Also underpinning the uptrend were reports of Chinese economic growth gaining momentum, and the European Central Bank (ECB) President Mario Draghi's positive comments that the eurozone may see a gradual recovery later in the year. Meanwhile, there were signs that the leading global economy, the US, remained on the mend, with housing and employment data releases pointing to a gradual recovery in the sectors that are at the very heart of the financial crisis.

### PORTFOLIO ACTIVITY

The fund aims to achieve long term capital growth by closely matching the performance of the MSCI World Index. Therefore, the return of the fund and its comparative index should be similar over time, before costs. However, the fund is priced at midday, whereas the comparative index is officially priced several hours later, when global stock markets close. This timing difference can cause positive or negative variations in apparent relative returns and increase the reported tracking error of the fund. By revaluing the fund at global market close and comparing this return (13.2%) to the return of the comparative index over the period, the difference in performance versus the comparative index is 0.2%. Ordinarily, this difference is expected to be negative and is explained primarily by the fund's ongoing charges, taxation and transaction costs. However, the timing of the investment of the fund's initial capital at launch accounted for the positive difference, though this is not expected to be repeated with subsequent cash flows in future years. The fund belongs to a group known as "passive" or "index tracker" funds, whereby the portfolio holds securities that are representative of the index. No active decisions at a sector or geographical level are made. We endeavour to minimise deviation from the index by using an index tracking technique, which comprises full replication of the risk characteristics represented in the index. As a result, the return of the fund and its comparative index should be similar over time, before costs. Please note, the fund's cash position does not mean that it is under exposed to the index, as any cash balance is typically equitised with equity index futures contracts. This helps to efficiently manage cashflows in the fund at reduced costs. When taking into account exposure achieved by these futures contracts, the fund's sector and top holdings weights more closely match the index.

### OUTLOOK

There are a number of encouraging signs for equity markets, such as low interest rates and recovering employment levels, as well as a more stable banking system. However, significant uncertainties remain, which could lead to short term volatility. Nevertheless, investor confidence is expected to improve further provided there are no major shocks in 2013. Furthermore, corporate activity, such as mergers & acquisitions, and spinoffs, and an overall fund flow from bonds toward equities also creates a favourable backdrop.

Management Team  
Fund Managers  
28 February 13

## INVESTMENT OBJECTIVE AND POLICY

The Fund's investment objective is to achieve long term capital growth by closely matching the performance of the MSCI World index. The ACD will aim to hold securities that represent the MSCI World index (or in the event of this index ceasing to be compiled such index as the ACD may deem appropriate). In order to manage the cash position of the portfolio, the ACD may utilise stock index futures as allowed by the regulations.

## PERFORMANCE RECORD

### PERFORMANCE

The fund was launched on 10 December 2012. Since its launch the fund returned 13.1% with net income reinvested outperforming its comparative index return of 13.0%.

### PERFORMANCE SINCE LAUNCH

10 December 12 to 28 February 13



1. Comparative Index: MSCI World Index (Net)

A discrete 1 year performance table has not been included as the fund was launched in March 2012 and does not have a full twelve month performance record to 28 February 2013.

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested. Since launch the fund has returned 13.1%. Performance excludes initial charge.

Past performance is not a reliable indicator of future results.

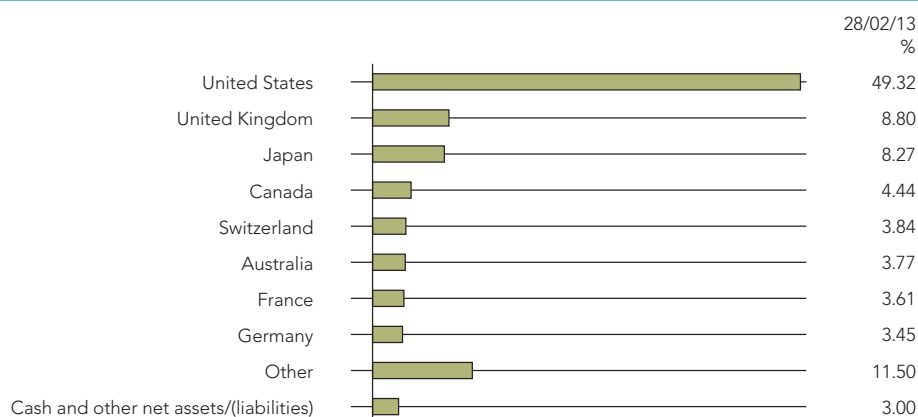
## RISK PROFILE

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# PORTFOLIO INFORMATION



# TOP HOLDINGS

The top ten holdings in the fund as at 28 February 2013 is shown below.

Top holdings as at 28/02/13	% of total net assets
ExxonMobil	1.47
Apple	1.33
Fidelity Institutional Liquidity Fund (USD)	1.15
General Electric	0.88
ChevronTexaco	0.82
Nestle (Reg'd)	0.80
IBM	0.79
Procter & Gamble	0.76
Johnson & Johnson	0.76
Microsoft	0.75

## Footnotes:

1. The net asset value is the accounting value at the period end on a fair value basis
2. Figures includes the 01/03/13 distribution

# FUND FACTS

## INCOME (pence per share)

	XD date	A Accumulation Shares*	F Accumulation Shares*
Final distribution	01/03/13	0.3948	4.5009

	XD date	I Accumulation Shares*
Final distribution	01/03/13	0.4294

\* The fund was launched on 10 December 2012

## ONGOING CHARGES (%)

	A Accumulation Shares	F Accumulation Shares
28/02/13	0.30	0.06

	I Accumulation Shares
28/02/13	0.15

The ongoing charge figure is the ratio of total costs to average net assets.

## FUND SIZE

	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue
	A Accumulation Shares			F Accumulation Shares		
28/02/13	13.6	113.08	12,003,524	3.5	1,131.35	312,821
	I Accumulation Shares					
28/02/13	0.1	113.08	74,022			

## INCOME PER SHARE AND PRICE HISTORY (pence)

Calendar year	Income per share	Lowest price	Highest price	Income per share	Lowest price	Highest price
	A Accumulation Shares			F Accumulation Shares		
2013 <sup>2</sup>	0.3948	102.30	114.00	4.5009	1,023.00	1,141.00
2012	-	99.82	101.30	-	998.20	1,013.00
	I Accumulation Shares					
2013 <sup>2</sup>	0.4294	102.30	114.00			
2012	-	99.81	101.30			



## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

Far East ex Japan equities surged over the review period on the back of policy stimulus measures unveiled globally. China eased its monetary policy further and announced infrastructure spending plans, whilst central banks in the US, Europe and Japan extended their asset purchase programmes to spur growth. Improving economic data in China during the second half of the period and resilient growth in smaller South East Asian nations also boosted stocks. Inflation abated and central banks in the region eased monetary policies to support their economies. However, fiscal challenges in the US and ongoing debt issues in the eurozone led to some volatility towards the end of the period. At a sector level, health care, utilities and financials were at the forefront of gains. Telecommunications also rose due to attractive dividend yields. Meanwhile, industrials lagged, even as energy and materials fell due to weak crude oil and commodities prices.

### PORTFOLIO ACTIVITY

The fund underperformed the comparative index (MSCI AC Far East ex Japan Index Net)\* over the period due to unrewarding stock selection in the consumer discretionary and financials sectors. Shares in Korean auto maker Kia Motors declined on concerns surrounding a labour strike, unfavourable currency movements and overstatement of the fuel efficiency of certain car models in the US. Among financials, property developer Evergrande Real Estate disappointed due to sluggish earnings and slow contract sales over the first half of 2012. However, I increased the bias towards the sector by adding to the position in Bank of China for its defensive net interest margin and attractive valuation. Within the information technology (IT) sector, the holdings in China based SINA and Baidu detracted from returns on regulatory concerns surrounding US listed Chinese stocks; I sold shares in both companies. Conversely, Samsung Electronics supported returns as rising smartphone and tablet demand buoyed earnings. I raised the exposure to this stock. Additionally, I increased the allocation to Taiwan Semiconductor Manufacturing in view of surging demand for mobile computing devices. As a result of these transactions, the fund moved to an overweight stance in the IT sector. Within telecommunications, Thailand's Advanced Information Service gained owing to its attractive dividend yield and strong operational momentum. I reduced this holding to take profits. I also reduced the position in Far EastOne Telecommunications following strong gains for better opportunities elsewhere. As a result, the fund is underweight in telecommunications.

### OUTLOOK

The fund is positioned for a slightly positive equity market in anticipation of a gradual global economic recovery. Whilst concerns remain about European debt issues and Asia's earnings recovery, demand is stabilising in the US and growth is rebounding in China. Asia's economic fundamentals remain strong and its structural growth drivers are intact. Inflation is under control, giving policymakers the flexibility to boost growth, if needed. Against this backdrop, I focus on franchise builders, cashflow generators and businesses with strong barriers to entry. I believe that these companies should be able to deliver strong returns over the medium to long term.

