

# Interim Short Report

For the six month period ended  
30 April 2014





# FIDELITY INVESTMENT FUNDS IV INTERIM SHORT REPORT FOR THE SIX MONTH PERIOD ENDED 30 APRIL 2014

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# FIDELITY INVESTMENT FUNDS IV INTERIM SHORT REPORT FOR THE SIX MONTH PERIOD ENDED 30 APRIL 2014

## INTRODUCTION

In order to provide the shareholders with regular and relevant information about the progress of the Fidelity Investment Funds IV (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 six month period ended 30 April 2014. 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 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 31 October 2013 was unqualified.

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

## CHANGES TO THE PROSPECTUS

For the period ended 30 April 2014 the following significant changes were made to the Prospectus or Instrument of Incorporation:

- The Company converted to segregated liability status between funds on 13 December 2013 in accordance with the OEIC Regulations and with the approval of the FCA.

### Share class launches

- Fidelity Multi Asset Open Strategic Fund launched Y Accumulation Share class on 13 November 2013.
- Y Accumulation Share classes were launched on 10 December 2013 for Multi Asset Balance Income Fund (including Gross paying Shares), Multi Asset Income Fund (including Gross paying Shares) and Multi Asset Income & Growth Fund.
- Accumulation (clean) Share classes in the PathFinder range were launched on 30 January 2014 for the following funds:

Fidelity Allocator World Fund

Fidelity Multi Asset Adventurous Fund

Fidelity Multi Asset Allocator Adventurous Fund

Fidelity Multi Asset Allocator Defensive Fund  
(including Gross paying Shares)

Fidelity Multi Asset Allocator Growth Fund

Fidelity Multi Asset Allocator Strategic Fund

Fidelity Multi Asset Defensive Fund  
(including Gross paying 1 Shares)

Fidelity Multi Asset Growth Fund

Fidelity Multi Asset Open Growth Fund

Fidelity Multi Asset Open Strategic Fund

Fidelity Multi Asset Strategic Fund

Fidelity Multi Asset Open Adventurous Fund

Fidelity Multi Asset Open Defensive Fund  
(including Gross paying shares)

Fidelity Open World Fund

Fidelity WealthBuilder Fund

- Income (clean) Share classes in the PathFinder range were launched on 30 January 2014 for the following funds:

Fidelity Multi Asset Balanced Income Fund (including Gross paying Income 2 Income Shares)

Fidelity Multi Asset Income Fund (including Gross paying Income 1 Income Shares)

Fidelity Multi Asset Income & Growth Fund

# FIDELITY INVESTMENT FUNDS IV INTERIM SHORT REPORT FOR THE SIX MONTH PERIOD ENDED 30 APRIL 2014

## GENERAL INFORMATION

### FIDELITY INVESTMENT FUNDS IV 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.

### AUTHORISED CORPORATE DIRECTOR (ACD), INVESTMENT MANAGER, 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.  
Authorised and regulated in the UK by the Financial Conduct Authority.  
Registered in England and Wales No 2016555.

### SUB-DISTRIBUTOR

Financial 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 Financial 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

## INVESTMENT OBJECTIVE AND POLICY

The fund aims to provide long term capital growth by investing primarily through regulated collective investment schemes, including schemes managed by Fidelity in order to obtain exposure to global markets mainly in equities. The Fund may also invest directly in transferable securities, money market instruments, cash and deposits. Derivatives and forward transactions may also be used for investment purposes

NB: It is anticipated that the Fund will mainly invest in index tracking funds with the aim of pursuing a lower cost investment approach.

## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

Global equities generated small but positive returns over the period. Improving economic data in developed markets supported investor sentiment. However worries about the impact of the reduction in money supply by the US Federal Reserve (Fed), particularly on emerging market economies, which are dependent on external financing limited gains. Concerns about slower growth in China and geopolitical tensions in Ukraine also impacted markets. Against this backdrop, Europe ex UK, the US and the UK generated positive returns. In contrast, Pacific ex Japan and emerging markets declined. In Japan, equities slid due to concerns about the impact that an increase in the sales tax, which was scheduled for April, would have on consumption spending and the lack of near term policy action to counter that impact.

### PORTFOLIO ACTIVITY

Based on my positive view on global growth, I positioned the fund to benefit from an improving economic environment. I preferred developed economies such as the US and Japan over other regions. However, a bias towards Japan, notably positions in iShares MSCI Japan Fund and BlackRock Japan Equity Tracker Fund detracted from returns. Since the start of 2014, Japanese equities have been relative laggards as the consumption tax hike scheduled for April has led to increased uncertainty among investors. Consequently, the position in the former was sold, while the latter was reduced. An underweight stance in the UK and Europe ex UK also held back gains. I increased the exposure to the latter given a pickup in growth by increasing the holding in Fidelity Index Europe ex-UK Fund. On a positive note, a bias towards the US supported performance. The position in S&P500 E-Mini Future 31/03/2014 boosted returns. Given the optimistic outlook for the US, I bought positions in Fidelity US Index Fund and iShares MSCI USA Fund. Elsewhere, an underweight stance in emerging markets and Pacific ex Japan contributed to relative performance. The position in iShares MSCI Emerging Markets Fund was reduced while the holding in iShares MSCI Pacific Ex-Japan Fund was sold.

### OUTLOOK

The macroeconomic environment remains broadly supportive of equities. At a regional level, the US is favoured on the back of improving corporate earnings and signs of stable growth. Equities in Japan could be volatile due to the impact of the sales tax increase. Meanwhile, Pacific ex Japan and emerging markets could be hurt by weakening growth in China, the major export market for both regions.

Trevor Greetham  
Fund Manager  
30 April 14

## PERFORMANCE RECORD

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

	30/04/10	30/04/11	30/04/12	30/04/13	30/04/14
Y Accumulation Shares	-	-	-	-	5.3
Fidelity PathFinder Foundation 5 Accumulation Shares	-	-	-	-	4.9
N Accumulation Shares	-	-	-	-	-
Fidelity PathFinder Foundation 5 Accumulation (clean) Shares	-	-	-	-	-
* Comparative Index	-	-	-	-	5.4

\* Comparative Index: MSCI All Countries World Index (Net)

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested. Past performance is not a reliable indicator of future results.

## 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 investments and the income from it can go down as well as up so you may not get back the amount you invested. Some funds are able to invest some or all of their assets in developing overseas markets which carry a higher risk than investing in larger established markets. Investments in emerging markets are likely to experience greater rises and falls in value and there may be trading difficulties. Some funds invest in overseas markets. This means that changes in currency exchange rates will affect the value of your investment. For some funds, derivatives and forward transactions may be used for specific 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. We assess the creditworthiness of counterparties as part of our risk management process. 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.

# FIDELITY ALLOCATOR WORLD FUND

## PORTFOLIO INFORMATION

	30/04/14	31/10/13
	%	%
Equity Funds	78.61	76.41
Cash Funds/Money Market Funds	10.67	0.00
Index Futures	0.13	1.04
Forward Foreign Exchange Contracts	0.02	0.04
Cash and other net assets/(liabilities)	10.57	22.51

## TOP HOLDINGS

The top ten holdings in the fund as at 30 April 2014 and at the previous year end are shown below.

Top holdings as at 30/04/14	% of total net assets
Fidelity US Index Fund <sup>2</sup>	34.26
Fidelity Institutional Liquidity Fund (USD)	10.67
Fidelity Index Europe ex-UK Fund	7.46
Blackrock Japan Equity Tracker Fund	6.35
Fidelity UK Index Fund <sup>3</sup>	6.03
Northern Trust Emerging Market Index Fund	5.79
iShares MSCI Europe ex-UK Fund	3.92
BlackRock Continental European Equity Tracker Fund	3.90
Fidelity Index Pacific (ex-Japan) Fund	2.87
Fidelity Index Japan Fund	2.60

Top holdings as at 31/10/13	% of total net assets
Fidelity US Index Fund <sup>2</sup>	31.63
Blackrock Japan Equity Tracker Fund	9.30
Fidelity UK Index Fund <sup>3</sup>	6.87
Northern Trust Emerging Market Index Fund	6.58
iShares MSCI Europe Ex-UK Fund	6.14
iShares MSCI Emerging Markets Fund	4.58
iShares MSCI Pacific Ex-Japan Fund	4.54
BlackRock Continental European Equity Tracker Fund	4.04
iShares MSCI Japan Fund Fund	1.46
iShares MSCI Canada Fund	0.83

### Footnotes:

1. The net asset value is the accounting value at the period end on a fair value basis.
2. Formerly Fidelity MoneyBuilder US Index Fund.
3. Formerly Fidelity MoneyBuilder UK Index Fund.
4. The Fidelity PathFinder Foundation 5 Accumulation (clean) Shares were launched on 30/01/14.

## FUND FACTS

### INCOME (pence per share)

No distributions were due in the six month period.

### ONGOING CHARGES (%)

	N Accumulation Shares	Y Accumulation Shares
30/04/14	0.45	0.70
30/04/13	-	0.89

	Fidelity PathFinder Foundation 5 Accumulation Shares	Fidelity PathFinder Foundation 5 Accumulation (clean) Shares <sup>4</sup>
30/04/14	1.20	0.55
30/04/13	1.39	-

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
	N Accumulation Shares			Y Accumulation Shares		
30/04/14	0.1	100.68	67,285	5.6	111.21	5,006,884
	Fidelity PathFinder Foundation 5 Accumulation Shares			Fidelity PathFinder Foundation 5 Accumulation (clean) Shares		
30/04/14	1.1	110.11	1,013,590	1.6	102.96	1,561,826

## INVESTMENT OBJECTIVE AND POLICY

The Fund aims to provide long-term capital growth by investing primarily through other regulated collective investment schemes, including schemes managed by Fidelity in order to obtain exposure to global equities, commodities and global fixed income securities, with a bias towards the UK. The Fund may also invest directly in other transferable securities, bonds, money market instruments, cash and deposits. Derivatives and forward transactions may also be used for investment purposes.

NB: It is anticipated that investment shall be made primarily in funds managed by Fidelity.

## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

Commodities outperformed other asset classes over the period as bad weather boosted prices in the energy and agriculture sectors. Energy prices rose due to the unseasonably cold winter in the US, while the drought in Brazil drove up coffee prices to a record high. Meanwhile, improving economic data and continued monetary support from central banks in developed markets supported equities. However, gains were limited by worries about the impact of the reduction in money supply by the US Federal Reserve (Fed), slow growth in China and rising geopolitical tensions in Ukraine. The real estate sector underperformed other asset classes following the Fed's announcement that it could begin tapering money supply. A reduction in money supply could lead to a rise in interest rates, which would likely impact property shares as they are sensitive to changes in interest rates.

### PORTFOLIO ACTIVITY

The selection of underlying managers in US equities hurt performance. The position in iShares MSCI Canada Fund held back returns; as a result, I reduced this holding over the period. Selection of underlying managers in other equity regions such as Europe ex UK, the UK and Japan also hampered performance. Moreover, tactical asset allocation held back gains. Based on my positive view on global growth, I maintained a bias towards equities. However, in equity regions, a preference for Japan detracted from returns. Since the start of 2014, Japanese equities have been relative laggards as the consumption tax hike scheduled for April has led to increased uncertainty among investors. Disappointing progress on the government's growth and reform policies also hurt sentiment. Consequently, the overweight stance in Japan was lowered by reducing the exposure to iShares MSCI Japan Fund and Fidelity Japan Fund. In contrast, a bias towards the Europe ex UK contributed to returns given supportive policies implemented by the European Central Bank (ECB). The exposure to the region was increased by adding positions in Fidelity Funds - European Dividend Fund, Fidelity Funds - European Larger Companies Fund and Fidelity Funds - European Value Fund. Elsewhere, commodities was held at an underweight stance as I believe that slow growth in China, the largest consumer of industrial metals, will hurt commodity prices. Therefore, I further reduced the position in this asset class by selling holdings in Dow Jones - UBS Commodity Flex Index and ETFS All Commodities. However, this decision negatively impacted returns as commodities rose on the back of harsh weather. Nonetheless, I believe this was an unexpected short-term gain, and retain my underweight in the sector.

### OUTLOOK

The macroeconomic environment remains broadly supportive of equities. At a regional level, the US is favoured on the back of improving corporate earnings and signs of stable growth. Equities in Japan could be volatile due to the impact of the sales tax increase. Meanwhile, Pacific ex Japan and emerging markets could be hurt by weakening growth in China, the major export market for both regions. Elsewhere, the weather induced strength in commodities is likely to fade.

Trevor Greetham  
Fund Manager  
30 April 14

## PERFORMANCE RECORD

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

	30/04/10	30/04/11	30/04/12	30/04/13	30/04/14
A Accumulation Shares	-	-	-3.7	16.1	2.6
Y Accumulation Shares	-	-	-	-	3.2
Fidelity PathFinder Focused 4 Accumulation Shares	-	-	-	-	2.7
N Accumulation Shares	-	-	-	-	-
Fidelity PathFinder Focused 4 Accumulation (clean) Shares	-	-	-	-	-
* Comparative Index	-	-	-4.6	15.5	3.6

\* Comparative Index: 15% Dow Jones - UBS Commodity Index Total Return, 25% FTSE All Share Index, 50% MSCI All Countries World Index (Net) & 10% FTSE EPRA/NAREIT Developed Index (G)

Source: Fidelity, Morningstar and RIMES, bid to bid, UK£, net income reinvested. Comparative index to 24/09/2012 was Morningstar Flexible Investment. Past performance is not a reliable indicator of future results.

## 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. Some funds are able to invest some or all of their assets in developing overseas markets which carry a higher risk than investing in larger established markets. Investments in emerging markets are likely to experience greater rises and falls in value and there may be trading difficulties. Some funds invest in overseas markets. This means that changes in currency exchange rates will affect the value of your investment. For some funds, derivatives and forward transactions may be used for specific 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. We assess the creditworthiness of counterparties as part of our risk management process. 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.



# FIDELITY MULTI ASSET ADVENTUROUS FUND

## PORTFOLIO INFORMATION

	30/04/14	31/10/13
	%	%
Equity Funds	79.62	80.53
Property Funds	8.43	5.61
Commodity Funds/Commodity Exposure	5.28	1.02
Cash Funds/Money Market Funds	5.28	0.00
Forward Foreign Exchange Contracts	0.03	0.00
Index Futures	-0.22	-0.37
Cash and other net assets/(liabilities)	1.58	13.21

## TOP HOLDINGS

The top ten holdings in the fund as at 30 April 2014 and at the previous year end are shown below.

Top holdings as at 30/04/14	% of total net assets
Fidelity UK Select Fund	9.46
FAST - US Fund	9.11
Fidelity Global Property Fund	8.43
SPDR S&P US Dividend Aristocrats Fund	7.73
Fidelity MoneyBuilder Dividend Fund	7.09
Fidelity Funds - American Growth Fund	6.17
Fidelity MoneyBuilder Growth Fund	4.91
Fidelity Institutional Liquidity Fund (USD)	4.79
Fidelity Funds - European Dynamic Value Fund	3.90
Fidelity Global Dividend Fund	3.73

Top holdings as at 31/10/13	% of total net assets
Fidelity UK Select Fund	10.20
FAST - US Fund	8.19
Fidelity MoneyBuilder Growth Fund	7.97
Fidelity MoneyBuilder Dividend Fund	7.76
SPDR S&P US Dividend Aristocrats Fund	7.06
Fidelity Funds - American Growth Fund	5.79
Fidelity Global Property Fund	5.61
Fidelity Global Dividend Fund	3.80
Fidelity Japan Fund	2.94
Fidelity Institutional Pacific (ex-Japan) Fund	2.71

### Footnotes:

1. The net asset value is the accounting value at the period end on a fair value basis.
2. The Fidelity PathFinder Focused 4 Accumulation (clean) Shares were launched on 30/01/14.

## FUND FACTS

### INCOME (pence per share)

No distributions were due in the six month period.

### ONGOING CHARGES (%)

	A Accumulation Shares	N Accumulation Shares
30/04/14	1.73	0.97
30/04/13	1.66	-
	Y Accumulation Shares	Fidelity PathFinder Focused 4 Accumulation Shares
30/04/14	1.23	1.73
30/04/13	1.16	1.66

	Fidelity PathFinder Focused 4 Accumulation (clean) Shares <sup>2</sup>
30/04/14	1.04

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			N Accumulation Shares		
30/04/14	245.7	121.90	201,565,093	0.5	100.48	530,824
	Y Accumulation Shares			Fidelity PathFinder Focused 4 Accumulation Shares		
30/04/14	1.1	117.08	982,105	3.4	107.79	3,126,092
	Fidelity PathFinder Focused 4 Accumulation (clean) Shares					
30/04/14	2.2	103.01	2,096,647			

## INVESTMENT OBJECTIVE AND POLICY

The fund aims to provide long term capital growth by investing primarily through regulated collective investment schemes, including schemes managed by Fidelity in order to obtain a global exposure to mostly equities and commodities. The Fund may also invest directly in other transferable securities, money market instruments, cash and deposits. Derivatives and forward transactions may also be used for investment purposes.

NB: It is anticipated that the Fund will mainly invest in index tracking funds with the aim of pursuing a lower cost investment approach.

## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

Commodities outperformed other asset classes over the period as bad weather boosted prices in the energy and agriculture sectors. Energy prices rose due to the unseasonably cold winter in the US, while the drought in Brazil drove up coffee prices to a record high. Meanwhile, improving economic data and continued monetary support from central banks in developed markets supported equities. However, gains were limited by worries about the impact of the reduction in money supply by the US Federal Reserve (Fed), slow growth in China and rising geopolitical tensions in Ukraine. The real estate sector underperformed following the Fed's announcement that it could begin tapering money supply. A reduction in money supply could lead to a rise in interest rates, which would likely impact property shares as they are sensitive to changes in interest rates.

### PORTFOLIO ACTIVITY

Tactical asset allocation negatively impacted returns. Based on my positive view on global growth, I positioned the fund to benefit from an improving economic environment by maintaining a bias towards equities at the expense of other asset classes. However, in equity regions, an overweight stance in Japan, notably positions in iShares MSCI Japan Fund and Northern Trust Japan Equity Index Fund held back performance. The position in the former was sold, while the exposure to the latter was reduced. A preference for Pacific ex Japan and emerging market equities also detracted from returns amid concerns about slow growth in China, the largest export market for both regions. Consequently, the exposure to both regions was scaled down by reducing the allocation to iShares MSCI Pacific Ex-Japan Fund and iShares MSCI Emerging Markets Fund. On a positive note, an overweight stance in the US and Europe ex UK equities supported returns. The allocation to the latter was raised in light of a pickup in growth by increasing holdings in Fidelity Index Europe ex UK Fund and iShares MSCI Europe ex-UK Fund. Elsewhere, I believed that slow growth in China, the largest consumer of industrial metals, will hurt commodity prices. Therefore, I reduced the allocation to commodities during the period. However, the underweight stance in the asset class detracted from returns as commodities rose on the back of harsh weather. Nonetheless, I believe this was an unexpected short-term gain, and retain my underweight in the sector. In the real estate segment, I increased the exposure to BlackRock Global Property Securities Equity Fund.

### OUTLOOK

The macroeconomic environment remains broadly supportive of equities. At a regional level, the US is favoured on the back of improving corporate earnings and signs of stable growth. Equities in Japan could be volatile due to the impact of the sales tax increase. Meanwhile, Pacific ex Japan and emerging markets could be hurt by weakening growth in China, the major export market for both regions. Elsewhere, the weather induced strength in commodities is likely to fade.

Trevor Greetham  
Fund Manager  
30 April 14

## PERFORMANCE RECORD

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

	30/04/10	30/04/11	30/04/12	30/04/13	30/04/14
A Accumulation Shares	-	-	-	-	2.0
Y Accumulation Shares	-	-	-	-	2.6
Fidelity PathFinder Foundation 4 Accumulation Shares	-	-	-	-	2.1
N Accumulation Shares	-	-	-	-	-
Fidelity PathFinder Foundation 4 Accumulation (clean) Shares	-	-	-	-	-
* Comparative Index	-	-	-	-	3.6

\* Comparative Index: Comprises 15% Dow Jones - UBS Commodity Index Total Return, 25% FTSE All Share Index, 50% MSCI All Countries World Index (Net) & 10% FTSE EPRA/NAREIT Developed Index (G)

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested. Past performance is not a reliable indicator of future results.

## 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 investments and the income from it can go down as well as up so you may not get back the amount you invested. Some funds are able to invest some or all of their assets in developing overseas markets which carry a higher risk than investing in larger established markets. Investments in emerging markets are likely to experience greater rises and falls in value and there may be trading difficulties. Some funds invest in overseas markets. This means that changes in currency exchange rates will affect the value of your investment. For some funds, derivatives and forward transactions may be used for specific 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. We assess the creditworthiness of counterparties as part of our risk management process. 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.

# FIDELITY MULTI ASSET ALLOCATOR ADVENTUROUS FUND

## PORTFOLIO INFORMATION

	30/04/14	31/10/13
	%	%
Equity Funds	78.05	78.87
Property Funds	8.48	5.74
Commodity Funds/Commodity Exposure	5.23	0.65
Cash Funds/Money Market Funds	0.03	0.05
Forward Foreign Exchange Contracts	0.01	0.02
Index Futures	-0.20	-0.26
Cash and other net assets/(liabilities)	8.40	14.93

## TOP HOLDINGS

The top ten holdings in the fund as at 30 April 2014 and at the previous year end are shown below.

Top holdings as at 30/04/14	% of total net assets
Fidelity UK Index Fund <sup>5</sup>	28.19
Fidelity US Index Fund <sup>2</sup>	27.11
BlackRock Global Property Securities Equity Fund	7.39
iShares MSCI Europe Ex-UK Fund	5.13
Fidelity Index Japan Fund	2.96
Northern Trust Emerging Market Index Fund	2.43
Northern Trust Japan Equity Index Fund	2.26
Northern Trust Europe (ex-UK) Equity Index Fund	2.16
Dow Jones - UBS Agriculture and Livestock Total Return Index (Warrants 13/02/2017)	2.16
Fidelity Emerging Markets Fund	1.71

Top holdings as at 31/10/13	% of total net assets
Fidelity UK Index Fund <sup>5</sup>	28.79
Fidelity US Index Fund <sup>2</sup>	25.92
BlackRock Global Property Securities Equity Fund	5.71
Northern Trust Japan Equity Index Fund	4.27
iShares MSCI Emerging Markets Fund	3.62
iShares MSCI Europe Ex-UK Fund	3.16
Northern Trust Emerging Market Index Fund	2.97
iShares MSCI Pacific Ex-Japan Fund	2.59
Northern Trust Europe (ex-UK) Equity Index Fund	2.38
iShares MSCI Japan Fund Fund	2.10

### Footnotes:

1. The net asset value is the accounting value at the period end on a fair value basis.
2. Formerly Fidelity MoneyBuilder US Index Fund.
3. Formerly Fidelity MoneyBuilder UK Index Fund.
4. The Fidelity PathFinder Foundation 4 Accumulation (clean) Shares were launched on 30/01/14.

## FUND FACTS

### INCOME (pence per share)

No distributions were due in the six month period.

### ONGOING CHARGES (%)

	A Accumulation Shares	N Accumulation Shares
30/04/14	1.20	0.45
30/04/13	1.35	-
	Y Accumulation Shares	Fidelity PathFinder Foundation 4 Accumulation Shares
30/04/14	0.70	1.20
30/04/13	0.85	1.35
	Fidelity PathFinder Foundation 4 Accumulation (clean) Shares <sup>4</sup>	
30/04/14	0.55	

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			N Accumulation Shares		
30/04/14	1.8	114.42	1,602,497	0.7	100.00	696,921
	Y Accumulation Shares			Fidelity PathFinder Foundation 4 Accumulation Shares		
30/04/14	3.7	115.22	3,231,743	1.8	106.32	1,695,013
	Fidelity PathFinder Foundation 4 Accumulation (clean) Shares					
30/04/14	1.8	103.74	1,701,916			

## INVESTMENT OBJECTIVE AND POLICY

The Fund aims to provide long term growth by investing primarily through other regulated collective investment schemes, including schemes managed by Fidelity in order to obtain a global exposure to mostly bonds and cash. The Fund may also have exposure to equities, property and commodities. The Fund may also invest directly in other transferable securities, money market instruments, cash and deposits. Derivatives and forward transactions may also be used for investment purposes.

NB: It is anticipated that the Fund will mainly invest in index tracking funds with the aim of pursuing a lower cost investment approach.

## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

Most asset classes generated small but positive returns over the period. Commodities outperformed as bad weather boosted prices in the energy and agriculture sectors. Energy prices rose due to the unseasonably cold winter in the US, while the drought in Brazil drove up coffee prices to a record high. Meanwhile, improving economic data and continued monetary support from central banks in developed markets supported equities. However, gains were limited by worries about the impact of the reduction in money supply by the US Federal Reserve (Fed), slow growth in China and rising geopolitical tensions in Ukraine. In the fixed income segment, high yield and corporate bonds outperformed government bonds. Property underperformed other asset classes following the Fed's announcement that it could begin tapering money supply. This could lead to a rise in interest rates, which would likely impact property shares as they are sensitive to changes in interest rates.

### PORTFOLIO ACTIVITY

Tactical asset allocation negatively impacted returns. Based on my positive view on global growth, I positioned the fund to benefit from an improving economic environment by maintaining a bias towards equities at the expense of other asset classes. However, in equity regions, an overweight stance in Japan, notably holdings in iShares MSCI Japan Fund and Northern Trust Japan Equity Index Fund held back performance. The position in the former was sold, while the exposure to the latter was reduced. A slight preference for emerging market equities also detracted from returns amid concerns about slow growth in China, the major export market for the region. Consequently, the exposure to emerging markets was lowered by selling the holding in iShares MSCI Emerging Markets Fund. In contrast, returns were supported by an overweight stance in the US and Europe ex UK equities. In the former, I bought a position in Fidelity Index US Fund. The allocation to the latter was increased given a pickup in growth by raising the holding in Fidelity Index Europe ex UK Fund. Elsewhere, I believe that slow growth in China, the largest consumer of industrial metals, will hurt commodity prices. Therefore, I lowered the allocation to the asset class. However, the underweight stance in commodities detracted from returns as it rose on the back of harsh weather. Nonetheless, I believe this was an unexpected short-term gain, and retain my underweight in the sector. In the fixed income segment, corporate bonds were preferred over government bonds. Thus, I raised the exposure to Blackrock UK Bond Index Fund.

### OUTLOOK

The macroeconomic environment remains broadly supportive of equities. At a regional level, the US is favoured on the back of improving corporate earnings and signs of stable growth. Equities in Japan could be volatile due to the impact of the sales tax increase. Meanwhile, Pacific ex Japan and emerging markets could be hurt by weakening growth in China. Elsewhere, the weather induced strength in commodities is likely to fade. Global corporate bonds are likely to outperform core government bonds as investors are attracted by the level of income they pay.

Trevor Greetham  
Fund Manager  
30 April 14

## PERFORMANCE RECORD

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

	30/04/10	30/04/11	30/04/12	30/04/13	30/04/14
Gross paying A Accumulation Shares**	-	-	-	5.6	-2.0
A Accumulation Shares	-	-	-	5.6	-2.0
Gross paying Fidelity PathFinder Foundation 1 Accumulation**	-	-	-	-	-1.8
Fidelity PathFinder Foundation 1 Accumulation Shares	-	-	-	-	-1.7
Y Accumulation Shares	-	-	-	6.1	-1.6
Gross paying Y Accumulation Shares**	-	-	-	6.3	-1.4
Gross paying N Accumulation Shares**	-	-	-	-	-
N Accumulation Shares	-	-	-	-	-
Gross paying Fidelity PathFinder Foundation 1 Accumulation (clean) Shares**	-	-	-	-	-
Fidelity PathFinder Foundation 1 Accumulation (clean) Shares	-	-	-	-	-
* Comparative Index	-	-	-	8.4	-1.0

\* Comparative Index: Comprises 50% BofA ML Sterling Large Cap (Net), 25% GBP 1 Week LIBID, 10% MSCI AC World (Net), 5% FTSE All Share (Net), 5% DJ-UBS Commodity Index & 5% FTSE EPRA/NAREIT Global (G)

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested, \*\* gross income reinvested. Past performance is not a reliable indicator of future results.

## 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. Some funds 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, cash or other money market instruments there is a risk that the issuer may default. 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. Some funds are able to invest some or all of their assets in developing overseas markets which carry a higher risk than investing in larger established markets. Investments in emerging markets are likely to experience greater rises and falls in value and there may be trading difficulties. Some funds invest in overseas markets. This means that changes in currency exchange rates will affect the value of your investment. For some funds, derivatives and forward transactions may be used for specific 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. We assess the creditworthiness of counterparties as part of our risk management process. 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.

# FIDELITY MULTI ASSET ALLOCATOR DEFENSIVE FUND

## PORTFOLIO INFORMATION

	30/04/14	31/10/13
	%	%
Fixed Interest Funds	43.14	36.66
Cash Funds/Money Market Funds	23.29	28.25
Equity Funds	18.65	22.85
Commodity Funds/Commodity Exposure	4.86	0.04
Property Funds	3.10	2.48
ETFS: Tracking Government Bonds	0.72	3.50
Forward Foreign Exchange Contracts	0.04	0.01
Index Futures	-0.18	-0.05
Cash and other net assets/(liabilities)	6.38	6.26

## TOP HOLDINGS

The top ten holdings in the fund as at 30 April 2014 and at the previous year end are shown below.

Top holdings as at 30/04/14	% of total net assets
Legal & General All Stock Gilt Index Trust Fund	26.70
Fidelity Gross Accumulating Cash Fund	23.29
BlackRock UK Bond Index Fund	14.57
Fidelity UK Index Fund <sup>3</sup>	5.15
Northern Trust North America Equity Fund	4.14
Fidelity US Index Fund <sup>2</sup>	3.58
BlackRock Global Property Securities Equity Fund	2.93
Dow Jones - UBS Agriculture and Livestock Total Return Index (Warrants 13/02/2017)	2.13
Dow Jones - UBS Energy Total Return Index (Warrants 07/02/2017)	1.73
iShares Barclays Euro Government Bond Fund	1.72

Top holdings as at 31/10/13	% of total net assets
Fidelity Gross Accumulating Cash Fund	28.25
Legal & General All Stock Gilt Index Trust Fund	22.93
BlackRock UK Bond Index Fund	11.33
Fidelity UK Index Fund <sup>3</sup>	5.70
Northern Trust North America Equity Fund	4.72
iShares FTSE UK Gilt All Stocks Fund	3.50
iShares MSCI Emerging Markets Fund	2.46
iShares Markit iBoxx £ Corporate Bond Fund	2.41
iShares MSCI USA Fund	2.38
iShares MSCI Pacific Ex-Japan Fund	1.82

### Footnotes:

1. The net asset value is the accounting value at the period end on a fair value basis.
2. Formerly Fidelity MoneyBuilder US Index Fund.
3. Formerly Fidelity MoneyBuilder UK Index Fund.
4. The Fidelity PathFinder Freedom 1 Accumulation (clean) Shares and Gross paying Fidelity PathFinder Freedom 1 Accumulation (clean) Shares were launched on 30/01/14.

## FUND FACTS

### INCOME (pence per share)

No distributions were due in the six month period.

### ONGOING CHARGES (%)

	A Accumulation Shares	Gross paying A Accumulation Shares
30/04/14	1.20	1.20
30/04/13	1.30	1.30
	N Accumulation Shares	Gross paying N Accumulation Shares
30/04/14	0.45	0.45
30/04/13	-	-
	Y Accumulation Shares	Gross paying Y Accumulation Shares
30/04/14	0.70	0.70
30/04/13	0.80	0.80
	Fidelity PathFinder Foundation 1 Accumulation Shares	Gross paying Fidelity PathFinder Foundation 1 Accumulation Shares
30/04/14	1.20	1.20
30/04/13	1.30	1.30
	Fidelity PathFinder Foundation 1 Accumulation (clean) Shares <sup>4</sup>	Gross paying Fidelity PathFinder Foundation 1 Accumulation (clean) Shares <sup>4</sup>
30/04/14	0.55	0.55

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			Gross paying A Accumulation Shares		
30/04/14	5.2	104.36	5,036,231	3.2	104.46	3,065,271
	N Accumulation Shares			Gross paying N Accumulation Shares		
30/04/14	0.2	99.87	247,528	0.5	100.08	535,943
	Y Accumulation Shares			Gross paying Y Accumulation Shares		
30/04/14	2.6	105.52	2,457,040	1.2	105.95	1,114,906
	Fidelity PathFinder Foundation 1 Accumulation Shares			Gross paying Fidelity PathFinder Foundation 1 Accumulation shares		
30/04/14	0.1	101.25	48,670	1.3	100.99	1,335,963
	Fidelity PathFinder Foundation 1 Accumulation (clean) Shares			Gross paying Fidelity PathFinder Foundation 1 Accumulation (clean) shares		
30/04/14	0.1	100.97	48,604	1.3	100.99	1,242,701

## INVESTMENT OBJECTIVE AND POLICY

The fund aims to provide long term growth by investing primarily through other regulated collective investment schemes, including schemes managed by Fidelity in order to obtain a global exposure to mostly equities, commodities, and property. The fund may also invest directly in other transferable securities, money market instruments, cash and deposits. Derivatives and forward transactions may also be used for investment purposes.

NB: It is anticipated that the Fund will mainly invest in index tracking funds with the aim of pursuing a lower cost investment approach.

## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

Most asset classes generated small but positive returns over the period. Commodities outperformed as bad weather boosted prices in the energy and agriculture sectors. Energy prices rose due to the unseasonably cold winter in the US, while the drought in Brazil drove up coffee prices to a record high. Meanwhile, improving economic data and continued monetary support from central banks in developed markets supported equities. However, gains were limited by worries about the impact of the reduction in money supply by the US Federal Reserve (Fed), slow growth in China and rising geopolitical tensions in Ukraine. In the fixed income segment, high yield and corporate bonds outperformed government bonds. Property underperformed other asset classes following the Fed's announcement that it could begin tapering money supply. This could lead to a rise in interest rates, which would likely impact property shares as they are sensitive to changes in interest rates.

### PORTFOLIO ACTIVITY

Tactical asset allocation negatively impacted returns. Based on my positive view on global growth, I positioned the fund to benefit from an improving economic environment by maintaining a bias towards equities at the expense of other asset classes. However, in equity regions, an overweight stance in Japan, notably positions in iShares MSCI Japan Fund and Northern Trust Japan Equity Index Fund held back performance. The position in the former was sold, while the exposure to the latter was reduced. A preference for Pacific ex Japan and emerging market equities also detracted from returns amid concerns about slow growth in China, which is the major export market for both regions. Consequently, the exposure to these regions was scaled down by reducing the allocation to iShares MSCI Pacific ex-Japan Fund and iShares MSCI Emerging Markets Fund. In contrast, returns were supported by an overweight stance in the US and Europe ex UK equities. The allocation to the latter was increased given a pickup in growth by raising the holding in Fidelity Index Europe ex UK Fund. Elsewhere, I believe that slow growth in China, the largest consumer of industrial metals, will hurt commodity prices. Therefore, I lowered the allocation to the asset class. However, the underweight stance in commodities detracted from returns as it rose on the back of harsh weather. Nonetheless, I believe this was an unexpected short-term gain, and retain my underweight in the sector. In the fixed income segment, corporate bonds were preferred over government bonds. Therefore, I raised the exposure to iShares Markit iBoxx £ Corporate Bond Fund and Blackrock UK Credit Bond Index Fund.