Allan Liu  
Fund Manager  
28 February 13

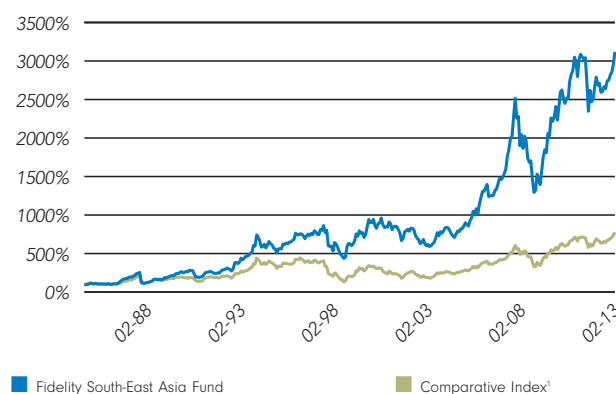
## PERFORMANCE RECORD

### PERFORMANCE OVER 12 MONTHS

Over the 12 month review period to 28 February 2013, the fund returned 11.7% with net income reinvested, underperforming its comparative index return of 12.1%.

### PERFORMANCE SINCE LAUNCH

15 October 84 to 28 February 13



1. Comparative Index: MSCI AC Far East ex Jpn (Net)

### DISCRETE 1 YEAR PERFORMANCE OVER THE LAST 5 YEARS TO:

	28/02/09	28/02/10	28/02/11	29/02/12	28/02/13
% Fund Performance	-31.6	71.2	17.0	-0.2	11.7
Comparative index	-34.0	68.1	14.1	4.6	12.1

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested. Since launch the fund has returned 3,017.2%. Over 5 years the fund has returned 52.7% compared with the benchmark return of 48.5%. Performance prior to 29/08/98 has been recalculated to take account of the conversion from Unit Trust to OEIC fund. Benchmark to 31/12/87 was MSCI Pacific (ex-Japan) Index (Net). From 04/01/88 to 30/09/94 the benchmark was MSCI Pacific (ex-Japan, plus Australia and New Zealand) Custom Index. Performance excludes initial charge.

Past performance is not a reliable indicator of future results.

## INVESTMENT OBJECTIVE AND POLICY

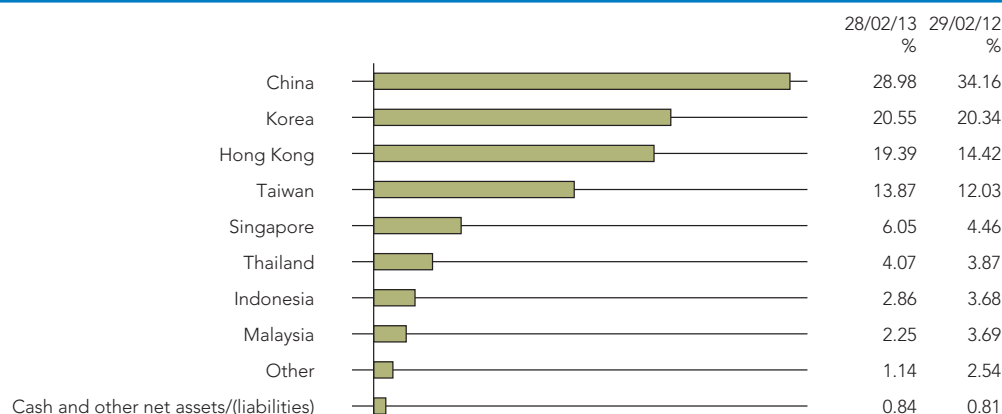
The fund's investment objective is to achieve long term capital growth from a portfolio made up of the shares of companies throughout the Pacific Basin, but excluding Japan. The portfolio is likely to have a bias towards larger companies. However, the ACD is not restricted in the choice of company either by size or industry, or in terms of the geographical split of the portfolio, which is largely determined by the availability of attractive investment opportunities, rather than the outlook for each market.

## RISK PROFILE

If you make regular withdrawals from your investment, this may reduce your capital over time if the fund's growth does not compensate for the withdrawals. The value of your investment can go down as well as up. You may not get back the amount you invested. What you get back is not guaranteed. It will depend on investment performance. Investments in small and emerging markets can be more volatile than other more developed markets. This fund invests in overseas markets. You may get back more or less as a result of currency fluctuations. The fund may invest in derivatives for the purposes of the efficient management of the fund. For funds that use derivative transactions, there is a risk that the counterparty to the transaction will wholly or partially fail to honour its contractual obligations. This may result in financial loss to the fund. Where appropriate, collateral will be required to reduce exposure to a counterparty. Each of our funds is operated as a separate entity with its own assets and liabilities. However, if the liabilities of one fund were to exceed its assets, the other funds within the scheme might have to transfer across money to cover the liabilities. This means that the fund you invest in may be worth less if it has to transfer money to another fund.

\* Holdings can vary from those in the index quoted. For this reason the comparative index is used for reference only.

## PORTFOLIO INFORMATION



## TOP HOLDINGS

The top ten holdings in the fund as at 28 February 2013 and at the previous year end are shown below.

Top holdings as at 28/02/13	% of total net assets
Samsung Electronics	8.06
Taiwan Semiconductor Manufacturing	5.42
Bank of China (H)	2.87
Hyundai Motor	2.83
China Construction Bank	1.95
Sun Hung Kai Properties	1.93
Industrial & Commercial Bank of China	1.66
AIA	1.58
Cheung Kong	1.49
Kia Motors	1.48

Top holdings as at 29/02/12	% of total net assets
Samsung Electronics	4.84
Taiwan Semiconductor Manufacturing	3.64
Hyundai Motor	2.79
China Construction Bank	2.46
Industrial & Commercial Bank of China	2.27
Sina.com	1.99
Kia Motors	1.87
Hong Kong Exchanges & Clearing	1.84
Telstra	1.83
CNOOC	1.65

### Footnotes:

1. The net asset value is the accounting value at the year end on a fair value basis
2. Figures includes the 01/03/13 distribution

## FUND FACTS

### INCOME (pence per share)

	XD date	A Accumulation Shares	Y Accumulation Shares
Final distribution	01/03/13	2.7432	1.1578

	XD date	W Accumulation Shares*
Final distribution	01/03/13	-

\*The W Accumulation Shares were launched on 15/10/12.

### ONGOING CHARGES (%)

	A Accumulation Shares	Y Accumulation Shares
28/02/13	1.76	1.23
29/02/12	1.77	1.24

	W Accumulation Shares
28/02/13	0.95
29/02/12	-

The ongoing charge figure is the ratio of total costs to average net assets.

### FUND SIZE

	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue
	A Accumulation Shares			Y Accumulation Shares		
28/02/13	2,312.6	778.04	297,236,006	56.1	142.12	39,507,404
29/02/12	2,343.2	696.57	336,398,652	53.4	126.57	42,218,089
28/02/11	2,375.1	698.16	340,190,555	33.9	126.18	26,848,174
28/02/10	1,812.7	596.72	303,776,996	6.8	107.28	6,342,274
	W Accumulation Shares					
28/02/13	15.4	743.00	2,066,428			

### INCOME PER SHARE AND PRICE HISTORY (pence)

Calendar year	Income per share	Lowest price	Highest price	Income per share	Lowest price	Highest price
	A Accumulation Shares			Y Accumulation Shares		
2013 <sup>2</sup>	2.7432	725.70	779.30	1.1578	132.50	142.40
2012	4.5514	624.30	718.50	1.4878	113.60	131.10
2011	-	556.80	787.00	0.5220	101.00	142.50
2010	1.1116	551.40	762.60	-	99.13	137.70
2009	4.1271	335.80	607.40	-	98.63	109.20
2008	0.0880	286.60	573.20	-	-	-
	W Accumulation Shares					
2013 <sup>2</sup>	-	692.00	744.00			
2012	-	648.20	684.90			

## FUND MANAGER'S COMMENTARY

## MARKET REVIEW

The UK stock market advanced over the 12 month period. Positive investor sentiment was largely supported by encouraging policy announcements by global central banks, including the Bank of England, which increased its quantitative easing programme to £375 billion. On the economic front, the UK economy grew 0.2% in 2012 according to revised data from the Office for National Statistics, and there were signs that inflationary pressures were subsiding. At a sector level, technology, financials and consumer related companies were among the notable gainers, whilst there was a rotation out of defensive sectors. Concerns about demand, especially from China, capped returns from the mining sector. Meanwhile, global economic uncertainties combined with a potentially higher oil supply cushion weighed on oil prices, which in turn impacted returns from related stocks.

## PORTFOLIO ACTIVITY

The fund outperformed the comparative index (FTSE All Share Index)\* over the period. In an improving environment for financials, our long standing overweight position in banks added significant value. At a stock level, Lloyds Banking Group was the top contributor to performance as funding pressures eased. Investors also started to appreciate the underlying value of this quality franchise given its stronger balance sheet, improving market share and profit growth. London Stock Exchange also enhanced gains significantly owing to its improving earnings potential. In the consumer segment, the holding in online gaming company Ladbrokes benefited from a promising outlook for both its retail and digital businesses. The underweight stance in the resources sectors also added to relative returns as demand concerns weighed on these stocks. On the downside, the underweight position in some of the more defensive sectors of the market, such as beverages and food producers, held back relative performance somewhat. Recently, I have become more interested in the telecommunications sector, more specifically in fixed line operators rather than mobile carriers. This is now among the most unloved sectors in fund manager surveys and is very cheap versus history. The weakness of the sector has provided what I believe is a good entry point to add exposure through stocks such as TDC in Denmark. Elsewhere, the allocation to cruise operator Carnival was increased in view of the potential for a cyclical earnings recovery and online grocery company Ocado. I sold some cyclical positions where I felt valuations were high. These included builders' merchant Wolseley and media company UBM. The exposure to educational publisher Pearson was also reduced.