### OUTLOOK

The macroeconomic environment remains broadly supportive of equities. At a regional level, the US is favoured on the back of improving corporate earnings and signs of stable growth. Equities in Japan could be volatile due to the impact of the sales tax increase. Meanwhile, Pacific ex Japan and emerging markets could be hurt by weakening growth in China. Elsewhere, the weather induced strength in commodities is likely to fade. Meanwhile, global corporate bonds are expected to outperform core government bonds as investors are attracted by the level of income they pay.

Trevor Greetham  
Fund Manager  
30 April 14

## PERFORMANCE RECORD

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

	30/04/10	30/04/11	30/04/12	30/04/13	30/04/14
A Accumulation Shares	-	-	-	10.8	0.7
Fidelity PathFinder Foundation 3 Accumulation Shares	-	-	-	-	0.7
Y Accumulation Shares	-	-	-	11.3	1.1
N Accumulation Shares	-	-	-	-	-
Fidelity PathFinder Foundation 3 Accumulation (clean) Shares	-	-	-	-	-
* Comparative Index	-	-	-	14.1	1.5

\* Comparative Index: Comprises 30% MSCI AC World (Net), 20% BofA ML Sterling Large Cap (Net), 20% FTSE All Share (Net), 15% DJ-UBS Commodity Index, 10% FTSE EPRA/NAREIT Global (G) & 5% GBP 1 Week LIBID

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested. Past performance is not a reliable indicator of future results.

## 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. Some funds 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, cash or other money market instruments there is a risk that the issuer may default. 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. Some funds are able to invest some or all of their assets in developing overseas markets which carry a higher risk than investing in larger established markets. Investments in emerging markets are likely to experience greater rises and falls in value and there may be trading difficulties. Some funds invest in overseas markets. This means that changes in currency exchange rates will affect the value of your investment. For some funds, derivatives and forward transactions may be used for specific 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. We assess the creditworthiness of counterparties as part of our risk management process. 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.

# FIDELITY MULTI ASSET ALLOCATOR GROWTH FUND

## PORTFOLIO INFORMATION

	30/04/14	31/10/13
	%	%
Equity Funds	54.38	62.50
Fixed Interest Funds	14.35	5.51
Cash Funds/Money Market Funds	8.94	5.37
Property Funds	8.42	7.55
Commodity Funds/Commodity Exposure	4.99	1.03
ETFS: Tracking Government Bonds	1.40	1.67
Forward Foreign Exchange Contracts	0.01	0.00
Index Futures	-0.17	-0.41
Cash and other net assets/(liabilities)	7.68	16.78

## TOP HOLDINGS

The top ten holdings in the fund as at 30 April 2014 and at the previous year end are shown below.

Top holdings as at 30/04/14	% of total net assets
Fidelity UK Index Fund <sup>5</sup>	22.17
Northern Trust North America Equity Fund	10.19
Fidelity Gross Accumulating Cash Fund	8.94
Fidelity US Index Fund <sup>2</sup>	7.74
Legal & General All Stock Gilt Index Trust Fund	6.64
BlackRock Global Property Securities Equity Fund	6.43
BlackRock UK Bond Index Fund	4.16
Fidelity Index Japan Fund	2.23
Fidelity Index Europe ex-UK Fund	2.05
iShares £ Corporate Bond Fund	2.03

Top holdings as at 31/10/13	% of total net assets
Fidelity UK Index Fund <sup>5</sup>	22.36
Northern Trust North America Equity Fund	13.44
BlackRock Global Property Securities Equity Fund	6.96
Fidelity Gross Accumulating Cash Fund	5.37
iShares MSCI Pacific Ex-Japan Fund	3.64
iShares MSCI Emerging Markets Fund	3.52
Northern Trust Japan Equity Index Fund	3.44
iShares MSCI Europe Ex-UK Fund	3.38
Fidelity US Index Fund <sup>2</sup>	2.53
Legal & General All Stock Gilt Index Trust Fund	2.26

### Footnotes:

1. The net asset value is the accounting value at the period end on a fair value basis.
2. Formerly Fidelity MoneyBuilder US Index Fund.
3. Formerly Fidelity MoneyBuilder UK Index Fund.
4. The Fidelity PathFinder Foundation 3 Accumulation (clean) Shares were launched on 30/01/14.

## FUND FACTS

### INCOME (pence per share)

No distributions were due in the six month period.

### ONGOING CHARGES (%)

	A Accumulation Shares	N Accumulation Shares
30/04/14	1.20	0.45
30/04/13	1.32	-
	Y Accumulation Shares	Fidelity PathFinder Foundation 3 Accumulation Shares
30/04/14	0.70	1.20
30/04/13	0.82	1.32
	Fidelity PathFinder Foundation 3 Accumulation (clean) Shares <sup>4</sup>	
30/04/14	0.55	

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			N Accumulation Shares		
30/04/14	4.1	116.52	3,519,853	2.3	100.32	2,318,538
	Y Accumulation Shares			Fidelity PathFinder Foundation 3 Accumulation Shares		
30/04/14	22.6	118.03	19,071,202	3.8	104.12	3,645,013
	Fidelity PathFinder Foundation 3 Accumulation (clean) Shares					
30/04/14	4.1	102.96	4,019,399			



## INVESTMENT OBJECTIVE AND POLICY

The Fund aims to provide long term growth by investing primarily through other regulated collective investment schemes, including schemes managed by Fidelity in order to obtain a global exposure to mostly bonds, equities, commodities, property and cash. The Fund may also invest directly in other transferable securities, money market instruments, cash and deposits. Derivatives and forward transactions may also be used for investment purposes.

NB: It is anticipated that the Fund will mainly invest in index tracking funds with the aim of pursuing a lower cost investment approach.

## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

Most asset classes generated small but positive returns over the period. Commodities outperformed as bad weather boosted prices in the energy and agriculture sectors. Energy prices rose due to the unseasonably cold winter in the US, while the drought in Brazil drove up coffee prices to a record high. Meanwhile, improving economic data and continued monetary support from central banks in developed markets supported equities. However, gains were limited by worries about the impact of the reduction in money supply by the US Federal Reserve (Fed), slow growth in China and rising geopolitical tensions in Ukraine. In the fixed income segment, high yield and corporate bonds outperformed government bonds. Property underperformed other asset classes following the Fed's announcement that it could begin tapering money supply. This could lead to a rise in interest rates, which would likely impact property shares as they are sensitive to changes in interest rates.

### PORTFOLIO ACTIVITY

Tactical asset allocation negatively impacted returns. Based on my positive view on global growth, I positioned the fund to benefit from an improving economic environment by maintaining a bias towards equities at the expense of other asset classes. However, in equity regions, an overweight stance in Japan, notably positions in iShares MSCI Japan Fund and Northern Trust Japan Equity Index Fund held back performance. The position in the former was sold, while the exposure to the latter was reduced. A slight preference for emerging market equities also detracted from returns amid concerns about slow growth in China, the major export market for the region. Consequently, the exposure to emerging markets was lowered by reducing the allocation to iShares MSCI Emerging Markets Fund. In contrast, returns were supported by an overweight stance in the US and Europe ex UK equities. The allocation to the latter was increased given a pickup in growth by raising holdings in Fidelity Index Europe ex UK Fund and iShares MSCI Europe ex-UK Fund. Elsewhere, I believe that slow growth in China, the largest consumer of industrial metals, will hurt commodity prices. Therefore, I lowered the allocation to the asset class. However, the underweight stance in commodities detracted from returns as it rose on the back of harsh weather. Nonetheless, I believe this was an unexpected short-term gain, and retain my underweight in the sector. In the fixed income segment, corporate bonds were preferred over government bonds. Thus, I raised the exposure to Blackrock UK Credit Bond Index Fund.

### OUTLOOK

The macroeconomic environment remains broadly supportive of equities. At a regional level, the US is favoured on the back of improving corporate earnings and signs of stable growth. Equities in Japan could be volatile due to the impact of the sales tax increase. Meanwhile, Pacific ex Japan and emerging markets could be hurt by weakening growth in China. Elsewhere, the weather induced strength in commodities is likely to fade. Meanwhile, global corporate bonds are expected to outperform core government bonds as investors are attracted by the level of income they pay.

Trevor Greetham  
Fund Manager  
30 April 14

## PERFORMANCE RECORD

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

	30/04/10	30/04/11	30/04/12	30/04/13	30/04/14
A Accumulation Shares	-	-	-	8.3	-0.6
MoneyBuilder Asset Allocator Accumulation Shares	-	-	-	8.5	-0.4
Fidelity PathFinder Foundation 2 Accumulation Shares	-	-	-	-	-0.6
Y Accumulation Shares	-	-	-	8.8	-0.1
N Accumulation Shares	-	-	-	-	-
Fidelity PathFinder Foundation 2 Accumulation (clean) Shares	-	-	-	-	-
* Comparative Index	-	-	-	11.4	0.6

\* Comparative Index: Comprises 40% BofA ML Sterling Large Cap (Net), 20% MSCI AC World (Net), 15% FTSE All Share (Net), 10% DJ-UBS Commodity Index, 10% GBP 1 Week LIBID & 5% FTSE EPRA/NAREIT Global (G)

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested. Past performance is not a reliable indicator of future results.

## 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. Some funds 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, cash or other money market instruments there is a risk that the issuer may default. 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. Some funds are able to invest some or all of their assets in developing overseas markets which carry a higher risk than investing in larger established markets. Investments in emerging markets are likely to experience greater rises and falls in value and there may be trading difficulties. Some funds invest in overseas markets. This means that changes in currency exchange rates will affect the value of your investment. For some funds, derivatives and forward transactions may be used for specific 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. We assess the creditworthiness of counterparties as part of our risk management process. 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.



# FIDELITY MULTI ASSET ALLOCATOR STRATEGIC FUND

## PORTFOLIO INFORMATION

	30/04/14	31/10/13
	%	%
Equity Funds	39.75	42.39
Fixed Interest Funds	33.80	26.16
Cash Funds/Money Market Funds	14.05	12.79
Commodity Funds/Commodity Exposure	4.90	0.90
Property Funds	3.50	2.43
ETFS: Tracking Government Bonds	2.22	3.63
Forward Foreign Exchange Contracts	0.01	0.01
Index Futures	-0.17	-0.18
Cash and other net assets/(liabilities)	1.94	11.87

## TOP HOLDINGS

The top ten holdings in the fund as at 30 April 2014 and at the previous year end are shown below.

Top holdings as at 30/04/14	% of total net assets
Legal & General All Stock Gilt Index Trust Fund	17.69
Fidelity UK Index Fund <sup>3</sup>	16.15
Fidelity Gross Accumulating Cash Fund	14.05
BlackRock UK Credit Bond Index Fund	10.87
Northern Trust North America Equity Fund	7.10
Fidelity US Index Fund <sup>2</sup>	5.90
BlackRock Global Property Securities Equity Fund	2.62
BlackRock GiltTrak Fund	2.36
iShares FTSE UK Gilt All Stocks Fund	2.22
iShares MSCI Europe ex-UK Fund	2.15

Top holdings as at 31/10/13	% of total net assets
Fidelity UK Index Fund <sup>3</sup>	16.04
Fidelity Gross Accumulating Cash Fund	12.79
Legal & General All Stock Gilt Index Trust Fund	12.66
Northern Trust North America Equity Fund	9.92
BlackRock UK Bond Index Fund	8.41
iShares FTSE UK Gilt All Stocks Fund	3.63
BlackRock GiltTrak Fund	3.01
iShares MSCI Emerging Markets Fund	2.62
Northern Trust Japan Equity Index Fund	2.59
iShares MSCI USA Fund	2.36

### Footnotes:

1. The net asset value is the accounting value at the period end on a fair value basis.
2. Formerly Fidelity MoneyBuilder US Index Fund.
3. Formerly Fidelity MoneyBuilder UK Index Fund.
4. The Fidelity PathFinder Foundation 2 Accumulation (clean) Shares were launched on 30/01/14.

## FUND FACTS

### INCOME (pence per share)

No distributions were due in the six month period.

### ONGOING CHARGES (%)

	A Accumulation Shares	N Accumulation Shares
30/04/14	1.20	0.45
30/04/13	1.31	-
	Y Accumulation Shares	MoneyBuilder Asset Allocator Accumulation Shares
30/04/14	0.70	0.95
30/04/13	0.81	1.06
	Fidelity PathFinder Foundation 2 Accumulation Shares	Fidelity PathFinder Foundation 2 Accumulation (clean) Shares <sup>4</sup>
30/04/14	1.20	0.55
30/04/13	1.31	-

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			N Accumulation Shares		
30/04/14	6.8	111.06	6,044,259	2.6	100.16	2,627,439
	Y Accumulation Shares			MoneyBuilder Asset Allocator Accumulation Shares		
30/04/14	8.0	112.38	7,112,852	6.9	111.65	6,187,770
	Fidelity PathFinder Foundation 2 Accumulation Shares			Fidelity PathFinder Foundation 2 Accumulation (clean) Shares		
30/04/14	2.8	102.63	2,740,493	3.6	101.93	3,539,834

## INVESTMENT OBJECTIVE AND POLICY

The fund's investment objective is to achieve a balance of income and long term capital growth. The Fund will invest primarily in collective investment schemes including those managed by Fidelity. The Fund will gain exposure to a range of global assets through allocation to bonds and to company shares. The Fund may also gain exposure to commodities, property and cash and invest directly in equities, bonds, money market instruments, cash and deposits. Derivatives and forward transactions may also be used for investment purposes.

## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

The general level of interest rates and yields remained low over the period. Improving economic data in developed countries supported equity markets. However worries about the impact of the reduction in money supply by the US Federal Reserve (Fed), concerns about slower growth in China and geopolitical tensions in Ukraine limited gains. Within fixed income assets, high yield and corporate bonds gained the most, benefiting from investors' search for returns. Property shares underperformed other asset classes following the Fed's announcement that it could begin tapering money supply. This could lead to a rise in interest rates, which would likely impact property shares as they are sensitive to changes in interest rates.

### PORTFOLIO ACTIVITY

The selection of underlying funds in the fixed income segment was notably rewarding. Funds invested in investment grade and high yield bonds benefited from the strong performance of these asset classes. Consequently, holdings in Fidelity Extra Income Fund, Fidelity Institutional UK Corporate Bond Fund and Fidelity Funds - European High Yield Fund supported returns. Elsewhere, the allocation to loans (a type of high yield security that offer returns that rise in line with an increase in interest rates and provide greater protection to bond holders in the event of a default) boosted performance. Notably, a new holding in TwentyFour Income Fund aided performance. Within the infrastructure sector, a new position in Doric Nimrod Air Two, an aircraft leasing company, supported returns. Since the fund focuses on income generation, we mainly hold dividend paying stocks in the equity segment. These tend to outperform the broader market when there are concerns about growth. Consequently, the equity segment supported returns. Over the review period, we reduced our position in equities via Fidelity Global Dividend Fund in view of emerging risks to global growth. Within the investment grade bonds segment, we lowered the exposure to Fidelity MoneyBuilder Income Fund and Fidelity Extra Income Fund. Meanwhile, we raised the allocation to Fidelity Institutional UK Aggregate Bond Fund as it is relatively more sensitive to changes in interest rates. This holding is therefore likely to benefit from continued low interest rates if growth slips. Elsewhere, the sharp fall in emerging market debt in January made returns from this asset class attractive. Consequently, we bought a holding in Fidelity Funds - Emerging Market Debt Fund. We also purchased a new position in Tritax Big Box REIT, which invests in large warehouse and distribution facilities in the UK. It is expected to offer robust and increasing returns that are likely to outpace inflation.

### OUTLOOK

We believe the global economy is in the recovery phase of the economic cycle, which is characterised by improving growth and low inflation. However, slowing growth in China and geopolitical tension in Ukraine make us cautious about the growth outlook. The focus on income generation is primarily achieved through fixed income holdings. At the same time, there are opportunities in infrastructure, loans and property that can offer attractive, growing dividends as well as some potential for capital growth.

## PERFORMANCE RECORD

A discrete 1 year performance table has not been included as the fund launched on 4 September 2013 and does not have a full twelve month performance record.

## 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. Some funds 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, cash or other money market instruments there is a risk that the issuer may default. 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. Some funds take their 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. Some funds are able to invest some or all of their assets in developing overseas markets which carry a higher risk than investing in larger established markets. Investments in emerging markets are likely to experience greater rises and falls in value and there may be trading difficulties. Some funds invest in overseas markets. This means that changes in currency exchange rates will affect the value of your investment. For some funds, derivatives and forward transactions may be used for specific 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. We assess the creditworthiness of counterparties as part of our risk management process. The value of the fund may be affected if any of the institutions with which cash is deposited suffers insolvency or other financial difficulty. 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.

Eugene Philalithis & Nick Peters  
Fund Managers  
30 April 14

# FIDELITY MULTI ASSET BALANCED INCOME FUND

## PORTFOLIO INFORMATION

	30/04/14	31/10/13
	%	%
Fixed Interest Funds	67.94	65.39
Equity Funds	26.05	27.39
Equity Holdings	4.92	4.89
Property Funds	0.47	0.00
Forward Foreign Exchange Contracts	0.21	0.23
Cash and other net assets/(liabilities)	0.41	2.1

## TOP HOLDINGS

The top ten holdings in the fund as at 30 April 2014 and at the previous year end are shown below.