## OUTLOOK

I remain positive on equities as an asset class and feel we are in the early stages of a multi year bull market. Valuations are cheap relative to history and other asset classes and equities continue to be under owned by both private and institutional investors. In the short term, equities are likely to continue to climb the wall of worry. Later in 2013, however, I think there is likely to be a longer, drawn out consolidation period. This will be an opportunity to add to the equity exposure.

Sanjeev Shah  
Fund Manager  
28 February 13

\* Holdings can vary from those in the index quoted. For this reason the comparative index is used for reference only.

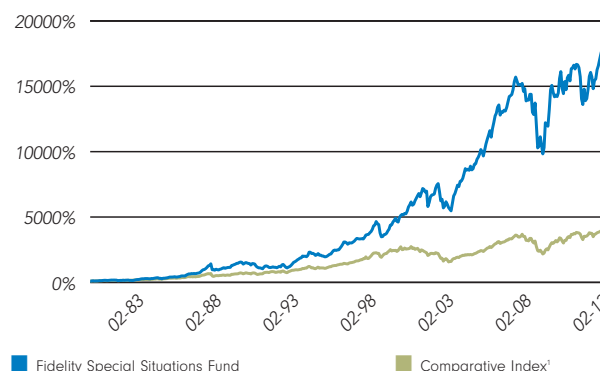
## PERFORMANCE RECORD

## PERFORMANCE OVER 12 MONTHS

Over the 12 month review period to 28 February 2013, the fund returned 26.2% with net income reinvested, outperforming its comparative index return of 14.1%

## PERFORMANCE SINCE LAUNCH

17 December 79 to 28 February 13



■ Fidelity Special Situations Fund

■ Comparative Index\*

1. Comparative Index: FTSE All Share Index (Net)

## DISCRETE 1 YEAR PERFORMANCE OVER THE LAST 5 YEARS TO:

	28/02/09	28/02/10	28/02/11	29/02/12	28/02/13
% Fund Performance	-29.8	47.4	14.7	-5.2	26.2
Comparative index	-33.0	47.3	17.0	1.5	14.1

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested. Since launch the fund has returned 19,789.0%. Over 5 years the fund has returned 42.1% compared with the comparative index return of 33.8%. Performance prior to 29/08/98 has been recalculated to take account of the conversion from Unit Trust to OEIC fund. Performance excludes initial charge.

Past performance is not a reliable indicator of future results.

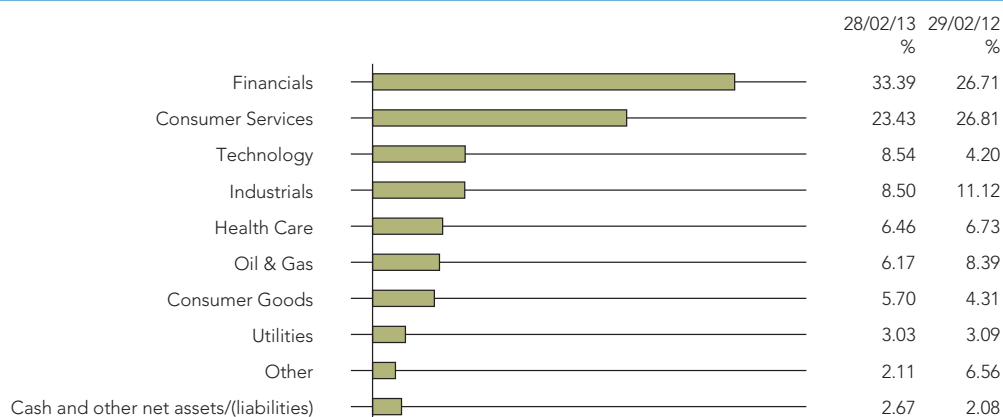
## INVESTMENT OBJECTIVE AND POLICY

The fund's investment objective is to achieve long term capital growth from a portfolio primarily made up of the shares of UK companies. The fund will have a blend of investments in larger, medium and smaller sized companies. The ACD is not restricted in its choice of companies either by size or industry, and will choose stocks largely determined by the availability of attractive investment opportunities. The fund may also invest in other transferable securities, units in collective investment schemes, money market instruments, cash and deposits. Derivatives and forward transactions may also be used for investment purposes.

## RISK PROFILE

If you make regular withdrawals from your investment, this may reduce your capital over time if the fund's growth does not compensate for the withdrawals. The value of your investment can go down as well as up. You may not get back the amount you invested. What you get back is not guaranteed. It will depend on investment performance. Investments in small and emerging markets can be more volatile than other more developed markets. This fund invests in overseas markets. You may get more or less as a result of currency fluctuations. For this fund, derivatives and forward transactions may be used for investment purposes, as well as for hedging and other efficient management purposes as permitted for all funds. Where this is the case, their use may lead to higher volatility in the fund's share price. For funds that use derivative transactions, there is a risk that the counterparty to the transaction will wholly or partially fail to honour its contractual obligations. This may result in financial loss to the fund. Where appropriate, collateral will be required to reduce exposure to a counterparty. This fund invests more heavily than others in smaller companies, which can carry a higher risk because their share prices may be more volatile than those of larger companies. Each of our funds is operated as a separate entity with its own assets and liabilities. However, if the liabilities of one fund were to exceed its assets, the other funds within the scheme might have to transfer across money to cover the liabilities. This means that the fund you invest in may be worth less if it has to transfer money to another fund.

# PORTFOLIO INFORMATION



# TOP HOLDINGS

The top ten holdings in the fund as at 28 February 2013 and at the previous year end are shown below.

Top holdings as at 28/02/13	% of total net assets
HSBC (UK) (Reg'd)	9.00
Lloyds Banking Group	7.13
GlaxoSmithKline	4.55
Ladbroke's	4.01
BP	4.00
London Stock Exchange	3.69
Reed Elsevier	3.57
ITV	3.11
Centrica	3.03
Ericsson (LM) Telefon (B)	2.97

Top holdings as at 29/02/12	% of total net assets
HSBC (UK) (Reg'd)	7.29
GlaxoSmithKline	5.72
BP	5.43
Lloyds Banking Group	5.09
Vodafone	3.40
Wolseley	3.22
ITV	3.18
Centrica	3.09
British Sky Broadcasting	3.03
Ladbroke's	3.03

## Footnotes:

1. The net asset value is the accounting value at the year end on a fair value basis
2. Figures includes the 01/03/13 distribution

# FUND FACTS

## INCOME (pence per share)

	XD date	A Accumulation Shares	Y Accumulation Shares
Final distribution	01/03/13	26.9346	2.2156

	XD date	W Accumulation Shares*
Final distribution	01/03/13	8.9446

\* The W Accumulation Shares were launched on 15/10/12.

## ONGOING CHARGES (%)

	A Accumulation Shares	Y Accumulation Shares
28/02/13	1.69	1.16
29/02/12	1.70	1.17

	W Accumulation Shares
28/02/13	0.95
29/02/12	-

The ongoing charge figure is the ratio of total costs to average net assets.

## FUND SIZE

	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue
	A Accumulation Shares			Y Accumulation Shares		
28/02/13	2,546.5	2,382.20	106,896,740	35.5	138.70	25,587,974
29/02/12	2,419.2	1,887.79	128,149,139	13.5	109.30	12,328,858
28/02/11	3,064.4	1,991.30	153,890,434	40.7	114.94	35,407,296
28/02/10	2,811.5	1,734.17	162,124,328	15.1	99.85	15,086,095
	W Accumulation Shares					
28/02/13	3.9	2,119.69	182,617			

## INCOME PER SHARE AND PRICE HISTORY (pence)

Calendar year	Income per share	Lowest price	Highest price	Income per share	Lowest price	Highest price
	A Accumulation Shares			Y Accumulation Shares		
2013 <sup>2</sup>	26.9346	2,193.00	2,414.00	2.2156	127.50	140.50
2012	6.2062	1,705.00	2,170.00	1.1877	98.68	126.20
2011	-	1,568.00	2,049.00	0.0562	90.64	118.30
2010	-	1,675.00	1,985.00	-	96.30	114.20
2009	11.3752	1,091.00	1,841.00	-	96.34	104.10
2008	-	1,126.00	1,791.00	-	-	-
	W Accumulation Shares					
2013 <sup>2</sup>	8.9446	1,948.00	2,148.00			
2012	-	1,790.00	1,928.00			

## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

Major sterling bond markets posted positive returns over the period. The Bank of England's low bank rate and quantitative easing programme helped keep UK government bond (Gilts) yields low and supported demand for higher yielding corporate bonds. Corporate bond markets were also boosted by European Central Bank President Mario Draghi's pledge to do "whatever it takes to preserve the euro", which raised investor confidence about the region's economic prospects. High yield corporate bonds were the best performing asset class, with average yields falling to a record low over the period. Meanwhile, investment grade corporate bonds outperformed Gilts.

### PORTFOLIO ACTIVITY

The fund outperformed the comparative index (BoFA ML Sterling Large Cap Index Net)\* over the period. The exposure to corporate bonds, particularly BBB rated and non investment grade bonds, boosted returns as credit spreads tightened. At a sector level, favourable selection in financials securities such as Aviva, Barclays and BNP Paribas contributed to performance. Nevertheless, I continue to avoid over concentration in this sector as it remains volatile and highly correlated to risk sentiment, although I remain biased towards covered bonds. Elsewhere, a preference for railway securities such as Russian Railways and Porterbrook Rail boosted returns. I continue to favour high quality corporate bonds in defensive sectors and bought new positions in FirstGroup in the transportation sector and GlaxoSmithKline, Coca-Cola and Procter & Gamble in the consumer staples sector. Conversely, I took profits in Kraft Foods. Moderate interest rate risk exposure also added value as Gilts rose over the period. Conversely, a basket of sovereign credit default swaps (CDS), protecting against default of European sovereigns, including France, Spain and Ireland held back returns as the cost of insuring against the default of these countries fell. However, I retained protection against default risk of UK, French and Spanish government debt (via sovereign CDS). The iTraxx SovX CEEMA position (protecting against default of a basket of European emerging market sovereigns) also proved detrimental to performance. Elsewhere, I took profits in US inflation linked bonds and lowered the exposure to Australian government bonds. At the end of the period, the fund's interest rate duration was 5.4 years. Overall, the portfolio is positioned close to its long term optimal mix of 20% government and other high quality bonds, 60% investment grade corporate bonds and 20% high yield.

### OUTLOOK

Quantitative easing measures by major central banks continue to boost investor risk appetite, alleviating concerns around the eurozone debt crisis, uncertainty related to the US fiscal policy and deteriorating credit quality. At a corporate level, balance sheets remain in good condition, but shareholder friendly activity and mergers and acquisitions are on the rise. As a result, credit metrics are deteriorating. In this environment, assets that offer reasonably sustainable yields will remain in demand. Investment grade corporate bonds, where yields compensate investors for the level of credit risk and extra volatility of returns, offer the best return potential. However, careful security selection is becoming important to add value versus the comparative index.

Ian Spreadbury  
Fund Manager  
28 February 13

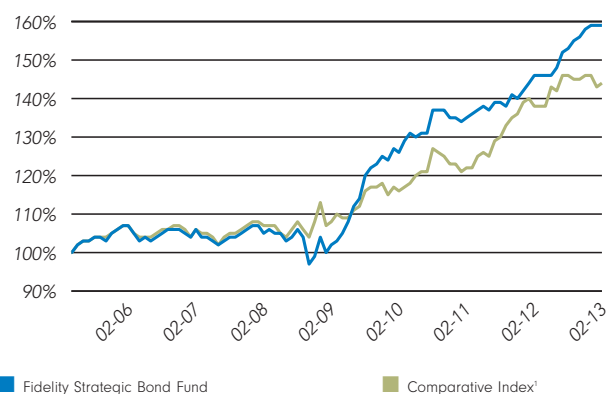
## PERFORMANCE RECORD

### PERFORMANCE OVER 12 MONTHS

Over the 12 month review period to 28 February 2013, the fund returned 9.0% with net income reinvested, outperforming its comparative index return of 4.1%.

### PERFORMANCE SINCE LAUNCH

28 April 05 to 28 February 13



■ Fidelity Strategic Bond Fund

■ Comparative Index<sup>1</sup>

1. Comparative Index: BoFA ML Sterling Large Cap Index (Net)

### DISCRETE 1 YEAR PERFORMANCE OVER THE LAST 5 YEARS TO:

	28/02/09	28/02/10	28/02/11	29/02/12	28/02/13
% Fund Performance	-3.6	24.0	7.3	8.0	9.0
Comparative index	1.0	7.1	5.2	13.5	4.1

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested. Since launch the fund has returned 59.1%. Over 5 years the fund has returned 50.8% compared with the benchmark return of 34.4%. Performance excludes initial charge.

Past performance is not a reliable indicator of future results.

## INVESTMENT OBJECTIVE AND POLICY

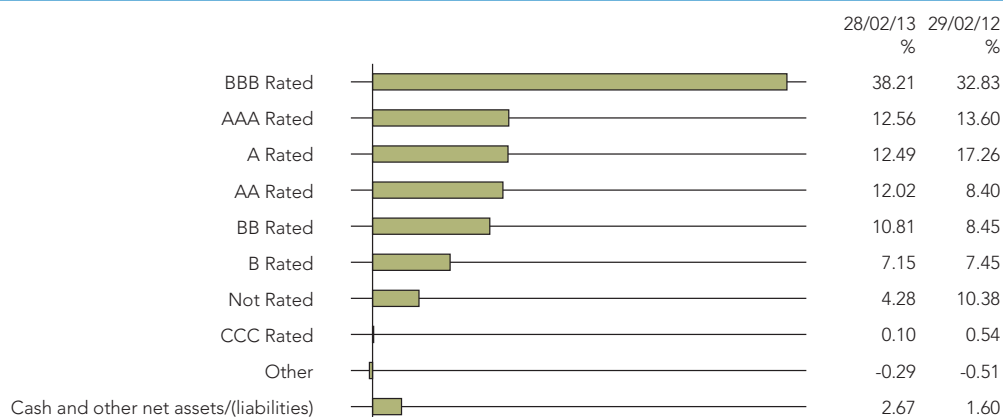
The fund's investment objective is to achieve a relatively high income with the possibility of capital growth from a portfolio primarily invested in sterling-denominated (or hedged back to sterling) fixed interest securities. Derivatives and forward transactions may also be used for investment purposes.

## RISK PROFILE

If you make regular withdrawals from your investment, this may reduce your capital over time if the fund's growth does not compensate for the withdrawals. The value of your investment and the income from it can go down as well as up. You may not get back the amount you invested. What you get back is not guaranteed. It will depend on investment performance. With funds that invest in bonds, there is a risk that the issuer of the bond may default on its repayments. The likelihood of this happening will depend on the credit-worthiness of the issuer. A portion of this fund will invest in 'sub-investment grade' bonds. These bonds may produce a higher level of income than 'investment grade' bonds but at a higher risk to your capital. For this fund, derivatives and forward transactions may be used for investment purposes, as well as for hedging and other efficient management purposes as permitted for all funds. Where this is the case, their use may lead to higher volatility in the fund's share price. For funds that use derivative transactions, there is a risk that the counterparty to the transaction will wholly or partially fail to honour its contractual obligations. This may result in financial loss to the fund. Where appropriate, collateral will be required to reduce exposure to a counterparty. Each of our funds is operated as a separate entity with its own assets and liabilities. However, if the liabilities of one fund were to exceed its assets, the other funds within the scheme might have to transfer across money to cover the liabilities. This means that the fund you invest in may be worth less if it has to transfer money to another fund.

\* Holdings can vary from those in the index quoted. For this reason the comparative index is used for reference only.

# PORTFOLIO INFORMATION



# TOP HOLDINGS

The top ten holdings in the fund as at 28 February 2013 and at the previous year end are shown below.

Top holdings as at 28/02/13	% of total net assets
UK Gilt Treasury 4.50% 07/03/2013	5.44
UK Gilt Treasury 2.25% 07/03/2014	1.85
Australia 4.75% 21/04/2027	1.64
Australia Index Linked 3.00% 20/09/2025	1.39
GlaxoSmithKline Capital 3.375% 20/12/2027	1.19
BAA Funding I/L 3.334% 09/12/2039	1.15
UK Gilt Treasury 4.25% 07/12/2055	1.06
Enterprise Inns 6.375% 26/09/2031	1.04
UK Gilt Treasury War Loan 3.50% (Perpetual)	1.01
Abbey National Treasury 5.125% 14/04/2021	0.96

Top holdings as at 29/02/12	% of total net assets
Australia 4.75% 21/04/2027	5.22
US Treasury Note 2.375% 15/01/2025	5.21
UK Gilt Treasury 4.50% 07/03/2013	2.24
Australia Index Linked 3.00% 20/09/2025	1.87
UK Gilt Treasury War Loan 3.50% (Perpetual)	1.56
Tesco Property 5 5.6611% 13/10/2041	1.08
CPUK Finance 4.811% 28/02/2042	1.08
Abbey National Treasury 5.125% 14/04/2021	0.98
EDF 5.50% 17/10/2041	0.89
Great Rolling Stock 6.875% 27/07/2035	0.87

# FUND FACTS

## INCOME (pence per share)

	XD date	A Income Shares	Gross paying A Income Shares
Final distribution	01/03/13	0.0862	0.1077
Interim distribution	01/02/13	0.0600	0.0750
Interim distribution	01/01/13	0.0588	0.0736
Interim distribution	01/12/12	0.0559	0.0698
Interim distribution	01/11/12	0.0611	0.0762
Interim distribution	01/10/12	0.0558	0.0698
Interim distribution	01/09/12	0.0582	0.0726
Interim distribution	01/08/12	0.0553	0.0692
Interim distribution	01/07/12	0.0516	0.0644
Interim distribution	01/06/12	0.0726	0.0908
Interim distribution	01/05/12	0.0576	0.0720
Interim distribution	01/04/12	0.0630	0.0794

	XD date	Y Income Shares	Gross paying Y Income Shares
Final distribution	01/03/13	0.3717	0.4652
Interim distribution	01/02/13	0.2749	0.3432
Interim distribution	01/01/13	0.2681	0.3364
Interim distribution	01/12/12	0.2652	0.3196
Interim distribution	01/11/12	0.2562	0.3457
Interim distribution	01/10/12	0.2555	0.3199
Interim distribution	01/09/12	0.2653	0.3315
Interim distribution	01/08/12	0.2533	0.3174
Interim distribution	01/07/12	0.2368	0.2951
Interim distribution	01/06/12	0.3197	0.3992
Interim distribution	01/05/12	0.2606	0.3253
Interim distribution	01/04/12	0.2828	0.3552

	XD date	A Accumulation Shares	Gross paying A Accumulation Shares
Final distribution	01/03/13	2.9093	3.6953

## FUND FACTS - CONTINUED

### ONGOING CHARGES (%)

	A Income Shares	Gross paying A Income Shares
28/02/13	1.21	1.21
29/02/12	1.21	1.21
	Y Income Shares	Gross paying Y Income Shares
28/02/13	0.68	0.68
29/02/12	0.68	0.68
	A Accumulation Shares	Gross paying A Accumulation Shares
28/02/13	1.21	1.21
29/02/12	1.21	1.21

The ongoing charge figure is the ratio of total costs to average net assets.