Top holdings as at 30/04/14	% of total net assets
Fidelity Extra Income Fund	14.28
Fidelity Global Dividend Fund	11.40
Fidelity Enhanced Income Fund	9.83
Fidelity Funds - US High Yield Fund	9.83
Fidelity MoneyBuilder Income Fund	9.47
Fidelity Institutional UK Corporate Bond Fund	6.64
Fidelity Institutional UK Aggregate Bond Fund	6.17
Fidelity Funds - European High Yield Fund	5.39
Fidelity Funds - Asian High Yield Fund	4.60
Fidelity Institutional Sterling Core Plus Bond Fund	3.77

Top holdings as at 31/10/13	% of total net assets
Fidelity Global Dividend Fund	14.67
Fidelity Extra Income Fund	14.60
Fidelity Enhanced Income Fund	9.86
Fidelity Funds - US High Yield Fund	9.86
Fidelity MoneyBuilder Income Fund	9.86
Fidelity Institutional UK Corporate Bond Fund	6.85
Fidelity Funds - European High Yield Fund	5.57
Fidelity Institutional UK Aggregate Bond Fund	4.89
Fidelity Funds - Asian High Yield Fund	4.89
Fidelity Institutional Sterling Core Plus Bond Fund	3.91

## FUND FACTS

### INCOME (PENCE PER SHARE)

	XD date	N Income Shares	Gross paying N Income Shares
Interim distribution	01/05/14	0.2800	0.3500
Interim distribution	01/04/14	0.2800	0.3500
Interim distribution	01/03/14	0.1406	0.2393
Interim distribution	01/02/14	0.2800	0.3500
Interim distribution	01/01/14	0.3397	0.4380
Interim distribution	01/12/13	0.2160	0.2683

	XD date	Y Income Shares	Gross paying Y Income Shares
Interim distribution	01/05/14	0.2800	0.3500
Interim distribution	01/04/14	0.2800	0.3500
Interim distribution	01/03/14	0.1425	0.2380
Interim distribution	01/02/14	0.2800	0.3500
Interim distribution	01/01/14	0.3400	0.4373
Interim distribution	01/12/13	0.2102	0.2683

	XD date	Fidelity PathFinder Income 2 Income Shares	Gross paying Fidelity PathFinder Income 2 Income Shares
Interim distribution	01/05/14	0.2800	0.3500
Interim distribution	01/04/14	0.2800	0.3500
Interim distribution	01/03/14	0.1502	0.2493
Interim distribution	01/02/14	0.2800	0.3500
Interim distribution	01/01/14	0.3465	0.4466
Interim distribution	01/12/13	0.2187	0.2719

	XD date	Fidelity PathFinder Income 2 Income (clean) Shares	Gross paying Fidelity PathFinder Income 2 Income (clean) Shares
Interim distribution	01/05/14	0.2800	0.3500
Interim distribution	01/04/14	0.2800	0.3500
Interim distribution	01/03/14	0.0676	0.1068

# FIDELITY MULTI ASSET BALANCED INCOME FUND

## FUND FACTS

### ONGOING CHARGES (%)

	N Income Shares	Gross paying N Income Shares
30/04/14	1.23	1.30
30/04/13	-	-
	Y Income Shares	Gross paying Y Income Shares
30/04/14	1.55	1.52
30/04/13	-	-
	Y Accumulation Shares <sup>2</sup>	Gross paying Y Accumulation Shares <sup>2</sup>
30/04/14	1.60	1.53
30/04/13	-	-
	Fidelity PathFinder Income 2 Income Shares	Gross paying Fidelity PathFinder Income 2 Income Shares
30/04/14	2.02	2.02
30/04/13	-	-
	Fidelity PathFinder Income 2 Income (clean) Shares <sup>3</sup>	Gross paying Fidelity PathFinder Income 2 Income (clean) Shares <sup>3</sup>
30/04/14	1.41	1.42

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
	N Income Shares			Gross paying N Income Shares		
30/04/14	0.1	101.84	9,314	0.1	101.85	164,748
	Y Income Shares			Gross paying Y Income Shares		
30/04/14	0.1	101.67	133,959	0.1	101.75	24,180
	Y Accumulation Shares			Gross paying Y Accumulation Shares		
30/04/14	0.1	103.25	17,280	0.1	103.58	12,877
	Fidelity PathFinder Income 2 Income Shares			Gross paying Fidelity PathFinder Income 2 Income shares		
30/04/14	0.1	103.35	565,897	0.3	103.44	381,235
	Fidelity PathFinder Income 2 Income (clean) Shares			Gross paying Fidelity PathFinder Income 2 Income (clean) Shares		
30/04/14	0.5	101.71	153,596	0.4	101.83	399,961

#### Footnotes:

1. The net asset value is the accounting value at the period end on a fair value basis.
2. The Y Accumulation and Gross paying Y Accumulation Shares were launched on 10/12/13.
3. The Fidelity PathFinder Income 2 Income (clean) Shares and Gross paying Fidelity PathFinder Income 2 Income (clean) Shares were launched on 30/01/14.

## INVESTMENT OBJECTIVE AND POLICY

The Fund aims to provide long-term growth by investing mostly in a range of global assets providing exposure to bonds and cash. The fund may also have some exposure to equities, property and commodities. The Fund will invest primarily through other regulated collective investment schemes, including schemes managed by Fidelity, and may also invest directly in other transferable securities, money market instruments, cash and deposits. Derivatives and forward transactions may also be used for investment purposes.

NB: It is anticipated that investment shall be made primarily in funds managed by Fidelity.

## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

Most asset classes generated small but positive returns over the period. Commodities outperformed as bad weather boosted prices in the energy and agriculture sectors. Energy prices rose due to the unseasonably cold winter in the US, while the drought in Brazil drove up coffee prices to a record high. Meanwhile, improving economic data and continued monetary support from central banks in developed markets supported equities. However, gains were limited by worries about the impact of the reduction in money supply by the US Federal Reserve (Fed), slow growth in China and rising geopolitical tensions in Ukraine. In the fixed income segment, high yield and corporate bonds outperformed government bonds. Property underperformed other asset classes following the Fed's announcement that it could begin tapering money supply. This could lead to a rise in interest rates, which would likely impact property shares as they are sensitive to changes in interest rates.

### PORTFOLIO ACTIVITY

Tactical asset allocation negatively impacted returns. Based on my positive view on global growth, I maintained a bias towards equities. However, in equity regions, a preference for Japan held back gains. Since the start of 2014, Japanese equities have been relative laggards as the consumption tax hike scheduled for April has led to uncertainty among investors. Consequently, the overweight stance in Japan was lowered by reducing the exposure to iShares MSCI Japan Fund and Fidelity Japan Fund. In contrast, a bias towards Europe ex UK and the US supported returns. Positions were purchased in SPDR S&P US Dividend Aristocrats Fund, Fidelity US Index Fund and FAST - US Fund. Elsewhere, commodities was held at an underweight stance as I believe that slow growth in China, the largest consumer of industrial metals, will hurt commodity prices. Therefore, I further reduced the position in this asset class by selling holdings in Dow Jones - UBS Commodity Index and ETFs All Commodities. However, this decision negatively impacted returns as commodities rose on the back of harsh weather. Nonetheless, I believe this was an unexpected short-term gain, and retain my underweight in the sector. In the fixed income segment, I prefer corporate bonds over government bonds. Thus, the exposure to Fidelity Institutional UK Gilt Fund was reduced. Meanwhile, selection of underlying managers had a broadly neutral impact on performance. Positions in the fixed income segment contributed to returns, but selected funds in equity regions detracted from overall fund performance.

### OUTLOOK

The macroeconomic environment remains broadly supportive of equities. At a regional level, the US is favoured on the back of improving corporate earnings and signs of stable growth. Equities in Japan could be volatile due to the impact of the sales tax increase. Meanwhile, Pacific ex Japan and emerging markets could be hurt by weakening growth in China, the major export market for both regions. Elsewhere, the weather induced strength in commodities is likely to fade. Global corporate bonds are likely to outperform core government bonds as investors are attracted by the level of income they pay.

Trevor Greetham  
Fund Manager  
30 April 14

## PERFORMANCE RECORD

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

	30/04/10	30/04/11	30/04/12	30/04/13	30/04/14
A Accumulation Shares	-	2.4	0.4	7.3	-1.8
Y Accumulation Shares	-	2.9	0.9	7.6	-1.4
Gross paying A Accumulation Shares**	-	-	-	7.4	-1.7
Gross paying Y Accumulation Shares**	-	-	-	7.9	-1.2
Gross paying Fidelity PathFinder Focused 1 Accumulation Shares**	-	-	-	-	-1.7
Fidelity PathFinder Focused 1 Accumulation Shares	-	-	-	-	-1.8
N Accumulation Shares	-	-	-	-	-
Gross paying N Accumulation Shares**	-	-	-	-	-
Gross paying Fidelity PathFinder Focused 1 Accumulation (clean) Shares**	-	-	-	-	-
Fidelity PathFinder Focused 1 Accumulation (clean) Shares	-	-	-	-	-
* Comparative Index	-	6.2	4.2	8.4	-1.0

\* Comparative Index: Comprises 50% BofA ML Sterling Large Cap (Net), 25% GBP 1 Week LIBID, 10% MSCI AC World (Net), 5% FTSE All Share (Net), 5% DJ - UBS Commodity Index & 5% FTSE EPRA/NAREIT Dev (G)

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested, \*\* gross income reinvested. Past performance is not a reliable indicator of future results.

## 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. Some funds 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, cash or other money market instruments there is a risk that the issuer may default. 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. Some funds are able to invest some or all of their assets in developing overseas markets which carry a higher risk than investing in larger established markets. Investments in emerging markets are likely to experience greater rises and falls in value and there may be trading difficulties. Some funds invest in overseas markets. This means that changes in currency exchange rates will affect the value of your investment. For some funds, derivatives and forward transactions may be used for specific 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 shareprice. 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. We assess the creditworthiness of counterparties as part of our risk management process. 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.

# FIDELITY MULTI ASSET DEFENSIVE FUND

## PORTFOLIO INFORMATION

	30/04/14	31/10/13
	%	%
Fixed Interest Funds	40.54	40.29
Cash Funds/Money Market Funds	29.56	29.08
Equity Funds	20.29	22.43
Commodity Funds/Commodity Exposure	4.85	0.48
Property Funds	3.29	2.50
Forward Foreign Exchange Contracts	0.05	0.01
Index Futures	0.04	-0.03
Cash and other net assets/(liabilities)	1.38	5.24

## TOP HOLDINGS

The top ten holdings in the fund as at 30 April 2014 and at the previous year end are shown below.

Top holdings as at 30/04/14	% of total net assets
Fidelity Gross Accumulating Cash Fund	29.56
Fidelity Institutional UK Gilt Fund	20.27
Fidelity Institutional UK Corporate Bond Fund	14.71
Fidelity Institutional Long Bond Fund	4.15
Fidelity Funds - Global Property Fund	3.29
Dow Jones - UBS Agriculture and Livestock	
Total Return Index (Warrants 13/02/2017)	2.29
FAST - US Fund	1.79
Dow Jones - UBS Energy Total Return Index (Warrants 07/02/2017)	1.68
Fidelity UK Select Fund	1.61
SPDR S&P US Dividend Aristocrats Fund	1.48

Top holdings as at 31/10/13	% of total net assets
Fidelity Gross Accumulating Cash Fund	29.08
Fidelity Institutional UK Gilt Fund	22.89
Fidelity Institutional UK Corporate Bond Fund	13.34
Fidelity Institutional Long Bond Fund	4.06
Fidelity Funds - Global Property Fund	2.50
Fidelity American Fund	2.32
Fidelity UK Select Fund	1.96
iShares S&P 500 Index Fund	1.87
iShares MSCI Emerging Markets Fund	1.84
iShares FTSE 100 Fund	1.68

### Footnotes:

1. The net asset value is the accounting value at the period end on a fair value basis.
2. The Fidelity PathFinder Focused 1 Accumulation (clean) Shares and Gross paying Fidelity PathFinder Focused 1 Accumulation (clean) Shares were launched on 30/01/14.

## FUND FACTS

### INCOME (pence per share)

No distributions were due in the six month period.

### ONGOING CHARGES (%)

	A Accumulation Shares	Gross paying A Accumulation Shares
30/04/14	1.88	1.87
30/04/13	1.69	1.69
	N Accumulation Shares	Gross paying N Accumulation Shares
30/04/14	1.13	1.14
30/04/13	-	-
	Y Accumulation Shares	Gross paying Y Accumulation Shares
30/04/14	1.37	1.38
30/04/13	1.19	1.18
	Fidelity PathFinder Focused 1 Accumulation Shares	Gross paying Fidelity PathFinder Focused 1 Accumulation Shares
30/04/14	1.88	1.88
30/04/13	1.69	1.69
	Fidelity PathFinder Focused 1 Accumulation (clean) Shares <sup>2</sup>	Gross paying Fidelity PathFinder Focused 1 Accumulation (clean) Shares <sup>2</sup>
30/04/14	1.27	1.27

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			Gross paying A Income Shares		
30/04/14	22.4	113.07	19,858,164	3.5	113.23	3,107,164
	N Accumulation Shares			Gross paying N Income Shares		
30/04/14	0.4	100.55	412,330	0.4	100.67	368,525
	Y Accumulation Shares			Gross paying Y Accumulation Shares		
30/04/14	1.5	115.44	1,277,039	0.3	108.96	288,033
	Fidelity PathFinder Focused 1 Accumulation Shares			Gross paying Fidelity PathFinder Focused 1 Accumulation Shares		
30/04/14	0.4	101.46	381,910	0.8	101.56	833,572
	Fidelity PathFinder Focused 1 Accumulation (clean) Shares			Gross paying Fidelity PathFinder Focused 1 Accumulation (clean) Shares		
30/04/14	0.1	101.21	56,928	0.7	101.22	695,044

## INVESTMENT OBJECTIVE AND POLICY

The Fund aims to provide long-term capital growth by investing mostly in a range of global assets providing exposure to equities, commodities and property. The Fund will also have some exposure to bonds and cash. The Fund will invest primarily through other regulated collective investment schemes, including schemes managed by Fidelity, and may also invest directly in other transferable securities, money market instruments, cash and deposits. Derivatives and forward transactions may also be used for investment purposes.

NB: It is anticipated that investment shall be made primarily in funds managed by Fidelity.

## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

Most asset classes generated small but positive returns over the period. Commodities outperformed as bad weather boosted prices in the energy and agriculture sectors. Energy prices rose due to the unseasonably cold winter in the US, while the drought in Brazil drove up coffee prices to a record high. Meanwhile, improving economic data and continued monetary support from central banks in developed markets supported equities. However, gains were limited by worries about the impact of the reduction in money supply by the US Federal Reserve (Fed), slow growth in China and rising geopolitical tensions in Ukraine. In the fixed income segment, high yield and corporate bonds outperformed government bonds. Property underperformed other asset classes following the Fed's announcement that it could begin tapering money supply. This could lead to a rise in interest rates, which would likely impact property shares as they are sensitive to changes in interest rates.

### PORTFOLIO ACTIVITY

Tactical asset allocation negatively impacted returns. Based on my positive view on global growth, I maintained a bias towards equities. However, in equity regions, a preference for Japan held back gains. Since the start of 2014, Japanese equities have been relative laggards as the consumption tax hike scheduled for April has led to uncertainty among investors. Consequently, the overweight stance in Japan was lowered by reducing the exposure to iShares MSCI Japan Fund and Fidelity Japan Fund. In contrast, a bias towards the US supported returns. Positions were purchased in SPDR S&P US Dividend Aristocrats Fund, Fidelity Index US Fund and FAST - US Fund. Meanwhile, in UK equities, the choice of funds held in the portfolio detracted from returns, largely due to selected positions in the health care sector. On a positive note, the position in Fidelity Funds - Global Consumer Industries Fund strengthened performance. Elsewhere, commodities was held at an underweight stance as I believe that slow growth in China, the largest consumer of industrial metals, will hurt commodity prices. Therefore, I further reduced the position in this asset class by selling the holding in ETFS All Commodities. However, this decision negatively impacted returns as commodities rose on the back of harsh weather. Nonetheless, I believe this was an unexpected short-term gain, and retain my underweight in the sector. In the fixed income segment, I preferred corporate bonds over government bonds. Thus, the exposure to Fidelity Institutional UK Corporate Bond Fund was increased, which contributed to performance.

### OUTLOOK

The macroeconomic environment remains broadly supportive of equities. At a regional level, the US is favoured on the back of improving corporate earnings and signs of stable growth. Equities in Japan could be volatile due to the impact of the sales tax increase. Meanwhile, Pacific ex Japan and emerging markets could be hurt by weakening growth in China, the major export market for both regions. Elsewhere, the weather induced strength in commodities is likely to fade. Meanwhile, global corporate bonds are expected to outperform core government bonds as investors are attracted by the level of income they pay.

Trevor Greetham  
Fund Manager  
30 April 14

## PERFORMANCE RECORD

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

	30/04/10	30/04/11	30/04/12	30/04/13	30/04/14
A Accumulation Shares	-	7.0	-4.9	12.4	1.4
Y Accumulation Shares	-	7.3	-4.5	12.8	1.9
Fidelity PathFinder Focused 3 Accumulation Shares	-	-	-	-	1.3
N Accumulation Shares	-	-	-	-	-
Fidelity PathFinder Focused 3 Accumulation (clean) Shares	-	-	-	-	-
* Comparative Index	-	10.9	-1.5	14.1	1.5

\* Comparative Index: Comprises 30% MSCI AC World (Net), 20% BofA ML Sterling Large Cap (Net), 20% FTSE All Share (Net), 15% DJ - UBS Commodity Index, 10% FTSE/EPRA NAREIT developed index (G) & 5% GBP 1 Week LIBID

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested. Past performance is not a reliable indicator of future results.

## 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. Some funds 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, cash or other money market instruments there is a risk that the issuer may default. 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. Some funds are able to invest some or all of their assets in developing overseas markets which carry a higher risk than investing in larger established markets. Investments in emerging markets are likely to experience greater rises and falls in value and there may be trading difficulties. Some funds invest in overseas markets. This means that changes in currency exchange rates will affect the value of your investment. For some funds, derivatives and forward transactions may be used for specific 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. We assess the creditworthiness of counterparties as part of our risk management process. 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.



# FIDELITY MULTI ASSET GROWTH FUND

## PORTFOLIO INFORMATION

	30/04/14	31/10/13
	%	%
Equity Funds	55.01	62.86
Fixed Interest Funds	15.78	7.30
Cash Funds/Money Market Funds	14.28	6.65
Property Funds	8.43	7.42
Commodity Funds/Commodity Exposure	5.30	0.87
Forward Foreign Exchange Contracts	0.03	-0.03
Index Futures	0.00	-0.32
Cash and other net assets/(liabilities)	1.17	15.25

## TOP HOLDINGS

The top ten holdings in the fund as at 30 April 2014 and at the previous year end are shown below.

Top holdings as at 30/04/14	% of total net assets
Fidelity Gross Accumulating Cash Fund	9.31
Fidelity Institutional UK Gilt Fund	7.87
Fidelity UK Select Fund	7.77
Fidelity Global Property Fund	7.59
Fidelity MoneyBuilder Dividend Fund	5.64
Fidelity Institutional UK Corporate Bond Fund	5.53
Fidelity Institutional Liquidity Fund (USD)	4.97
Fidelity MoneyBuilder Growth Fund	3.98
Fidelity Funds - Global Consumer Industries Fund	3.54
FAST - US Fund	3.53

Top holdings as at 31/10/13	% of total net assets
Fidelity UK Select Fund	8.33
Fidelity Global Property Fund	6.69
Fidelity Gross Accumulating Cash Fund	6.65
Fidelity American Fund	6.56
Fidelity MoneyBuilder Dividend Fund	6.37
Fidelity MoneyBuilder Growth Fund	6.30
Fidelity Funds - Global Industrials Fund	4.23
Fidelity Funds - Global Consumer Industries Fund	3.76
Fidelity Institutional UK Gilt Fund	3.71
Fidelity Institutional UK Corporate Bond Fund	3.00

### Footnotes:

1. The net asset value is the accounting value at the period end on a fair value basis.
2. The Fidelity PathFinder Focused 3 Accumulation (clean) Shares were launched on 30/01/14.

## FUND FACTS

### INCOME (pence per share)

No distributions were due in the six month period.

### ONGOING CHARGES (%)

	A Accumulation Shares	N Accumulation Shares
30/04/14	1.67	0.93
30/04/13	1.65	-
	Y Accumulation Shares	Fidelity PathFinder Focused 3 Accumulation Shares
30/04/14	1.18	1.67
30/04/13	1.16	1.64

Fidelity PathFinder Focused 3 Accumulation (clean) Shares<sup>2</sup>

30/04/14	1.01
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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			N Accumulation Shares		
30/04/14	492.5	127.07	387,566,942	1.8	100.81	1,765,779
	Y Accumulation Shares			Fidelity PathFinder Focused 3 Accumulation Shares		
30/04/14	25.8	129.37	19,916,478	7.3	105.43	6,937,065
	Fidelity PathFinder Focused 3 Accumulation (clean) Shares					
30/04/14	7.2	102.95	7,031,835			



## INVESTMENT OBJECTIVE AND POLICY

The fund's investment objective is to achieve a combination of income and long term capital growth. The fund's policy is to invest in a range of investments covering markets throughout the world and providing exposure to bonds, equities, index based commodity derivatives, property and cash. The fund will invest primarily in collective investment schemes, including schemes managed by Fidelity, and may also invest directly in equities, bonds, money market instruments, cash and deposits. Derivatives and forward transactions may also be used for investment purposes.

## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

The general level of interest rates and yields remained low over the period. Improving economic data in developed countries supported equity markets. However worries about the impact of the reduction in money supply by the US Federal Reserve (Fed), concerns about slower growth in China and geopolitical tensions in Ukraine limited gains. Within fixed income assets, high yield and corporate bonds gained the most, benefiting from investors' search for returns. Property shares underperformed other asset classes following the Fed's announcement that it could begin tapering money supply. This could lead to a rise in interest rates, which would likely impact property shares as they are sensitive to changes in interest rates.

### PORTFOLIO ACTIVITY

The selection of underlying funds in the fixed income segment was notably rewarding. Funds invested in investment grade and high yield bonds benefited from the strong performance of these asset classes. Consequently, holdings in Fidelity Extra Income Fund, Fidelity MoneyBuilder Income Fund and Fidelity Funds – European High Yield Fund supported returns. Elsewhere, the allocation to loans (a type of high yield security that offer returns that rise in line with an increase in interest rates and provide greater protection to bond holders in the event of a default) boosted performance. Notably, the position in TwentyFour Income Fund aided returns. The allocation to the property and infrastructure sector also contributed to performance. Since the fund focuses on income generation, we mainly hold dividend paying stocks in the equity segment. These tend to outperform the broader market when there are concerns about growth. Consequently, the equity segment supported returns. Over the review period, the position in Carador Income Fund was reduced. We also scaled back the exposure to US and European high yield bonds as we felt that they were becoming expensive. Consequently, holdings in Fidelity Funds – US High Yield Bond Fund and Fidelity Funds – European High Yield Bond Fund were reduced. Elsewhere, the sharp fall in emerging market debt in January made returns from this asset class attractive. Therefore, we bought a holding in Fidelity Funds - Emerging Market Debt Fund. We also raised the allocation to investment grade bonds via Fidelity Institutional UK Aggregate Bond Fund in view of emerging risks to global growth. We also purchased a new position in Tritax Big Box Real Estate Investment Trust, which invests in large warehouse and distribution facilities in the UK. It is expected to offer robust and increasing returns that are likely to outpace inflation.

### OUTLOOK

We believe the global economy is in the recovery phase of the economic cycle, which is characterised by improving growth and low inflation. However, slowing growth in China and geopolitical tension in Ukraine make us cautious about the growth outlook. The focus on income generation is primarily achieved through fixed income holdings. At the same time, there are opportunities in infrastructure, loans and property that can offer attractive, growing dividends as well as some potential for capital growth.

Eugene Philalithis & Nick Peters  
Fund Managers  
30 April 14

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

## PERFORMANCE RECORD

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

	30/04/10	30/04/11	30/04/12	30/04/13	30/04/14
A Accumulation Shares	27.2	6.2	2.3	14.7	2.9
Gross paying A Accumulation Shares**	28.1	6.8	3.0	15.3	3.8
A Income Shares	28.4	5.8	2.3	14.3	2.5
Gross paying A Income Shares**	28.1	6.9	3.0	15.4	3.7
Y Income Shares	-	-	-	15.0	3.3
Gross paying Y Income Shares**	-	-	-	15.9	4.3
Fidelity PathFinder Income 1 Income Shares	-	-	-	-	-
Gross paying Fidelity PathFinder Income 1 Income Shares**	-	-	-	-	-
N Income Shares	-	-	-	-	-
Gross paying N Income Shares**	-	-	-	-	-
Y Accumulation Shares	-	-	-	-	-
Gross paying Y Accumulation Shares**	-	-	-	-	-
Fidelity PathFinder Income 1 Income (clean) Shares	-	-	-	-	-
Gross paying Fidelity PathFinder Income 1 Income (clean) Shares**	-	-	-	-	-
* Comparative Index	28.8	8.0	1.3	10.7	0.4

\* Comparative Index: Comprises 70% BofA ML Sterling Broad (Net), 15% FTSE All Share (Net), 10% MSCI World ex UK (Net) & 5% SONIA

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested, \*\* gross income reinvested. Comparative index to 30/09/11 comprises 62.8% BofA ML Euro Sterling (Net), 12% FTSE All Share (Net), 10% MSCI World ex UK (Net), 4.5% BofA ML Sterling High Yield (Net), 4% DJ-UBS Commodity Index TR, 4% FTSE EPRA/NAREIT Global (G) & 2.7% BofA ML Euro High Yield Cons GBP Hedged (Net). Past performance is not a reliable indicator of future results.

## 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. Some funds 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, cash or other money market instruments there is a risk that the issuer may default. 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. Some funds take their 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. Some funds are able to invest some or all of their assets in developing overseas markets which carry a higher risk than investing in larger established markets. Investments in emerging markets are likely to experience greater rises and falls in value and there may be trading difficulties. Some funds invest in overseas markets. This means that changes in currency exchange rates will affect the value of your investment. For some funds, derivatives and forward transactions may be used for specific 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. We assess the creditworthiness of counterparties as part of our risk management process. The value of the fund may be affected if any of the institutions with which cash is deposited suffers insolvency or other financial difficulty. 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.

# FIDELITY MULTI ASSET INCOME FUND

## PORTFOLIO INFORMATION

	30/04/14	31/10/13
	%	%
Fixed Interest Funds	65.63	66.92
Equity Funds	27.58	25.14
Equity Holdings	5.50	4.80
Property Funds	0.45	0.00
Forward Foreign Exchange Contracts	0.19	0.47
Cash and other net assets/(liabilities)	0.65	2.67

## TOP HOLDINGS

The top ten holdings in the fund as at 30 April 2014 and at the previous year end are shown below.

Top holdings as at 30/04/14	% of total net assets
Fidelity Enhanced Income Fund	15.76
Fidelity MoneyBuilder Income Fund	14.21
Fidelity Extra Income Fund	12.42
Fidelity Institutional UK Aggregate Bond Fund	7.90
Fidelity Funds - US High Yield Fund	5.62
Fidelity Institutional UK Corporate Bond Fund	5.09
Fidelity Funds - Asian High Yield Fund	4.79
Fidelity Global Dividend Fund	4.65
Fidelity Institutional Sterling Core Plus Bond Fund	3.89
iShares Euro Stoxx Select Development Fund	2.86

Top holdings as at 31/10/13	% of total net assets
Fidelity Enhanced Income Fund	14.17
Fidelity MoneyBuilder Income Fund	13.89
Fidelity Extra Income Fund	12.06
Fidelity Funds - US High Yield Bond Fund (USD)	7.21
Fidelity Institutional UK Corporate Bond Fund	6.33
Fidelity Institutional UK Aggregate Bond Fund	6.07
Fidelity Funds - European High Yield Fund	5.22
Fidelity Institutional Sterling Core Plus Bond Fund	4.47
Fidelity Global Dividend Fund	4.33
Fidelity Funds - Asian High Yield Fund	3.95

## FUND FACTS

### INCOME (PENCE PER SHARE)

	XD date	A Income Shares	Gross A paying Income Shares
Interim distribution	01/05/14	0.3600	0.4500
Interim distribution	01/04/14	0.3600	0.4500
Interim distribution	01/03/14	0.3600	0.4500
Interim distribution	01/02/14	0.1900	0.2400
Interim distribution	01/01/14	0.1900	0.2400
Interim distribution	01/12/13	0.1900	0.2400

	XD date	N Income Shares	Gross N paying Income Shares
Interim distribution	01/05/14	0.3600	0.4500
Interim distribution	01/04/14	0.3600	0.4500
Interim distribution	01/03/14	0.3600	0.4500
Interim distribution	01/02/14	0.1900	0.2400
Interim distribution	01/01/14	0.1900	0.2400
Interim distribution	01/12/13	0.1900	0.2400

	XD date	Y Income Shares	Gross Y paying Income Shares
Interim distribution	01/05/14	0.3600	0.4500
Interim distribution	01/04/14	0.3600	0.4500
Interim distribution	01/03/14	0.3600	0.4500
Interim distribution	01/02/14	0.1900	0.2400
Interim distribution	01/01/14	0.1900	0.2400
Interim distribution	01/12/13	0.1900	0.2400

	XD date	Fidelity PathFinder Income 1 Income Shares	Gross paying Fidelity PathFinder Income 1 Income Shares
Interim distribution	01/05/14	0.3600	0.4500
Interim distribution	01/04/14	0.3600	0.4500
Interim distribution	01/03/14	0.3600	0.4500
Interim distribution	01/02/14	0.1900	0.2400
Interim distribution	01/01/14	0.1900	0.2400
Interim distribution	01/12/13	0.1900	0.2400

	XD date	Fidelity PathFinder Income 1 Income (clean) Shares	Gross paying Fidelity PathFinder Income 1 Income (clean) Shares
Interim distribution	01/05/14	0.2800	0.3500
Interim distribution	01/04/14	0.2800	0.3500
Interim distribution	01/03/14	0.1900	0.2391

# FIDELITY MULTI ASSET INCOME FUND

## FUND FACTS

### ONGOING CHARGES (%)

	A Income Shares	Gross paying A Income Shares
30/04/14	1.91	1.91
30/04/13	1.94	1.94
	N Income Shares	Gross paying N Income Shares
30/04/14	1.14	1.14
30/04/13	-	-
	Y Income Shares	Gross paying Y Income Shares
30/04/14	1.41	1.41
30/04/13	1.16	1.39
	A Accumulation Shares	Gross paying A Accumulation Shares
30/04/14	1.91	1.91
30/04/13	1.92	1.94
	Y Accumulation Shares <sup>2</sup>	Gross paying Y Accumulation Shares <sup>2</sup>
30/04/14	1.39	1.39
	Fidelity PathFinder Income 1 Income Shares	Gross paying Fidelity PathFinder Income 1 Income Shares
30/04/14	1.88	1.88
	Fidelity PathFinder Income 1 Income (clean) Shares <sup>3</sup>	Gross paying Fidelity PathFinder Income 1 Income (clean) Shares <sup>3</sup>
30/04/14	1.23	1.23

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 Income Shares			Gross paying A Income Shares		
30/04/14	4.9	110.32	4,408,325	6.3	110.29	5,709,130
	N Income Shares			Gross paying N Income Shares		
30/04/14	2.0	101.83	1,944,180	3.5	101.97	3,458,511
	Y Income Shares			Gross paying Y Accumulation Shares		
30/04/14	13.5	111.76	12,051,420	3.9	111.70	3,498,065
	A Accumulation Shares			Gross paying A Accumulation Shares		
30/04/14	30.6	139.95	21,926,995	17.0	146.54	11,636,531
	Y Accumulation Shares			Gross paying Y Accumulation Shares		
30/04/14	6.3	103.66	6,075,925	0.5	103.97	495,783
	Fidelity PathFinder Income 1 Income Shares			Gross paying Fidelity PathFinder Income 1 Income Shares		
30/04/14	0.1	103.59	8,210	0.1	103.70	33,654
	Fidelity PathFinder Income 1 Income (clean) Shares			Gross paying Fidelity PathFinder Income 1 Income (clean) Shares		
30/04/14	0.3	101.89	288,586	1.4	101.95	1,419,967

#### Footnotes:

1. The net asset value is the accounting value at the period end on a fair value basis.
2. The Y Accumulation Shares and Gross paying Y Accumulation Shares were launched on 10/12/13.
3. The Fidelity PathFinder Income 1 Income (clean) Shares and Gross paying Fidelity PathFinder Income 1 Income (clean) Shares were launched on 30/01/14.

## INVESTMENT OBJECTIVE AND POLICY

The fund's investment objective is to achieve above average and growing income and long term capital growth. The Fund will invest primarily in collective investment schemes including those managed by Fidelity. The Fund will gain exposure to a range of global assets through allocation to bonds and to company shares. The Fund may also gain exposure to commodities, property and cash and invest directly in equities, bonds, money market instruments, cash and deposits. Derivatives and forward transactions may also be used for investment purposes

## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

The general level of interest rates and yields remained low over the period. Improving economic data in developed countries supported equity markets. However worries about the impact of the reduction in money supply by the US Federal Reserve (Fed), concerns about slower growth in China and geopolitical tensions in Ukraine limited gains. Within fixed income assets, high yield and corporate bonds gained the most, benefiting from investors' search for returns. Property shares underperformed other asset classes following the Fed's announcement that it could begin tapering money supply. This could lead to a rise in interest rates, which would likely impact property shares as they are sensitive to changes in interest rates.

### PORTFOLIO ACTIVITY

The selection of underlying funds in the fixed income segment was notably rewarding. Funds invested in investment grade and high yield bonds benefited from the strong performance of these asset classes. Consequently, holdings in Fidelity Extra Income Fund, Fidelity Institutional UK Corporate Bond Fund and Fidelity Funds – European High Yield Fund supported returns. Elsewhere, the allocation to loans (a type of high yield security that offer returns that rise in line with an increase in interest rates and provide greater protection to bond holders in the event of a default) boosted performance. Notably, a new holding in TwentyFour Income Fund aided performance. Within the infrastructure sector, a new position in Doric Nimrod Air Three, an aircraft leasing company, supported returns. Since the fund focuses on income generation, we mainly hold dividend paying stocks in the equity segment. These tend to outperform the broader market when there are concerns about growth. Consequently, the equity segment supported returns. Over the review period, we reduced our position in equities via Fidelity Global Dividend Fund and Fidelity Enhanced Income Fund in view of emerging risks to global growth. We also scaled back the exposure to US and European high yield bonds as we felt that they were becoming expensive. Holdings in Fidelity Funds – US High Yield Bond Fund and Fidelity Funds – European High Yield Bond Fund were also reduced. Elsewhere, the sharp fall in emerging market debt in January made returns from this asset class attractive. Consequently, we bought a holding in Fidelity Funds - Emerging Market Debt Fund. We also purchased a new position in Tritax Big Box REIT, which invests in large warehouse and distribution facilities in the UK. It is expected to offer robust and increasing returns that are likely to outpace inflation.