### FUND SIZE

	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue
A Income Shares				Gross paying A Income Shares		
28/02/13	611.5	30.28	2,019,193,712	282.8	30.29	933,611,469
29/02/12	512.9	28.43	1,804,139,354	281.7	28.43	990,961,491
28/02/11	352.9	27.08	1,303,330,975	190.6	27.08	703,908,279
28/02/10	238.6	26.02	916,755,545	126.1	26.03	484,392,970
Y Income Shares				Gross paying Y Income Shares		
28/02/13	150.8	116.89	129,030,992	85.6	116.85	73,287,644
29/02/12	40.7	109.72	37,078,299	22.9	109.68	20,867,406
28/02/11	11.4	104.49	10,909,688	6.7	104.48	6,411,707
28/02/10	6.2	100.45	6,176,820	10.1	100.51	10,015,232
A Accumulation Shares				Gross paying A Accumulation Shares		
28/02/13	143.2	121.36	117,997,503	71.8	123.67	58,064,918
29/02/12	43.2	111.11	38,909,164	38.0	112.54	33,800,986
28/02/11	6.1	103.19	5,864,311	8.1	103.85	7,839,049

### INCOME PER SHARE AND PRICE HISTORY (pence)

Calendar year	Income per share	Lowest price	Highest price	Income per share	Lowest price	Highest price
A Income Shares			Gross paying A Income Shares			
2013 <sup>2</sup>	0.2050	30.25	30.73	0.2563	30.26	30.75
2012	0.7203	27.88	30.56	0.9007	27.89	30.58
2011	0.1388	26.86	28.00	0.1736	26.86	28.02
2010	0.9180	25.87	28.03	0.1471	25.87	28.04
2009	0.9730	21.51	26.21	1.2174	21.53	26.23
2008	0.9530	21.04	24.48	1.1925	21.04	24.50
Y Income Shares			Gross paying Y Income Shares			
2013 <sup>2</sup>	0.9147	116.80	118.60	1.1448	116.80	118.70
2012	3.2484	107.60	118.00	4.0622	107.60	118.00
2011	0.6063	103.60	108.10	0.7580	103.70	108.10
2010	3.9791	99.84	108.20	4.9830	99.90	108.30
2009	1.1411	98.90	101.30	1.3784	98.99	101.40
A Accumulation Shares			Gross paying A Accumulation Shares			
2013 <sup>2</sup>	2.9093	120.90	122.50	3.6953	123.10	124.80
2012	2.7028	108.50	121.60	3.4027	109.80	123.80
2011	2.7136	102.00	108.70	3.4165	102.60	110.00
2010	-	98.93	105.50	-	99.02	105.90

#### Footnotes:

1. The net asset value is the accounting value at the year end on a fair value basis
2. Figures includes the 01/03/13 distribution



## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

The UK stock market advanced over the 12 month period. Positive investor sentiment was largely supported by encouraging policy announcements by global central banks, including the Bank of England, which increased its quantitative easing programme to £375 billion. On the economic front, the UK economy grew 0.2% in 2012 according to revised data from the Office for National Statistics, and there were signs that inflationary pressures were subsiding. At a sector level, technology, financials and consumer related companies were among the notable gainers, whilst there was a rotation out of defensive sectors. Concerns about demand, especially from China, capped returns from the mining sector. Meanwhile, global economic uncertainties combined with a potentially higher oil supply cushion weighed on oil prices, which in turn impacted returns from related stocks.

### PORTFOLIO ACTIVITY

The fund underperformed the comparative index (FTSE All Share Index)\* over the period, largely due to stock specific factors and the overweight stance in the resources sectors, which were negatively impacted by a weak outlook. The holding in oil explorer Rockhopper Exploration was a significant detractor from performance. Its shares were sold heavily after the company announced that Premier Oil would acquire 60% of its North Falklands Basin licences whilst investors expected a takeover. In the energy sector, the position in leading gas producer BG Group fell after it surprisingly lowered its production outlook due to project delays. The exposure to oil services company Saipem also declined following the resignation of its CEO amid corruption charges as well as an unexpected profit warning. This position was sold. Nanoco, which operates in the nanomaterials market, was the top contributor to returns. The company's share price rose sharply on reports that it had entered into a global licensing agreement with Dow Electronic Materials, a business unit of the Dow Chemical Company. During the period, I bought several holdings with growth potential. For instance, I purchased a position in Electronics Arts, a US video game producer with a diversified portfolio that is increasingly focusing on online gaming, which will drive margin expansion. I also bought UK semiconductor materials manufacturer IQE, which acquired a unit of Kopin Corporation to enhance its product line in the wireless sector. The acquisition is likely to increase IQE's future earnings. TalkTalk Telecom was another new addition as the introduction of its YouView TV service and additional products is expected to drive growth in excess of market estimates. Meanwhile, I sold holdings in companies where I was less confident about their further growth prospects and stock valuations. Key sales included education publisher Pearson and consumer products group Reckitt Benckiser.

### OUTLOOK

The economic outlook is showing signs of improvement, although significant uncertainties remain. Nevertheless, I believe the case for UK equities is compelling – company balance sheets are strong, mergers & acquisitions are likely to increase and shares appear more appealing than other asset classes. There has been uncertainty around the emerging market growth theme, but I believe that fundamentals are still in place, particularly in China.

Thomas Ewing  
Fund Manager  
28 February 13

## PERFORMANCE RECORD

### PERFORMANCE OVER 12 MONTHS

Over the 12 month review period to 28 February 2013, the fund returned 8.3% with net income reinvested, underperforming its comparative index return of 14.1%.

### PERFORMANCE SINCE LAUNCH

24 June 85 to 28 February 13



### DISCRETE 1 YEAR PERFORMANCE OVER THE LAST 5 YEARS TO:

	28/02/09	28/02/10	28/02/11	29/02/12	28/02/13
% Fund Performance	-33.2	52.2	16.5	1.3	8.3
Comparative index	-33.0	47.3	17.0	1.5	14.1

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested. Since launch the fund has returned 1,159.8%. Over 5 years the fund has returned 29.9% compared with the benchmark return of 33.8%. Performance prior to 29/08/98 has been recalculated to take account of the conversion from Unit Trust to OEIC fund. Performance excludes initial charge.

Past performance is not a reliable indicator of future results.

## INVESTMENT OBJECTIVE AND POLICY

The fund's investment objective is to achieve long term capital growth from a portfolio primarily made up of the shares of UK companies. The portfolio is likely to have a bias towards larger and medium-sized shares, although the ACD is not restricted in its choice of company by either size or industry.

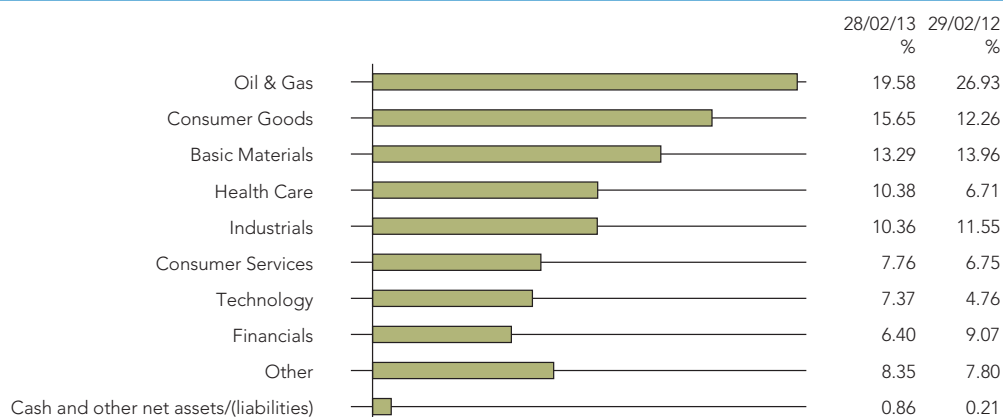
## RISK PROFILE

If you make regular withdrawals from your investment, this may reduce your capital over time if the fund's growth does not compensate for the withdrawals. The value of your investment and the income from it can go down as well as up. You may not get back the amount you invested. What you get back is not guaranteed. It will depend on investment performance. Investments in small and emerging markets can be more volatile than other more developed markets. This fund invests in overseas markets. You may get back more or less as a result of currency fluctuations. The fund may invest in derivatives for the purposes of the efficient management of the fund. For funds that use derivative transactions, there is a risk that the counterparty to the transaction will wholly or partially fail to honour its contractual obligations. This may result in financial loss to the fund. Where appropriate, collateral will be required to reduce exposure to a counterparty. Each of our funds is operated as a separate entity with its own assets and liabilities. However, if the liabilities of one fund were to exceed its assets, the other funds within the scheme might have to transfer across money to cover the liabilities. This means that the fund you invest in may be worth less if it has to transfer money to another fund.

\* Holdings can vary from those in the index quoted. For this reason the comparative index is used for reference only.



# PORTFOLIO INFORMATION



# TOP HOLDINGS

The top ten holdings in the fund as at 28 February 2013 and at the previous year end are shown below.

Top holdings as at 28/02/13	% of total net assets
BP	7.48
Rio Tinto	5.57
BG	5.50
Diageo	5.10
Unilever (UK)	4.53
Barclays	3.59
Ocado	3.27
Randgold Resources	3.21
Nanoco	2.98
Standard Chartered	2.81

Top holdings as at 29/02/12	% of total net assets
BP	9.12
BG	7.69
Barclays	4.42
Rio Tinto	4.03
Diageo	3.96
Unilever (UK)	3.94
Randgold Resources	3.83
Rockhopper Exploration	3.74
Xstrata	3.14
Shire	2.56

## Footnotes:

1. The net asset value is the accounting value at the year end on a fair value basis
2. Figures includes the 01/03/13 distribution

# FUND FACTS

## INCOME (pence per share)

	XD date	A Accumulation Shares	Y Accumulation Shares*
Final distribution	01/03/13	0.8196	1.0493

	XD date	W Accumulation Shares**
Final distribution	01/03/13	0.2459

\* The Y Accumulation Shares were launched on 18/07/12. \*\* The W Accumulation Shares were launched on 15/10/12.

## ONGOING CHARGES (%)

ENDING CHARGES (%)		
	A Accumulation Shares	Y Accumulation Shares
28/02/13	1.70	1.18
29/02/12	1.71	-
		W Accumulation Shares
28/02/13		0.93
29/02/12		-

The ongoing charge figure is the ratio of total costs to average net assets.

## FUND SIZE

	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue
	A Accumulation Shares			Y Accumulation Shares		
28/02/13	376.3	302.51	124,386,647	0.2	302.78	79,487
29/02/12	500.6	279.48	179,099,854	-	-	-
28/02/11	537.4	275.92	194,769,696	-	-	-
28/02/10	501.2	236.75	211,697,243	-	-	-
	W Accumulation Shares					
28/02/13	-	282.49	3,244			

## INCOME PER SHARE AND PRICE HISTORY (pence)

Calendar year	Income per share	Lowest price	Highest price	Income per share	Lowest price	Highest price
	A Accumulation Shares			Y Accumulation Shares		
2013 <sup>2</sup>	0.8196	277.90	306.50	1.0493	277.90	306.70
2012	-	241.30	281.90	-	244.60	273.70
2011	-	218.90	281.60	-	-	-
2010	-	216.10	275.90	-	-	-
2009	-	146.90	239.20	-	-	-
2008	1.3087	139.10	256.60	-	-	-
	W Accumulation Shares					
2013 <sup>2</sup>	0.2459	258.90	285.70			
2012	-	241.20	254.90			

## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

The UK stock market advanced over the period. Positive investor sentiment was largely supported by encouraging policy announcements by global central banks, including the Bank of England, which increased its quantitative easing programme to £375 billion. On the economic front, the UK economy grew 0.2% in 2012 according to revised data from the Office for National Statistics, and there were signs that inflationary pressures were subsiding. At a sector level, technology, financials and consumer related companies were among the notable gainers, whilst there was a rotation out of defensive sectors. Concerns about demand, especially from China, capped returns from the mining sector. Meanwhile, global economic uncertainties combined with a potentially higher oil supply cushion weighed on oil prices, which in turn impacted returns from related stocks.

### PORTFOLIO ACTIVITY

The fund underperformed the comparative index (FTSE All Share Index)\* over the period. The underweight positioning in financials detracted from relative performance as these stocks rose in an environment of increasing risk appetite. However, the holding in London Stock exchange contributed strongly to returns. The allocation to resources hampered returns. I significantly reduced the exposure to the sector, primarily through the sale of oil-related stocks. Saipem slid after it significantly lowered its net profit guidance for 2013; I sold this position. I also sold the holding in Rockhopper Exploration, whose shares were sold heavily after it announced that Premier Oil would acquire 60% of its North Falklands Basin licences, whilst investors expected a takeover. On a positive note, the underweight position in Royal Dutch Shell and avoiding mining companies such as Anglo American and Rio Tinto enhanced relative performance. Among companies sensitive to GDP growth, the exposure to publisher Pearson weighed on performance owing to a weakening outlook and rising capex requirements; the position was reduced. Meanwhile, I purchased a holding in Next, which is one of the few truly multi channel retailers in the UK with an excellent management team and a highly cash generative business. I also bought Intercontinental Hotels as it benefits from the strong global recovery in the hotels sector. On a positive note, defensives contributed strongly to returns. In the health care sector, Sanofi added significant value. Elsewhere, I bought a position in Diageo, which has a strong portfolio of brands, high exposure to fast growing regions and prospects for strong sales growth as the global economic recovery gathers pace.

### OUTLOOK

We are likely to continue to see overall market direction and volatility dictated more by macroeconomic events and liquidity provided by central banks than has historically been the case. I also believe that emerging markets will grow faster than their developed market counterparts over the medium term. I have exposure to this theme through consumer related stocks as opposed to infrastructure related securities. The portfolio looks well positioned to perform in an environment of slow and uneven economic recovery and ongoing market volatility.

**Aruna Karunathilake**  
Fund Manager  
28 February 13

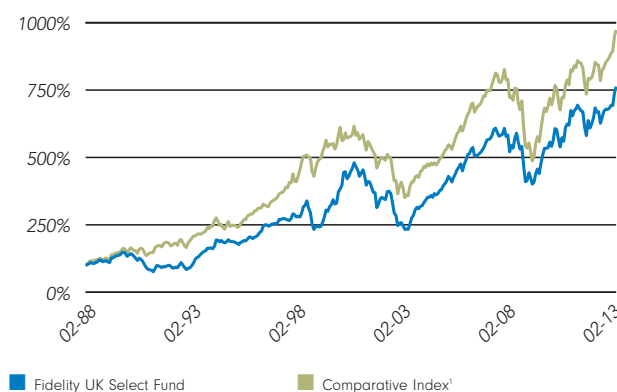
## PERFORMANCE RECORD

### PERFORMANCE OVER 12 MONTHS

Over the 12 month review period to 28 February 2013, the fund returned 11.6% with net income reinvested, underperforming its comparative index return of 14.1%.

### PERFORMANCE SINCE LAUNCH

09 November 87 to 28 February 13



### DISCRETE 1 YEAR PERFORMANCE OVER THE LAST 5 YEARS TO:

	28/02/09	28/02/10	28/02/11	29/02/12	28/02/13
% Fund Performance	-26.3	40.4	19.6	1.6	11.6
Comparative index	-33.0	47.3	17.0	1.5	14.1

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested. Since launch the fund has returned 662.8%. Over 5 years the fund has returned 40.2% compared with the benchmark return of 33.8%. Performance prior to 29/08/98 has been recalculated to take account of the conversion from Unit Trust to OEIC fund. Performance excludes initial charge.

Past performance is not a reliable indicator of future results.

## INVESTMENT OBJECTIVE AND POLICY

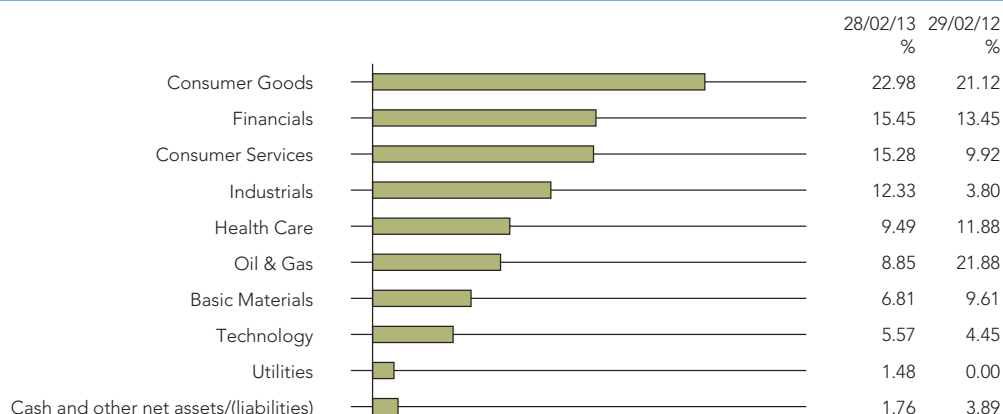
The fund's investment objective is to achieve long term capital growth from a portfolio primarily invested in the shares of UK companies. The portfolio is likely to have a bias towards the shares of medium and smaller-sized companies although the ACD is not restricted in its choice of company by either size or industry.

## RISK PROFILE

If you make regular withdrawals from your investment, this may reduce your capital over time if the fund's growth does not compensate for the withdrawals. The value of your investment can go down as well as up. You may not get back the amount you invested. What you get back is not guaranteed. It will depend on investment performance. Investments in small and emerging markets can be more volatile than other more developed markets. This fund invests in overseas markets. You may get more or less as a result of currency fluctuations. This fund may invest more heavily than others in smaller companies, which can carry a higher risk because their share prices may be more volatile than those of larger companies. The fund may invest in derivatives for the purposes of the efficient management of the fund. For funds that use derivative transactions, there is a risk that the counterparty to the transaction will wholly or partially fail to honour its contractual obligations. This may result in financial loss to the fund. Where appropriate, collateral will be required to reduce exposure to a counterparty. Each of our funds is operated as a separate entity with its own assets and liabilities. However, if the liabilities of one fund were to exceed its assets, the other funds within the scheme might have to transfer across money to cover the liabilities. This means that the fund you invest in may be worth less if it has to transfer money to another fund.