### OUTLOOK

We believe the global economy is in the recovery phase of the economic cycle, which is characterised by improving growth and low inflation. However, slowing growth in China and geopolitical tension in Ukraine make us cautious about the growth outlook. The focus on income generation is primarily achieved through fixed income holdings. At the same time, there are opportunities in infrastructure, loans and property that can offer attractive, growing dividends as well as some potential for capital growth.

## PERFORMANCE RECORD

A discrete 1 year performance table has not been included as the fund launched on 4 September 2013 and does not have a full twelve month performance record.

## 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. Some funds 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, cash or other money market instruments there is a risk that the issuer may default. 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. Some funds take their 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. Some funds are able to invest some or all of their assets in developing overseas markets which carry a higher risk than investing in larger established markets. Investments in emerging markets are likely to experience greater rises and falls in value and there may be trading difficulties. Some funds invest in overseas markets. This means that changes in currency exchange rates will affect the value of your investment. For some funds, derivatives and forward transactions may be used for specific 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. We assess the creditworthiness of counterparties as part of our risk management process. The value of the fund may be affected if any of the institutions with which cash is deposited suffers insolvency or other financial difficulty. 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.

Eugene Philalithis & Nick Peters  
Fund Managers  
30 April 14

# FIDELITY MULTI ASSET INCOME & GROWTH FUND

## PORTFOLIO INFORMATION

	30/04/14	31/10/13
	%	%
Fixed Interest Funds	50.49	47.97
Equity Funds	42.19	43.19
Equity Holdings	6.62	6.67
Property Funds	0.35	0.00
Forward Foreign Exchange Contracts	0.26	0.43
Cash and other net assets/(liabilities)	0.09	1.74

## TOP HOLDINGS

The top ten holdings in the fund as at 30 April 2014 and at the previous year end are shown below.

Top holdings as at 30/04/14	% of total net assets
Fidelity Enhanced Income Fund	20.48
Fidelity Global Dividend Fund	17.92
Fidelity Extra Income Fund	7.41
Fidelity MoneyBuilder Income Fund	7.41
Fidelity Funds - US High Yield Fund	6.88
Fidelity Funds - Asian High Yield Fund	6.88
Fidelity Institutional UK Corporate Bond Fund	4.15
John Laing Infrastructure	3.88
Fidelity Funds - European High Yield Fund	3.00
Fidelity Institutional UK Aggregate Bond Fund	2.91

Top holdings as at 31/10/13	% of total net assets
Fidelity Enhanced Income Fund	21.45
Fidelity Global Dividend Fund	18.84
Fidelity Funds - US High Yield Fund	7.54
Fidelity Extra Income Fund	7.39
Fidelity MoneyBuilder Income Fund	7.39
Fidelity Funds - Asian High Yield Fund	6.81
Fidelity Funds - European High Yield Fund	6.38
Fidelity Institutional UK Corporate Bond Fund	3.91
John Laing Infrastructure	3.77
HICL Infrastructure	2.90

### Footnotes:

1. The net asset value is the accounting value at the period end on a fair value basis.
2. The Y Accumulation Shares were launched on 10/12/13.
3. The Fidelity PathFinder Income 3 Income (clean) Shares were launched on 30/01/14.

## FUND FACTS

### INCOME (PENCE PER SHARE)

	XD date	N Income Shares	Y Income Shares
Interim distribution	01/05/14	0.2800	0.2800
Interim distribution	01/04/14	0.2800	0.2800
Interim distribution	01/03/14	0.1158	0.1200
Interim distribution	01/02/14	0.0261	0.0308
Interim distribution	01/01/14	0.5226	0.5279
Interim distribution	01/12/13	0.2307	0.2374

	XD date	Fidelity PathFinder Income 3 Income Shares	Fidelity PathFinder Income 3 Income (clean) Shares
Interim distribution	01/05/14	0.2800	0.2800
Interim distribution	01/04/14	0.2800	0.2800
Interim distribution	01/03/14	0.1293	0.1166
Interim distribution	01/02/14	0.0425	
Interim distribution	01/01/14	0.5445	
Interim distribution	01/12/13	0.2488	

### ONGOING CHARGES (%)

	N Income Shares	Y Income Shares
30/04/14	1.29	1.54
30/04/13	-	-
	Y Accumulation Shares <sup>2</sup>	Fidelity PathFinder Income 3 Income Shares
30/04/14	1.54	2.05
30/04/13	-	-
	Fidelity PathFinder Income 3 Income (clean) Shares <sup>3</sup>	
30/04/14	1.36	

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
	N Income Shares			Y Income Shares		
30/04/14	0.2	102.26	216,093	0.1	102.21	43,362
	Y Accumulation Shares			Fidelity PathFinder Income 3 Income Shares		
30/04/14	0.1	103.52	13,421	0.6	103.89	687,156
	Fidelity PathFinder Income 3 Income (clean) Shares					
30/04/14	0.1	102.30	137,059			

## INVESTMENT OBJECTIVE AND POLICY

The Fund aims to provide long term capital growth from exposure to equities, commodities and property covering the UK and other markets throughout the world. The Fund will invest in collective investment schemes including those managed by Fidelity and may also invest in transferable securities, money market instruments, cash and deposits. Derivatives and forward transactions may also be used for investment purposes.

NB: It is anticipated that as an "open" fund, investment shall be made in both funds managed by third party fund providers and funds managed by Fidelity and in such proportions as the investment manager may decide in pursuit of the investment strategy.

## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

Most asset classes generated small but positive returns over the period. Commodities advanced the most due to higher prices in the energy and agricultural sectors. Energy prices rose due to the unseasonably cold winter in the US, while the drought in Brazil drove up coffee prices to a record high. They were followed by equities and property. Meanwhile, improving economic data in developed countries supported equity markets. However worries about the impact of the reduction in money supply by the US Federal Reserve (Fed), concerns about slower growth in China and geopolitical tensions in Ukraine limited gains. Property shares underperformed other asset classes following the Fed's announcement that it could begin tapering money supply. This could lead to a rise in interest rates, which would likely impact property shares as they are sensitive to changes in interest rates.

### PORTFOLIO ACTIVITY

In terms of tactical asset allocation, an overweight stance in Japanese equities, which underperformed other regions due to concerns about the impact of a sales tax hike on consumption spending, hurt returns. Elsewhere, the underweight position in commodities, the best performing asset class, weakened returns. The underlying manager in this segment also did not perform well. The selection of underlying managers in the equity segment detracted from returns. The European segment had a bias towards managers who invest in growth stocks (companies whose earnings are expected to grow rapidly). These holdings detracted from performance as investors shifted focus to undervalued stocks and those that pay dividends. Within the UK segment, stock specific reasons led to weak returns from MFS Meridian UK Equity Fund. Towards the end of the period, the health care sector gained due to merger and acquisition news. This hurt returns from CF Lindsell Train UK Equity Fund, which had no exposure to health care stocks. In the US, the allocation to William Blair US Small-Mid Cap Growth Fund hurt returns as small sized companies underperformed their larger counterparts over the period. In contrast, the emerging markets segment supported returns. We reduced the overweight stance in equities in view of emerging risks to global growth. In the Europe ex UK segment, we sold Schroder European Alpha Plus Fund and bought Invesco Continental European Fund in order to reduce the overweight stance in growth stocks. Elsewhere, we sold Northern Trust Emerging Markets Equity Index Fund and bought Fidelity Index Emerging Markets Fund instead. Fidelity South East Asia Fund was sold following a change in manager and Fidelity Funds – South East Asia Fund was bought instead.

### OUTLOOK

Central banks in most developed countries continue to support their economies by maintaining adequate money supply, which should support equities. However, slower growth in China and geopolitical tensions in Ukraine make us cautious about the outlook. Meanwhile, commodities could be hurt due to excess capacity and weak demand from China, which is a major consumer of metals used in manufacturing. Elsewhere, interest rate sensitive assets such as property shares are likely to be hurt when interest rates rise from historic lows.

Nick Peters & James Bateman  
Fund Managers  
30 April 14

## PERFORMANCE RECORD

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

	30/04/10	30/04/11	30/04/12	30/04/13	30/04/14
Y Accumulation Shares	-	-	-	-	4.2
Fidelity PathFinder Freedom 4 Accumulation Shares	-	-	-	-	3.7
N Accumulation Shares	-	-	-	-	-
Fidelity PathFinder Freedom 4 Accumulation (clean) Shares	-	-	-	-	-
* Comparative Index	-	-	-	-	3.6

\* Comparative Index: Comprises 15% Dow Jones - UBS Commodity Index Total Return, 25% FTSE All Share Index, 50% MSCI All Countries World Index (Net) & 10% FTSE EPRA/NAREIT Developed Index (G)

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested. Past performance is not a reliable indicator of future results.

## 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 investments and the income from it can go down as well as up so you may not get back the amount you invested. Some funds are able to invest some or all of their assets in developing overseas markets which carry a higher risk than investing in larger established markets. Investments in emerging markets are likely to experience greater rises and falls in value and there may be trading difficulties. Some funds invest in overseas markets. This means that changes in currency exchange rates will affect the value of your investment. For some funds, derivatives and forward transactions may be used for specific 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. We assess the creditworthiness of counterparties as part of our risk management process. 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.

# FIDELITY MULTI ASSET OPEN ADVENTUROUS FUND

## PORTFOLIO INFORMATION

	30/04/14	31/10/13
	%	%
Equity Funds	63.36	66.86
Commodity Funds/Commodity Exposure	9.57	7.79
Property Funds	8.87	8.66
Absolute Return Funds	5.17	4.66
Cash Funds/Money Market Funds	1.22	0.00
Index Futures	0.14	0.30
Cash and other net assets/(liabilities)	11.67	11.73

## TOP HOLDINGS

The top ten holdings in the fund as at 30 April 2014 and at the previous year end are shown below.

Top holdings as at 30/04/14	% of total net assets
BlackRock North American Equity Tracker	16.38
Threadneedle Enhanced Commodities Portfolio Fund	9.35
BlackRock Global Property Securities Equity Fund	8.87
Majedie UK Equity Fund	6.73
Artemis Income Fund	5.51
MFS Meridian UK Equity Fund	5.27
CF Morant Wright Japan Fund	5.17
Fidelity UK Index Fund <sup>2</sup>	4.15
CF Lindsell Train UK Equity Fund	3.83
William Blair Small Mid Cap Growth Fund	3.66

Top holdings as at 31/10/13	% of total net assets
BlackRock North American Equity Tracker Fund	16.33
BlackRock Global Property Securities Equity Fund	8.66
Threadneedle Enhanced Commodities Portfolio Fund	8.12
Majedie UK Equity Fund	7.44
Fidelity UK Index Fund <sup>2</sup>	5.82
Artemis Income Fund	5.45
CF Lindsell Train UK Equity Fund	4.72
CF Morant Wright Japan Fund	4.66
William Blair US Small-Mid Cap Growth Fund	4.17
Eaton Vance Parametric Emerging Markets Fund	4.07

### Footnotes:

1. The net asset value is the accounting value at the period end on a fair value basis.
2. Formerly Fidelity MoneyBuilder UK Index Fund.
3. The Fidelity PathFinder Freedom 4 Accumulation (clean) Shares were launched on 30/01/14.

## FUND FACTS

### INCOME (pence per share)

No distributions were due in the six month period.

### ONGOING CHARGES (%)

	N Accumulation Shares	Y Accumulation Shares
30/04/14	1.31	1.49
30/04/13	-	1.58

	Fidelity PathFinder Freedom 4 Accumulation Shares	Fidelity PathFinder Freedom 4 Accumulation (clean) Shares <sup>3</sup>
30/04/14	1.99	1.45
30/04/13	2.08	-

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
	N Accumulation Shares			Y Accumulation Shares		
30/04/14	0.2	100.78	212,681	4.0	107.66	3,694,752
	Fidelity PathFinder Freedom 4 Accumulation Share			Fidelity PathFinder Freedom 4 Accumulation (clean) Shares		
30/04/14	2.7	106.93	2,519,597	2.1	102.31	2,100,350



## INVESTMENT OBJECTIVE AND POLICY

The fund aims to provide long term capital growth from exposure to global markets in mostly bonds and cash and it may also have exposure to equities, property and commodities. The Fund will invest in collective investment schemes including those managed by Fidelity and may also invest in transferable securities, money market instruments, cash and deposits. Derivatives and forward transactions may also be used for investment purposes.

NB: It is anticipated that as an "open" fund, investment shall be made in both funds managed by third party fund providers and funds managed by Fidelity and in such proportions as the investment manager may decide in pursuit of the investment strategy.

## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

Most asset classes generated small but positive returns over the period. Commodities advanced the most due to higher prices in the energy and agricultural sectors. Energy prices rose due to the unseasonably cold winter in the US, while the drought in Brazil drove up coffee prices to a record high. Meanwhile, improving economic data in developed countries supported equity markets. However worries about the impact of the reduction in money supply by the US Federal Reserve (Fed), concerns about slower growth in China and geopolitical tensions in Ukraine limited gains. Within fixed income assets, high yield and corporate bonds benefited from investors' search for returns. Property shares underperformed other asset classes following the Fed's announcement that it could begin tapering money supply. This could lead to a rise in interest rates, which would likely impact property shares as they are sensitive to changes in interest rates.

### PORTFOLIO ACTIVITY

The underweight position in commodities, the best performing asset class, hurt returns. An overweight allocation to Japan, which underperformed other regions due to concerns about the impact of a sales tax hike on consumption spending, also weakened performance. Meanwhile, the selection of underlying managers in the equity segment detracted from returns. Notably, in the US, William Blair US Small-Mid Cap Growth Fund hurt performance as small sized stocks underperformed their larger counterparts. Elsewhere, the European segment had a bias towards managers who invest in growth stocks (companies whose earnings are expected to grow rapidly). However, these stocks underperformed the broader market as investor focus shifted to undervalued stocks. Within the UK, the performance of selected managers was hurt by their allocation to small sized stocks and lack of exposure to the health care sector. Small sized stocks fell sharply following a period of strong performance, while the health care sector gained due to merger and acquisition news. In contrast, the bonds segment supported returns. Positions in PIMCO Capital Securities Fund and Fidelity Strategic Bond Fund benefited from the strong performance of financial bonds and corporate bonds, respectively. We sold Northern Trust European Equity Index Fund and Northern Trust Emerging Markets Equity Index Fund. Fidelity UK Smaller Companies was also sold after a period of strong performance. Positions in Franklin UK Smaller Companies Fund, MFS Meridian UK Equity Fund, Fidelity Index Emerging Markets Fund and PIMCO Capital Securities Fund were purchased. In the Europe ex UK segment, we bought Invesco Continental European Equity to reduce the overweight stance in growth stocks.

### OUTLOOK

Central banks in most developed countries continue to support their economies by maintaining adequate money supply, which should support equity market performance. However, slower growth in China and geopolitical tensions in Ukraine make us cautious about the outlook. Commodities could be hurt by weak demand from China, which is a major consumer of metals used in manufacturing. Elsewhere, interest rate sensitive assets such as property shares and bonds are likely to be hurt when interest rates rise from historic lows.

Eugene Philalithis & James Bateman  
Fund Managers  
30 April 14

## PERFORMANCE RECORD

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

	30/04/10	30/04/11	30/04/12	30/04/13	30/04/14
Gross paying Y Accumulation Shares**	-	-	-	-	0.1
Y Accumulation Shares	-	-	-	-	-0.2
Gross paying Fidelity PathFinder Freedom 1 Accumulation Shares**	-	-	-	-	-0.3
Fidelity PathFinder Freedom 1 Accumulation Shares	-	-	-	-	-0.5
Gross paying N Accumulation Shares**	-	-	-	-	-
N Accumulation Shares	-	-	-	-	-
Gross paying Fidelity PathFinder Freedom 1 Accumulation (clean) Shares**	-	-	-	-	-
Fidelity PathFinder Freedom 1 Acc (clean) Shares	-	-	-	-	-
* Comparative Index	-	-	-	-	-0.6

\* Comparative Index: Comprises 5% Dow Jones - UBS Commodity Index Total Return, 5% FTSE All Share Index, 25% GBP 1 Week LIBID, 50% The BoFA Merrill Lynch Sterling Large Cap Index (Net), 10% MSCI All Countries World Index (Net) & 5% FTSE EPRA/NAREIT Developed Index (G)

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested, \*\* gross income reinvested. Past performance is not a reliable indicator of future results.

## 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 investments and the income from it can go down as well as up so you may not get back the amount you invested. Some funds 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, cash or other money market instruments there is a risk that the issuer may default. 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. Some funds are able to invest some or all of their assets in developing overseas markets which carry a higher risk than investing in larger established markets. Investments in emerging markets are likely to experience greater rises and falls in value and there may be trading difficulties. Some funds invest in overseas markets. This means that changes in currency exchange rates will affect the value of your investment. For some funds, derivatives and forward transactions may be used for specific 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 shareprice. 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. We assess the creditworthiness of counterparties as part of our risk management process. 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.



# FIDELITY MULTI ASSET OPEN DEFENSIVE FUND

## PORTFOLIO INFORMATION

	30/04/14	31/10/13
	%	%
Fixed Interest Funds	50.91	50.52
Equity Funds	17.18	17.98
Absolute Return Funds	11.18	9.41
Hedge Funds	5.33	6.16
Cash Funds/Money Market Funds	4.60	2.95
Property Funds	4.05	4.61
Commodity Funds/Commodity Exposure	2.45	2.25
Index Futures	0.03	0.00
Forward Foreign Exchange Contracts	0.01	0.06
Cash and other net assets/(liabilities)	4.26	6.06

## TOP HOLDINGS

The top ten holdings in the fund as at 30 April 2014 and at the previous year end are shown below.

Top holdings as at 30/04/14	% of total net assets
Fidelity Institutional UK Aggregate Bond Fund	18.64
Legal & General All Stock Gilt Index Trust Fund	7.15
Threadneedle Absolute Return Bond Fund	6.03
Loomis Sayles Global Opportunities Bond Fund	5.75
Fidelity Strategic Bond Fund	4.80
Fidelity Gross Accumulating Cash Fund	4.60
BlackRock Global Property Securities Equity Fund	4.05
BlackRock North American Equity Tracker	3.77
MS Long Term Trends Fund	3.33
Pimco Capital Securities Fund	2.88

Top holdings as at 31/10/13	% of total net assets
Fidelity Institutional UK Aggregate Bond Fund	16.92
Legal & General All Stock Gilt Index Trust Fund	7.10
Loomis Sayles Global Opportunities Bond Fund	6.87
Threadneedle Absolute Return Bond Fund	5.99
BlackRock UK Bond Index Fund	5.20
Fidelity Strategic Bond Fund	4.83
BlackRock Global Property Securities Equity Fund	4.61
Blackrock North American Equity Tracker	3.73
Brevar Howard Credit Catalysts Fund	3.63
MS Long Term Trends Fund	3.22

### Footnotes:

1. The net asset value is the accounting value at the period end on a fair value basis.
2. The Fidelity PathFinder Freedom 1 Accumulation (clean) Shares and Gross paying Fidelity PathFinder Freedom 1 Accumulation (clean) Shares were launched on 30/01/14.

## FUND FACTS

### INCOME (pence per share)

No distributions were due in the six month period.

### ONGOING CHARGES (%)

	N Accumulation Shares	Gross paying N Accumulation Shares
30/04/14	1.29	1.30
30/04/13	-	-
	Y Accumulation Shares	Gross paying Y Accumulation Shares
30/04/14	1.53	1.53
30/04/13	1.63	1.62

	Fidelity PathFinder Freedom 1 Accumulation Shares	Gross paying Fidelity PathFinder Freedom 1 Accumulation Shares
30/04/14	2.02	2.02
30/04/13	2.10	2.09

	Fidelity PathFinder Freedom 1 Accumulation (clean) Shares <sup>2</sup>	Gross paying Fidelity PathFinder Freedom 1 Accumulation (clean) Shares <sup>2</sup>
30/04/14	1.38	1.48

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
	N Accumulation Shares			Gross paying N Accumulation Shares		
30/04/14	0.2	100.93	165,643	0.1	101.18	129,194
	Y Accumulation Shares			Gross paying Y Accumulation Shares		
30/04/14	2.8	102.58	2,786,356	2.5	102.88	2,452,335
	Fidelity PathFinder Freedom 1 Accumulation Shares			Gross paying Fidelity PathFinder Freedom 1 Accumulation Shares		
30/04/14	0.3	102.24	279,075	0.7	102.42	685,201
	Fidelity PathFinder Freedom 1 Accumulation (clean) Shares			Gross paying Fidelity PathFinder Freedom 1 Accumulation (clean) shares		
30/04/14	0.1	101.45	13,188	0.4	101.50	374,052

## INVESTMENT OBJECTIVE AND POLICY

The Fund aims to provide long term capital growth from exposure to equities, bonds, commodities, property and cash covering the UK and other markets throughout the world. The Fund will invest in collective investment schemes including those managed by Fidelity and may also invest in transferable securities, money market instruments, cash and deposits. Derivatives and forward transactions may also be used for investment purposes.

NB: It is anticipated that as an "open" fund, investment shall be made in both funds managed by third party fund providers and funds managed by Fidelity and in such proportions as the investment manager may decide in pursuit of the investment strategy.

## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

Most asset classes generated small but positive returns over the period. Commodities advanced the most due to higher prices in the energy and agricultural sectors. Energy prices rose due to the unseasonably cold winter in the US, while the drought in Brazil drove up coffee prices to a record high. Meanwhile, improving economic data in developed countries supported equity markets. However worries about the impact of the reduction in money supply by the US Federal Reserve (Fed), concerns about slower growth in China and geopolitical tensions in Ukraine limited gains. Within fixed income assets, high yield and corporate bonds benefited from investors' search for returns. Property shares underperformed other asset classes following the Fed's announcement that it could begin tapering money supply. This could lead to a rise in interest rates, which would likely impact property shares as they are sensitive to changes in interest rates.

### PORTFOLIO ACTIVITY

In terms of tactical asset allocation, the underweight stance in commodities, the best performing asset class, hurt returns. The underlying manager in this segment also did not perform well. Elsewhere, an overweight allocation to Japanese equities, which underperformed other regions due to concerns about the impact of a sales tax hike on consumption spending, weakened performance. Moreover, the selection of underlying managers in the equity segment detracted from returns. The European segment had a bias towards managers who invest in growth stocks (companies whose earnings are expected to grow rapidly). These holdings detracted from performance as investors shifted focus to undervalued stocks and those that pay dividends. Within the UK segment, stock specific reasons led to weak returns from MFS Meridian UK Equity Fund. Towards the end of the period, small capitalised stocks in the UK fell sharply following a period of strong performance. This hurt returns from Franklin UK Small Cap Fund. In contrast, the fixed income segment supported returns. PIMCO Capital Securities Fund benefited from the strong performance of financial bonds. Elsewhere, UK corporate bonds outperformed government bonds, aiding the performance of Fidelity Strategic Bond Fund. We reduced the overweight stance in equities given emerging risks to global growth. We sold Fidelity UK Smaller Companies after a period of strong performance and bought Franklin UK Smaller Companies Fund. In the Europe ex UK segment, we sold Schroder European Alpha Plus Fund and bought Invesco Continental European Fund in order to reduce the overweight stance in growth stocks. We also bought Kames UK Equity Absolute Return Fund and Real Estate Credit Investments, both of which invest in property related debt, but sold Aquila Capital Risk Parity 12 Fund.

### OUTLOOK

Central banks in most developed countries continue to support their economies by maintaining adequate money supply, which should support equity market performance. However, slower growth in China and geopolitical tensions in Ukraine make us cautious about the outlook. Commodities could be hurt by weak demand from China, which is a major consumer of metals used in manufacturing. Elsewhere, interest rate sensitive assets such as property shares and bonds are likely to be hurt when interest rates rise from historic lows.

Ayesha Akbar & James Bateman  
Fund Managers  
30 April 14

## PERFORMANCE RECORD

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

	30/04/10	30/04/11	30/04/12	30/04/13	30/04/14
A Accumulation Shares	31.1	9.5	-2.1	11.9	1.6
Y Accumulation Shares	-	-	-	-	2.0
Fidelity PathFinder Freedom 3 Accumulation Shares	-	-	-	-	1.5
N Accumulation Shares	-	-	-	-	-
Fidelity PathFinder Freedom 3 Accumulation (clean) Shares	-	-	-	-	-
* Comparative Index	31.6	9.3	-4.6	12.6	1.5

\* Comparative Index: Comprises 30% MSCI All Countries World (Net), 20% FTSE All Share (Net), 15% DJ - UBS Commodity Index Total Return, 10% FTSE EPRA/NAREIT Developed Index (Gross), 20% BoFA ML Sterling Large Cap (Net) & 5% GBP 1 Week LIBID

Source: Fidelity, Morningstar and RIMES, bid to bid, UK£, net income reinvested. Comparative index to 30/06/04 was 50% FTSE All Share (Net) & 50% MSCI World (Net) From 01/07/2004 to 31/10/2012 the comparative index was Morningstar Flexible Investment. Past performance is not a reliable indicator of future results.

## 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. Some funds 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, cash or other money market instruments there is a risk that the issuer may default. 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. Some funds are able to invest some or all of their assets in developing overseas markets which carry a higher risk than investing in larger established markets. Investments in emerging markets are likely to experience greater rises and falls in value and there may be trading difficulties. Some funds invest in overseas markets. This means that changes in currency exchange rates will affect the value of your investment. For some funds, derivatives and forward transactions may be used for specific 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. We assess the creditworthiness of counterparties as part of our risk management process. 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.

# FIDELITY MULTI ASSET OPEN GROWTH FUND

## PORTFOLIO INFORMATION

	30/04/14	31/10/13
	%	%
United Kingdom	40.95	41.7
Global	26.28	23.25
United States	11.18	14.23
Europe	5.96	5.75
Emerging Markets	3.14	3.76
Japan	2.63	2.79
Asia Pacific Ex-Japan	2.07	1.96
Guernsey	1.00	0.00
Greece	0.00	0.02
Cash and other net assets/(liabilities)	6.79	6.54

## TOP HOLDINGS

The top ten holdings in the fund as at 30 April 2014 and at the previous year end are shown below.

Top holdings as at 30/04/14	% of total net assets
BlackRock Global Property Securities Equity Fund	9.34
Threadneedle Enhanced Commodities Portfolio Fund	8.27
BlackRock North American Equity Tracker	7.61
Majedie UK Equity Fund	5.45
Fidelity Institutional UK Aggregate Bond Fund	5.36
ETFS All Commodities - UBS Commodity Index	5.14
Fidelity Strategic Bond Fund	5.10
Fidelity UK Index Fund <sup>2</sup>	4.01
Artemis Income Fund	3.99
CF Lindsell Train UK Equity Fund	3.93

Top holdings as at 31/10/13	% of total net assets
BlackRock Global Property Securities Equity Fund	10.12
BlackRock North American Equity Tracker Fund	7.66
Threadneedle Enhanced Commodities Portfolio Fund	7.52
ETFS All Commodities	5.46
Majedie UK Equity Fund	5.40
Fidelity UK Index Fund <sup>2</sup>	5.20
Fidelity Institutional UK Aggregate Bond Fund	5.06
Fidelity Strategic Bond Fund	4.78
Artemis Income Fund	4.66
CF Lindsell Train UK Equity Fund	4.01

### Footnotes:

1. The net asset value is the accounting value at the period end on a fair value basis.
2. Formerly Fidelity MoneyBuilder UK Index Fund.
3. The Fidelity PathFinder Freedom 3 Accumulation (clean) Shares were launched on 30/01/14.

## FUND FACTS

### INCOME (pence per share)

No distributions were due in the six month period.

### ONGOING CHARGES (%)

	A Accumulation Shares	N Accumulation Shares
30/04/14	1.94	1.22
30/04/13	1.98	-
	Y Accumulation Shares	Fidelity PathFinder Freedom 3 Accumulation Shares
30/04/14	1.45	1.95
30/04/13	1.48	1.98
	Fidelity PathFinder Freedom 3 Accumulation (clean) Shares <sup>3</sup>	
30/04/14	1.41	

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			N Accumulation Shares		
30/04/14	106.6	45.41	234,405,041	1.9	100.56	1,935,751
	Y Accumulation Shares			Fidelity PathFinder Freedom 3 Accumulation Shares		
30/04/14	3.0	46.55	6,475,625	5.5	104.88	5,281,645
	Fidelity PathFinder Freedom 3 Accumulation (clean) Shares					
30/04/14	3.7	102.50	3,596,897			

## INVESTMENT OBJECTIVE AND POLICY

The Fund aims to provide long term capital growth from exposure to global markets in mostly bonds, equities, property, commodities and cash. The Fund will invest in collective investment schemes including those managed by Fidelity and may also invest in transferable securities, money market instruments, cash and deposits. Derivatives and forward transactions may also be used for investment purposes.

NB: It is anticipated that as an "open" fund, investment shall be made in both funds managed by third party fund providers and funds managed by Fidelity and in such proportions as the investment manager may decide in pursuit of the investment strategy.

## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

Most asset classes generated small but positive returns over the period. Commodities advanced the most due to higher prices in the energy and agricultural sectors. Energy prices rose due to the unseasonably cold winter in the US, while the drought in Brazil drove up coffee prices to a record high. Meanwhile, improving economic data in developed countries supported equity markets. However worries about the impact of the reduction in money supply by the US Federal Reserve (Fed), concerns about slower growth in China and geopolitical tensions in Ukraine limited gains. Within fixed income assets, high yield and corporate bonds benefited from investors' search for returns. Property shares underperformed other asset classes following the Fed's announcement that it could begin tapering money supply. This could lead to a rise in interest rates, which would likely impact property shares as they are sensitive to changes in interest rates.

### PORTFOLIO ACTIVITY

An underweight position in commodities, the best performing asset class, hurt returns. The underlying manager in this segment also did not perform well. Elsewhere, an overweight allocation to Japanese equities, which underperformed other regions due to concerns about the impact of a sales tax hike on consumption spending, weakened performance. The selection of underlying managers in the equity segment also detracted from returns. The European segment had a bias towards managers who invest in growth stocks (companies whose earnings are expected to grow rapidly). These holdings detracted from performance as investors shifted focus to undervalued stocks and those that pay dividends. Towards the end of the period, stocks in small sized companies in the UK fell sharply following a period of strong performance, which hurt returns from Franklin UK Small Cap Fund. In contrast, the fixed income segment supported returns. PIMCO Capital Securities Fund and Fidelity Strategic Bond Fund benefited from the strong performance of financial bonds and corporate bonds, respectively. We reduced the overweight stance in equities in view of emerging risks to global growth. Over the period, we sold Northern Trust European Equity Index Fund and Northern Trust Emerging Markets Equity Index Fund. We also sold Fidelity UK Smaller Companies after a period of strong performance. Franklin UK Smaller Companies Fund, MFS Meridian UK Equity Fund, Fidelity Index Europe ex UK Fund and Fidelity Index Emerging Markets Fund and Real Estate Credit Investments, which invests in property related debt, were added to the portfolio. In the Europe ex UK segment, we bought Invesco Continental European Fund in order to reduce the overweight stance in growth stocks.

### OUTLOOK

Central banks in most developed countries continue to support their economies by maintaining adequate money supply, which should support equity market performance. However, slower growth in China and geopolitical tensions in Ukraine make us cautious about the outlook. Commodities could be hurt by weak demand from China, which is a major consumer of metals used in manufacturing. Elsewhere, interest rate sensitive assets such as property shares and bonds are likely to be hurt when interest rates rise from historic lows.

Eugene Philalithis & James Bateman  
Fund Managers  
30 April 14

## PERFORMANCE RECORD

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

	30/04/10	30/04/11	30/04/12	30/04/13	30/04/14
A Accumulation Shares	-	-	-	-	1.5
A Income Shares	23.9	6.5	-0.7	12.9	1.5
Y Income Shares	-	-	-	-	1.9
Fidelity PathFinder Freedom 2 Accumulation Shares	-	-	-	-	1.5
N Accumulation Shares	-	-	-	-	-
Y Accumulation Shares	-	-	-	-	-
Fidelity PathFinder Freedom 2 Accumulation (clean) Shares	-	-	-	-	-
* Comparative Index	22.7	6.4	-0.4	11.1	0.6

\* Comparative Index: Comprises 15% FTSE All Share, 20% MSCI All Countries World (Net), 10% DJ - UBS Commodity Index Total return, 5% FTSE EPRA/NAREIT Developed Index (G), 40% BofA ML Sterling Large Cap (Net) & 10% GBP 1 Week LIBID.

Source: Fidelity, Morningstar and RIMES, bid to bid, UK£, net income reinvested. Comparative index to 30/06/2004 comprises 55% FTSE All Share (Net) & 45% BofA ML Sterling Broad Market (Net). From 01/07/2004 to 31/10/2012 the comparative index was Morningstar Mixed Investment 20-60% Shares. Past performance is not a reliable indicator of future results.

## 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. Some funds 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, cash or other money market instruments there is a risk that the issuer may default. 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. Some funds are able to invest some or all of their assets in developing overseas markets which carry a higher risk than investing in larger established markets. Investments in emerging markets are likely to experience greater rises and falls in value and there may be trading difficulties. Some funds invest in overseas markets. This means that changes in currency exchange rates will affect the value of your investment. For some funds, derivatives and forward transactions may be used for specific 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. We assess the creditworthiness of counterparties as part of our risk management process. 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.

# FIDELITY MULTI ASSET OPEN STRATEGIC FUND

## PORTFOLIO INFORMATION

	30/04/14	31/10/13
	%	%
Fixed Interest Funds	39.87	40.05
Equity Funds	33.87	35.01
Commodity Funds/Commodity Exposure	8.81	8.95
Absolute Return Funds	6.18	4.53
Property Funds	3.24	4.09
Hedge Funds	2.41	2.46
Cash Funds/Money Market Funds	2.38	0.83
Index Futures	0.06	0.14
Forward Foreign Exchange Contracts	0.02	0.06
Cash and other net assets/(liabilities)	3.16	3.88

## TOP HOLDINGS

The top ten holdings in the fund as at 30 April 2014 and at the previous year end are shown below.

Top holdings as at 30/04/14	% of total net assets
Fidelity Institutional UK Aggregate Bond Fund	14.74
BlackRock North American Equity Tracker	6.64
Threadneedle Enhanced Commodities Portfolio Fund	5.78
Legal & General All Stock Gilt Index Trust Fund	5.67
Loomis Sayles Global Opportunities Bond Fund	4.56
Majedie UK Equity Fund	3.93
Fidelity Strategic Bond Fund	3.81
Fidelity UK Index Fund <sup>2</sup>	3.52
BlackRock Global Property Securities Equity Fund	3.24
MFS Meridian UK Equity Fund	3.12

Top holdings as at 31/10/13	% of total net assets
Fidelity Institutional UK Aggregate Bond Fund	13.83
Fidelity UK Index Fund <sup>2</sup>	6.77
BlackRock Collective Investment Fund - North America	6.31
Legal & General All Stock Gilt Index Trust Fund	6.05
Threadneedle Enhanced Commodities Portfolio Fund	5.30
BlackRock Global Property Securities Equity Fund	4.09
Majedie UK Equity Fund	4.09
Fidelity Strategic Bond Fund	3.83
Dow Jones - UBS Commodity Index	3.64
Artemis Income Fund	3.51

### Footnotes:

1. The net asset value is the accounting value at the period end on a fair value basis.
2. Formerly Fidelity MoneyBuilder UK Index Fund.
3. The Fidelity PathFinder Freedom 2 Accumulation (clean) Shares were launched on 30/01/14.