\* Holdings can vary from those in the index quoted. For this reason the comparative index is used for reference only.

# PORTFOLIO INFORMATION



# TOP HOLDINGS

The top ten holdings in the fund as at 28 February 2013 and at the previous year end are shown below.

Top holdings as at 28/02/13	% of total net assets
British American Tobacco	4.61
HSBC (UK) (Reg'd)	4.15
Nestle (Reg'd)	4.03
Diageo	4.00
Unilever (UK)	3.95
Sanofi-Aventis	3.94
WPP	3.69
Novo Nordisk (B)	3.56
SABMiller	3.54
BP	3.52

Top holdings as at 29/02/12	% of total net assets
British American Tobacco	7.33
BG	6.07
GlaxoSmithKline	5.52
Royal Dutch Shell A (UK)	4.84
Nestle (Reg'd)	4.65
Xstrata	4.34
HSBC (UK) (Reg'd)	4.11
WPP	3.97
SABMiller	3.83
BHP Billiton	3.61

# Footnotes:

1. The net asset value is the accounting value at the year end on a fair value basis
2. Figures includes the 01/03/13 distribution

# FUND FACTS

## INCOME (pence per share)

	XD date	A Accumulation Shares	I Accumulation Shares
Final distribution	01/03/13	1.9351	3.3472

## ONGOING CHARGES (%)

	A Accumulation Shares	I Accumulation Shares
28/02/13	1.71	0.88
29/02/12	1.72	0.88

The ongoing charge figure is the ratio of total costs to average net assets.

## FUND SIZE

	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue
	A Accumulation Shares			I Accumulation Shares		
28/02/13	266.0	190.60	139,547,207	0.9	191.33	481,880
29/02/12	164.8	170.85	96,456,633	0.4	172.46	239,203
28/02/11	261.0	168.11	155,295,636	0.1	166.07	6,448
28/02/10	246.8	140.56	175,549,976	0.1	137.75	7,448

## INCOME PER SHARE AND PRICE HISTORY (pence)

Calendar year	Income per share	Lowest price	Highest price	Income per share	Lowest price	Highest price
	A Accumulation Shares			I Accumulation Shares		
2013 <sup>2</sup>	1.9351	176.20	192.40	3.3472	176.70	193.10
2012	1.7916	154.40	174.60	2.9294	154.10	175.00
2011	0.3763	139.80	173.90	1.6451	138.80	172.00
2010	1.6610	131.90	169.40	-	129.60	167.10
2009	2.4729	93.39	139.90	-	98.15	136.80
2008	1.2970	91.56	151.30	-	-	-

## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

The UK stock market advanced over the 12 month period. Positive investor sentiment was largely supported by encouraging policy announcements by global central banks, including the Bank of England, which increased its quantitative easing programme to £375 billion. On the economic front, the UK economy grew 0.2% in 2012 according to revised data from the Office for National Statistics, and there were signs that inflationary pressures were subsiding. At a sector level, technology, financials and consumer related companies were among the notable gainers, whilst there was a rotation out of defensive sectors. Concerns about demand, especially from China, capped returns from the mining sector. Meanwhile, global economic uncertainties combined with a potentially higher oil supply cushion weighed on oil prices, which in turn impacted returns from related stocks.

### PORTFOLIO ACTIVITY

The fund outperformed the comparative index (Numis Smaller Companies ex Investment Companies Net)\* over the period. Increasing investor risk appetite led to greater focus on growth opportunities in mid and small cap segments. In this environment, several key holdings across a variety of sectors made noteworthy contributions to returns. These included mortgage provider Paragon, which acquired further unsecured consumer loans that are expected to enhance earnings in the current financial year. The position in Irish health care services provider United Drug also added value as it reported a jump in its annual profits. The overweight stance in catalogue home shopping company Brown (N) was beneficial to performance as it revealed encouraging growth in new customers and internet orders, which now account for over 50% of the business. However, the allocation to fashion brand French Connection fell as it experienced pressure on earnings due to disappointing sales volumes. I sold this position. I look to buy stocks when they are ignored by the wider market. I continue to hold these stocks once recovery starts and then eventually sell them when the process is complete. The capital is recycled back into early stage stocks. I bought a new position in Electronic Arts, a US video game producer with a diversified portfolio that is increasingly focusing on online gaming, which will drive margin expansion. I also purchased a new holding in Photo-Me International, a photo booth and vending machine operator. The company is seeing good performance in its Operations division in a number of markets. I also bought Signet Jewelers (UK), which is gaining market share in the US. Holdings in companies that have performed well in the past such as International Personal Finance and Capital and Counties Properties, were sold.

### OUTLOOK

Whilst some of the macro risks that weighed on investor sentiment last year have cleared somewhat, there are still uncertainties across the global economy. What I am more interested in is valuations, and our ability to identify stocks with an element of downside protection to their share price and unrecognised growth options. Despite the recent rally, the FTSE Small Cap Index is still at a considerable discount to its historical average. As a result, there are many stock specific valuation opportunities available among the smallest companies in the market.

Alex Wright  
Fund Manager  
28 February 13

\* Holdings can vary from those in the index quoted. For this reason the comparative index is used for reference only.

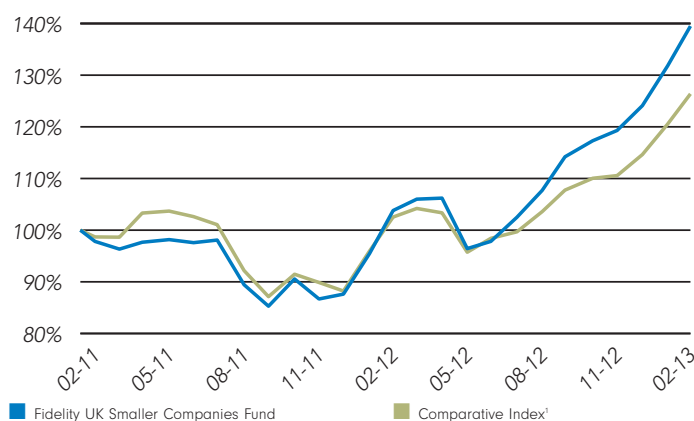
## PERFORMANCE RECORD

### PERFORMANCE OVER 12 MONTHS

Over the 12 month review period to 28 February 2013, the fund returned 34.4% with net income reinvested, outperforming its comparative index return of 23.3%.

### PERFORMANCE SINCE LAUNCH

10 February 11 to 28 February 13



1. Comparative Index: Numis UK Smaller Cos ex Investment Companies (Net) - Formerly RBS Hoare Gov ex Investment Trusts

### DISCRETE 1 YEAR PERFORMANCE OVER THE LAST 5 YEARS TO:

	28/02/09	28/02/10	28/02/11	29/02/12	28/02/13
% Fund Performance	-	-	-	6.1	34.4
Comparative index	-	-	-	3.9	23.3

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested. Since launch the fund has returned 39.5%. Performance excludes initial charge.

Past performance is not a reliable indicator of future results.

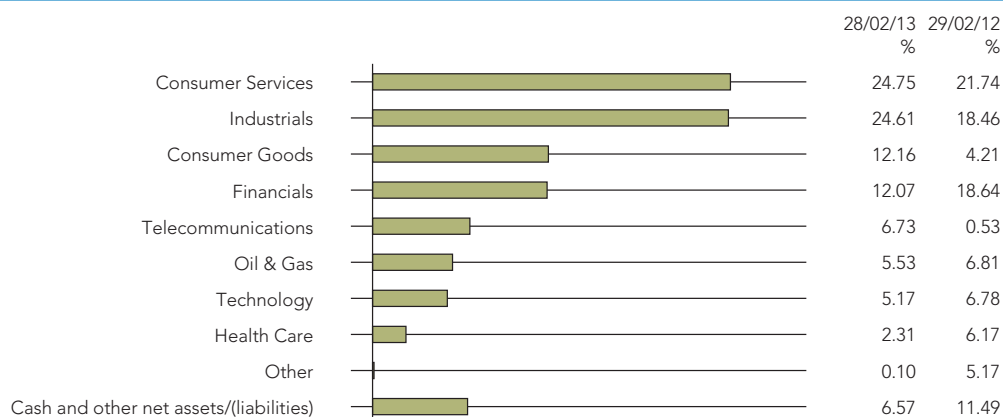
## INVESTMENT OBJECTIVE AND POLICY

The Fund's investment objective is to achieve long term capital growth from a portfolio primarily made up of the shares of smaller capitalisation United Kingdom Companies. There is no policy to restrict investment to particular economic sectors. The Fund may also invest in other transferable securities, units in collective investment schemes, money market instruments, cash and deposits. Derivatives and forward transactions may also be used for investment purposes.

## RISK PROFILE

If you make regular withdrawals from your investment, this may reduce your capital over time if the fund's growth does not compensate for the withdrawals. The value of your investment and the income from it can go down as well as up. You may not get back the amount you invested. What you get back is not guaranteed. It will depend on investment performance. This fund invests in overseas markets. You may get more or less as a result of currency fluctuations. The fund may invest in derivatives for the purposes of the efficient management of the fund. For this fund, derivatives and forward transactions may be used for investment purposes, as well as for hedging and other efficient management purposes as permitted for all funds. Where this is the case, their use may lead to higher volatility in the fund's share price. For funds that use derivative transactions, there is a risk that the counterparty to the transaction will wholly or partially fail to honour its contractual obligations. This may result in financial loss to the fund. Where appropriate, collateral will be required to reduce exposure to a counterparty. This fund invests more heavily than others in smaller companies, which can carry a higher risk because their share prices may be more volatile than those of larger companies. Each of our funds is operated as a separate entity with its own assets and liabilities. However, if the liabilities of one fund were to exceed its assets, the other funds within the scheme might have to transfer across money to cover the liabilities. This means that the fund you invest in may be worth less if it has to transfer money to

# PORTFOLIO INFORMATION



# TOP HOLDINGS

The top ten holdings in the fund as at 28 February 2013 and at the previous year end are shown below.

Top holdings as at 28/02/13	% of total net assets
United Drug	5.27
Paragon	4.00
Micro Focus International	3.90
Cable & Wireless	3.73
Brewin Dolphin	3.64
Speedy Hire	3.27
Brown (N)	3.13
Kingston Communicationss	2.99
Mothercare	2.64
Brammer	2.61

Top holdings as at 29/02/12	% of total net assets
Brewin Dolphin	3.75
Optos	3.65
Micro Focus International	3.51
Paragon	3.18
Brammer	3.13
Speedy Hire	2.76
United Business Media	2.57
Chime Communications	2.37
Moss Brothers	2.32
Creston	2.22

## Footnotes:

1. The net asset value is the accounting value at the year end on a fair value basis
2. Figures includes the 01/03/13 distribution

# FUND FACTS

## INCOME (pence per share)

	XD date	A Accumulation Shares	Y Accumulation Shares
Final distribution	01/03/13	1.6700	2.2404

	XD date	W Accumulation Shares*
Final distribution	01/03/13	0.6056

\* The W Accumulation Shares were launched on 15/10/12.

## ONGOING CHARGES (%)

	A Accumulation Shares	Y Accumulation Shares
28/02/13	1.72	1.19
29/02/12	1.77	1.25
		W Accumulation Shares
28/02/13		1.00
29/02/12		-

The ongoing charge figure is the ratio of total costs to average net assets.

## FUND SIZE

	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue	Total net assets (£m)	Net asset value per share (p) <sup>1</sup>	Shares in issue
	A Accumulation Shares			Y Accumulation Shares		
28/02/13	194.3	138.62	140,150,235	9.4	139.06	6,744,064
29/02/12	18.0	103.19	17,473,142	9.2	103.36	8,899,498
28/02/11	0.1	97.31	113,605	6.7	96.85	6,890,101
	W Accumulation Shares					
28/02/13	44.2	121.71	36,310,921			

## INCOME PER SHARE AND PRICE HISTORY (pence)

Calendar year	Income per share	Lowest price	Highest price	Income per share	Lowest price	Highest price
	A Accumulation Shares			Y Accumulation Shares		
2013 <sup>2</sup>	1.6700	126.00	139.50	2.2404	126.30	139.90
2012	0.3923	88.16	124.60	0.8271	88.29	124.80
2011	-	82.27	100.00	-	82.25	100.00
	W Accumulation Shares					
2013 <sup>2</sup>	0.6056	110.50	122.50			
2012	-	100.00	109.20			

# FIDELITY INVESTMENT FUNDS ANNUAL SHORT REPORT FOR THE YEAR ENDED 28 FEBRUARY 2013

## RISK AND REWARD PROFILES

FUND	SHARE CLASS	SRRI*
Fidelity American Fund	A Accumulation Shares	6
	Y Accumulation Shares	6
	W Accumulation Shares	6
Fidelity American Special Situations Fund	A Accumulation Shares	6
	Y Accumulation Shares	6
	W Accumulation Shares	6
Fidelity China Consumer Fund	A Accumulation Shares	7
	Y Accumulation Shares	7
Fidelity Emerging Asia Fund	A Accumulation Shares	6
	Y Accumulation Shares	6
Fidelity Emerging Europe, Middle East and Africa Fund	A Accumulation Shares	7
	Y Accumulation Shares	7
Fidelity Enhanced Income Fund	A Income Shares	6
	Y Income Shares	6
	W Income Shares	6
	A Accumulation Shares	6
	Y Accumulation Shares	6
	W Accumulation Shares	6
Fidelity European Fund	A Income Shares	7
	W Income Shares	7
	A Accumulation Shares	7
	Y Accumulation Shares	7
Fidelity European Opportunities Fund	A Accumulation Shares	7
	Y Accumulation Shares	7
	W Accumulation Shares	7
Fidelity Extra Income Fund	A Income Shares	4
	Gross paying A Income Shares	4
	Y Income Shares	4
	Gross paying Y Income Shares	4
	A Accumulation Shares	4
	Gross paying A Accumulation Shares	4
Fidelity Genesis Fund	A Accumulation Shares	6
Fidelity Global Dividend Fund	A Income Shares	6
	Y Income Shares	6
	W Income Shares	6
	A Accumulation Shares	6
	Y Accumulation Shares	6
	W Accumulation Shares	6
Fidelity Global Focus Fund	A Accumulation Shares	6
	Y Accumulation Shares	6
	W Accumulation Shares	6
Global High Yield Fund	A Income Shares	5
	Gross paying A Income Shares	5
	Y Income Shares	5
	Gross paying Y Income Shares	5
	A Accumulation Shares	5
	Gross paying A Accumulation Shares	5
	Y Accumulation Shares	5
	Gross paying Y Accumulation Shares	5
	I Accumulation Shares	5

# FIDELITY INVESTMENT FUNDS ANNUAL SHORT REPORT FOR THE YEAR ENDED 28 FEBRUARY 2013

## RISK AND REWARD PROFILES

FUND	SHARE CLASS	SRRI*
Fidelity Global Property Fund	A Accumulation Shares	7
	Y Accumulation Shares	7
	W Accumulation Shares	7
Fidelity Global Real Asset Securities Fund	A Accumulation Shares	6
	Y Accumulation Shares	6
	W Accumulation Shares	6
Fidelity Global Special Situations Fund	A Accumulation Shares	6
	Y Accumulation Shares	6
	J Accumulation Shares	6
	W Accumulation Shares	6
Fidelity International Fund	A Accumulation Shares	6
Fidelity Japan Fund	A Accumulation Shares	6
	Y Accumulation Shares	6
	W Accumulation Shares	6
Fidelity Japan Smaller Companies Fund	A Accumulation Shares	6
	W Accumulation Shares	6
Fidelity MoneyBuilder Balanced Fund	A Income Shares	5
	Y Income Shares	5
Fidelity MoneyBuilder Dividend Fund	A Income Shares	6
	Y Income Shares	6
Fidelity MoneyBuilder Growth Fund	A Income Shares	6
	Y Income Shares	6
	ISA class Income Shares	6
Fidelity MoneyBuilder Income Fund	A Income Shares	4
	Gross paying A Income Shares	4
	Y Income Shares	4
	Gross paying Y Income Shares	4
	A Accumulation Shares	4
	Gross paying Y Accumulation Shares	4
Fidelity MoneyBuilder UK Index Fund	A Accumulation Shares	6
Fidelity MoneyBuilder US Index Fund	A Accumulation Shares	6
Fidelity MoneyBuilder World Index Fund	A Accumulation Shares	6
Fidelity South-East Asia Fund	A Accumulation Shares	7
	Y Accumulation Shares	7
	W Accumulation Shares	7
Fidelity Special Situations Fund	A Accumulation Shares	6
	Y Accumulation Shares	6
	W Accumulation Shares	6
Fidelity Strategic Bond Fund	A Income Shares	4
	Gross paying A Income Shares	4
	Y Income Shares	4
	Gross paying Y Income Shares	4
	A Accumulation Shares	4
	Gross paying A Accumulation Shares	4

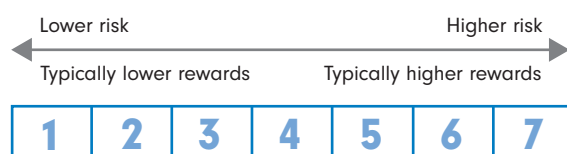


# FIDELITY INVESTMENT FUNDS ANNUAL SHORT REPORT FOR THE YEAR ENDED 28 FEBRUARY 2013

## RISK AND REWARD PROFILES

FUND	SHARE CLASS	SRRI*
Fidelity UK Growth Fund	A Accumulation Shares	6
	Y Accumulation Shares	6
	W Accumulation Shares	6
Fidelity UK Select Fund	A Accumulation Shares	6
	I Accumulation Shares	6
Fidelity UK Smaller Companies Fund	A Accumulation Shares	6
	Y Accumulation Shares	6
	W Accumulation Shares	6

\*The synthetic risk and reward indicator (SRRI) is explained below:



- The risk category was calculated using historical volatility data, based upon the methods set by European Union rules. Volatility is influenced by changes in the stock market prices, currencies and interest rates which can be affected unpredictably by diverse factors including political and economic events.
- The risk category may not be a reliable indication of the future risk profile of the fund.
- The risk category shown is not guaranteed and may shift over time.
- The lowest category does not mean 'risk free'.

For fund specific risks, please refer to the latest Key Investor Information document.

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