## FUND FACTS

### INCOME (pence per share)

	XD date	A Income Shares	Y Income Shares
Interim distribution	01/05/14	0.0921	0.0862
Interim distribution	01/02/14	0.2600	0.2423

### ONGOING CHARGES (%)

	A Income Shares	Y Income Shares
30/04/14	1.92	1.43
30/04/13	1.97	1.48
	A Accumulation Shares	N Accumulation Shares
30/04/14	1.92	1.19
30/04/13	1.97	-

	Y Accumulation Shares	Fidelity PathFinder Freedom 2 Accumulation Shares
30/04/14	1.45	1.92
30/04/13	-	1.97

	Fidelity PathFinder Freedom 2 Accumulation (clean) Shares <sup>3</sup>
30/04/14	1.36

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 Income Shares			Y Income Shares		
30/04/14	81.8	29.39	278,328,489	2.4	27.51	8,771,929
	A Accumulation Shares			N Accumulation Shares		
30/04/14	3.8	118.34	3,228,629	1.6	101.65	1,542,458
	Y Accumulation Shares			Fidelity PathFinder Freedom 2 Accumulation Shares		
30/04/14	0.2	101.43	175,472	2.2	104.76	2,124,503
	Fidelity PathFinder Freedom 2 Accumulation (clean) Shares					
30/04/14	2.3	102.00	2,287,526			

## INVESTMENT OBJECTIVE AND POLICY

The fund's investment objective is to achieve long term capital growth by investing in a range of global assets providing exposure to bonds, equities, commodities, property and cash. The fund will invest primarily through other regulated collective investment schemes, including schemes managed by Fidelity, and may also invest directly in other transferable securities, money market instruments, cash and deposits. Derivatives and forward transactions may also be used for investment purposes.

NB: It is anticipated that investment shall be made primarily in funds managed by Fidelity

## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

Most asset classes generated small but positive returns over the period. Commodities outperformed as bad weather boosted prices in the energy and agriculture sectors. Energy prices rose due to the unseasonably cold winter in the US, while the drought in Brazil drove up coffee prices to a record high. Meanwhile, improving economic data and continued monetary support from central banks in developed markets supported equities. However, gains were limited by worries about the impact of the reduction in money supply by the US Federal Reserve (Fed), slow growth in China and rising geopolitical tensions in Ukraine. In the fixed income segment, high yield and corporate bonds outperformed government bonds. Property underperformed other asset classes following the Fed's announcement that it could begin tapering money supply. This could lead to a rise in interest rates, which would likely impact property shares as they are sensitive to changes in interest rates.

### PORTFOLIO ACTIVITY

Tactical asset allocation negatively impacted returns. Based on my positive view on global growth, I maintained a bias towards equities at the expense of other asset classes. However, in equity regions, an overweight stance in Japan, notably the position in iShares MSCI Japan, undermined gains. In contrast, a preference towards US equities supported returns. Positions were purchased in SPDR S&P US Dividend Aristocrats ETF Fund, Fidelity Index US Fund and FAST - US Fund. Meanwhile, in UK equities, the choice of funds held in the portfolio detracted from returns, largely due to selected positions in the health care sector. On a positive note, the position in Fidelity Funds - Global Consumer Industries Fund strengthened performance. Elsewhere, commodities was held at an underweight stance as I believe that slow growth in China, the largest consumer of industrial metals, will hurt commodity prices. Therefore, I further reduced the position in this asset class by selling holdings in Dow Jones - UBS Commodity Flex Index and ETFS All Commodities. However, this decision negatively impacted returns as commodities rose on the back of harsh weather. Nonetheless, I believe this was an unexpected short-term gain, and retain my underweight in the sector. In the fixed income segment, I preferred corporate bonds over government bonds. Therefore, the exposure to Fidelity Institutional UK Gilt Fund was reduced and the position in Fidelity Institutional UK Corporate Bond Fund increased. The holding in the latter contributed to performance.

### OUTLOOK

The macroeconomic environment remains broadly supportive of equities. At a regional level, the US is favoured on the back of improving corporate earnings and signs of stable growth. Equities in Japan could be volatile due to the impact of the sales tax increase. Meanwhile, Pacific ex Japan and emerging markets could be hurt by weakening growth in China, the major export market for both regions. Elsewhere, the weather induced strength in commodities is likely to fade. Meanwhile, global corporate bonds are expected to outperform core government bonds as investors are attracted by the level of income they pay.

Trevor Greetham  
Fund Manager  
30 April 14

## PERFORMANCE RECORD

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

	30/04/10	30/04/11	30/04/12	30/04/13	30/04/14
A Accumulation Shares	25.9	5.4	-1.8	10.9	0.4
Y Accumulation Shares	-	5.6	-1.4	11.4	0.7
Fidelity PathFinder Focused 2 Accumulation Shares	-	-	-	-	0.3
N Accumulation Shares	-	-	-	-	-
Fidelity PathFinder Focused 2 Accumulation (clean) Shares	-	-	-	-	-
* Comparative Index	19.8	8.9	1.7	11.4	0.6

\* Comparative Index: Comprises 40% BofA ML Sterling Large Cap (Net), 20% MSCI All Countries World (Net), 15% FTSE All Share (Net), 10% DJ-UBS Commodity Index Total Return, 10% GBP 1 Week LIBID & 5% FTSE EPRA/NAREIT Developed Index (Gross).

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested.  
Past performance is not a reliable indicator of future results.

## 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. Some funds 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, cash or other money market instruments there is a risk that the issuer may default. 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. Some funds are able to invest some or all of their assets in developing overseas markets which carry a higher risk than investing in larger established markets. Investments in emerging markets are likely to experience greater rises and falls in value and there may be trading difficulties. Some funds invest in overseas markets. This means that changes in currency exchange rates will affect the value of your investment. For some funds, derivatives and forward transactions may be used for specific 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. We assess the creditworthiness of counterparties as part of our risk management process. 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.

# FIDELITY MULTI ASSET STRATEGIC FUND

## PORTFOLIO INFORMATION

	30/04/14	31/10/13
	%	%
Equity Funds	40.18	42.50
Fixed Interest Funds	31.72	30.18
Cash Funds/Money Market Funds	18.46	14.28
Commodity Funds/Commodity Exposure	5.12	0.97
Property Funds	3.51	2.48
Forward Foreign Exchange Contracts	0.05	0.00
Index Futures	0.02	-0.19
Cash and other net assets/(liabilities)	0.94	9.78

## TOP HOLDINGS

The top ten holdings in the fund as at 30 April 2014 and at the previous year end are shown below.

Top holdings as at 30/04/14	% of total net assets
Fidelity Institutional UK Gilt Fund	15.68
Fidelity Gross Accumulating Cash Fund	14.36
Fidelity Institutional UK Corporate Bond Fund	11.42
Fidelity UK Select Fund	5.68
Fidelity MoneyBuilder Dividend Fund	4.23
Fidelity Institutional Liquidity Fund (USD)	4.11
Fidelity Global Property Fund	3.51
Fidelity MoneyBuilder Growth Fund	2.94
Fidelity Institutional Long Bond Fund	2.85
FAST - US Fund	2.66

Top holdings as at 31/10/13	% of total net assets
Fidelity Institutional UK Gilt Fund	15.65
Fidelity Gross Accumulating Cash Fund	14.28
Fidelity Institutional UK Corporate Bond Fund	9.99
Fidelity UK Select Fund	6.02
Fidelity MoneyBuilder Dividend Fund	4.56
Fidelity MoneyBuilder Growth Fund	4.51
Fidelity American Fund	3.77
Fidelity Funds - Global Industrials Fund	2.83
Fidelity Funds - Global Consumer Industries Fund	2.59
Fidelity Global Property Fund	2.48

### Footnotes:

1. The net asset value is the accounting value at the period end on a fair value basis.
2. The Fidelity PathFinder Focused 2 Accumulation (clean) Shares were launched on 30/01/14.

## FUND FACTS

### INCOME (pence per share)

No distributions were due in the six month period.

### ONGOING CHARGES (%)

	A Accumulation Shares	N Accumulation Shares
30/04/14	1.61	0.86
30/04/13	1.60	-
	Y Accumulation Shares	Fidelity PathFinder Focused 2 Accumulation Shares
30/04/14	1.11	1.61
30/04/13	1.09	1.61
	Fidelity PathFinder Focused 2 Accumulation (clean) Shares <sup>2</sup>	
30/04/14	0.93	
30/04/13	-	

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			N Accumulation Shares		
30/04/14	544.9	141.10	386,149,118	16.3	101.10	16,150,164
	Y Accumulation Shares			Fidelity PathFinder Focused 2 Accumulation Shares		
30/04/14	94.5	126.41	74,743,107	5.1	104.21	4,932,861
	Fidelity PathFinder Focused 2 Accumulation (clean) Shares					
30/04/14	5.9	102.14	5,791,097			



## INVESTMENT OBJECTIVE AND POLICY

The fund aims to provide long term capital growth from exposure to global markets mainly in equities. The Fund will invest in collective investment schemes including those managed by Fidelity and may also invest in transferable securities, money market instruments, cash and deposits. Derivatives and forward transactions may also be used for investment purposes.

NB: It is anticipated that as an "open" fund, investment shall be made in both funds managed by third party fund providers and funds managed by Fidelity and in such proportions as the investment manager may decide in pursuit of the investment strategy.

## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

Global equities generated small but positive returns over the period. Improving economic data in developed markets supported investor sentiment. However, worries about the impact of the reduction in money supply by the US Federal Reserve (Fed), particularly on emerging market economies which remain somewhat dependent on external financing, hampered markets. Concerns about slower growth in China and geopolitical tensions in Ukraine further limited gains. Against this backdrop, Europe ex UK, the US and the UK generated positive returns. In contrast, Pacific ex Japan and emerging markets declined. In Japan, equities slid due to concerns about the impact that an increase in the sales tax, which was scheduled for April, would have on consumption spending and the lack of near term policy action to counter that impact.

### PORTFOLIO ACTIVITY

Selection of underlying managers in the Europe ex UK and the US detracted from returns. The European segment of the portfolio had a bias towards managers who invest in growth stocks (companies whose earnings are expected to grow rapidly). These holdings detracted from performance as investors shifted their focus to undervalued stocks and those that pay dividends. Elsewhere, the allocation to William Blair US Small-Mid Cap Growth Fund hurt returns as small sized companies in the US underperformed their larger counterparts over the period. Within the UK segment, stock specific reasons led to weak returns from MFS Meridian UK Equity Fund. The lack of exposure to the health care sector hurt the performance of CF Lindsell Train UK Equity Fund. The health care sector gained notably towards the end of the period due to merger and acquisition news. Positions in Pacific ex Japan also detracted from returns. However, this was partially offset by holdings in the emerging markets and Japanese segments. Within the UK equity segment, we sold Fidelity UK Smaller Companies after a period of strong performance and bought Franklin UK Smaller Companies Fund. In the Europe ex UK segment, we sold Schroder European Alpha Plus Fund and bought Invesco Continental European Fund in order to reduce the overweight stance in growth stocks. Elsewhere, we replaced Northern Trust Emerging Markets Equity Index Fund with Fidelity Index Emerging Markets Fund. We also sold Fidelity South East Asia Fund following a change in manager and bought a holding in Fidelity Funds – South East Asia Fund instead.

### OUTLOOK

Central banks in most developed countries continue to support their economies by maintaining adequate money supply, which should support global growth and equity market performance. However, slower growth in China and geopolitical tensions in Ukraine make us somewhat cautious about the growth outlook.

Ayesha Akbar & James Bateman  
Fund Managers  
30 April 14

## PERFORMANCE RECORD

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

	30/04/10	30/04/11	30/04/12	30/04/13	30/04/14
Y Accumulation Shares	-	-	-	-	5.1
A Accumulation Shares	-	-	-	-	4.6
Fidelity PathFinder Freedom 5 Accumulation Shares	-	-	-	-	4.6
N Accumulation Shares	-	-	-	-	-
Fidelity PathFinder Freedom 5 Accumulation (clean) Shares	-	-	-	-	-
* Comparative Index	-	-	-	-	5.4

\* Comparative Index: MSCI All Countries World Index (Net)

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested. Past performance is not a reliable indicator of future results.

## 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 investments and the income from it can go down as well as up so you may not get back the amount you invested. Some funds are able to invest some or all of their assets in developing overseas markets which carry a higher risk than investing in larger established markets. Investments in emerging markets are likely to experience greater rises and falls in value and there may be trading difficulties. Some funds invest in overseas markets. This means that changes in currency exchange rates will affect the value of your investment. For some funds, derivatives and forward transactions may be used for specific 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. We assess the creditworthiness of counterparties as part of our risk management process. 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

	30/04/14	31/10/13
	%	%
United States	31.09	40.77
Europe	15.65	16.23
Emerging Markets	9.86	11.28
Global	9.52	0.00
United Kingdom	6.86	6.88
Japan	6.32	7.47
Asia Pacific Ex-Japan	5.11	5.30
Greece	0.00	0.02
Cash and other net assets/(liabilities)	15.59	12.05

## TOP HOLDINGS

The top ten holdings in the fund as at 30 April 2014 and at the previous year end are shown below.

Top holdings as at 30/04/14	% of total net assets
BlackRock North American Equity Tracker	17.84
Fidelity Funds - America Fund (USD)	12.01
William Blair Small Mid Cap Growth Fund	9.52
Eaton Vance Parametric Emerging Markets Fund	6.69
CF Morant Wright Japan Fund	6.32
BlackRock Continental European Fund	5.52
Invesco Continental European Equity Fund	3.53
Fidelity Emerging Markets Fund	3.16
Fidelity Funds - South East Asia Fund	2.99
IVI European Fund	2.54

Top holdings as at 31/10/13	% of total net assets
BlackRock Collective Investment Fund - North America	18.63
Fidelity Funds - America Fund (USD)	11.06
William Blair US Small-Mid Cap Growth Fund	9.63
CF Morant Wright Japan Fund	7.47
Eaton Vance Emerald - PPA Emerging Markets Equity Fund	7.13
BlackRock Continental European Fund	5.75
Northern Trust Emerging Market Index Fund	4.15
Northern Trust Europe (ex-UK) Equity Index Fund	3.98
Fidelity South-East Asia Fund	3.18
IVI European Fund	2.55

### Footnotes:

1. The net asset value is the accounting value at the period end on a fair value basis.
2. The Fidelity PathFinder Freedom 5 Accumulation (clean) Shares were launched on 30/01/14.

## FUND FACTS

### INCOME (pence per share)

No distributions were due in the six month period.

### ONGOING CHARGES (%)

	A Accumulation Shares	N Accumulation Shares
30/04/14	2.06	1.31
30/04/13	2.14	-
	Y Accumulation Shares	Fidelity PathFinder Freedom 5 Accumulation Shares
30/04/14	1.56	2.05
30/04/13	1.64	2.14
	Fidelity PathFinder Freedom 5 Accumulation (clean) Shares <sup>2</sup>	
30/04/14	1.46	

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			N Accumulation Shares		
30/04/14	2.8	109.81	2,622,007	0.1	100.33	9,244
	Y Accumulation Shares			Fidelity PathFinder Freedom 5 Accumulation Shares		
30/04/14	1.6	110.48	1,491,938	2.7	109.40	2,434,758
	Fidelity PathFinder Freedom 5 Accumulation (clean) Shares					
30/04/14	2.0	101.57	1,994,447			

## INVESTMENT OBJECTIVE AND POLICY

The fund's investment objective is to achieve long term capital growth for investors planning to withdraw substantial portions of their investment in or after the year 2015. The fund's policy is to invest in a wide range of investments covering markets throughout the world, in accordance with an asset allocation that will become increasingly conservative as the year 2015 is approached. The fund will invest in other collective investment schemes (both regulated and unregulated), including schemes managed by Fidelity, and may also invest directly in transferable securities, money market instruments, cash and deposits. Derivatives and forward transactions may also be used for investment purposes.

## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

Most asset classes generated small but positive returns over the period. Energy prices rose due to the unseasonably cold winter in the US, while the drought in Brazil drove up coffee prices to a record high. Meanwhile, improving economic data and continued monetary support from central banks in developed markets drove equities higher. However, gains were limited by worries about the impact of the reduction in money supply by the US Federal Reserve (Fed), slow growth in China and rising geopolitical tensions in Ukraine. At a regional level, equities in Europe ex UK, the US and the UK rose, but declined in Japan, emerging markets and Pacific ex Japan. Meanwhile, in the fixed income segment, high yield and corporate bonds outperformed government bonds.

### PORTFOLIO ACTIVITY

Both tactical asset allocation and selection of underlying managers detracted from returns. Based on our positive view on global growth, we positioned the fund to benefit from an improving economic environment by maintaining a bias towards equities at the expense of other asset classes. However, in equities, an overweight stance in the Asia Pacific region, notably the exposure to Japan, held back gains. Equities in Japan were hurt due to concerns over the impact of an increase in the sales tax on consumption spending, and the lack of near term policy action to counter the impact. The exposure to Japan was scaled down by selling the positions in Fidelity Japan Smaller Companies Fund and reducing the allocation to Fidelity Japan Fund. Over the period, we maintained a preference for US equities given my optimistic outlook for the region. Positions were purchased in SPDR S&P US Dividend Aristocrats Fund, Fidelity Funds - American Growth Fund and FAST - US Fund. We believe that slow growth in China, the largest consumer of industrial metals, will hurt commodity prices. Accordingly, we lowered the allocation to commodities by reducing the holding in ETFS All Commodities. However, this decision detracted from returns as commodities rose on the back of harsh weather. Nonetheless, we believe this was an unexpected short-term gain, and retain my underweight in the sector. Meanwhile, in the fixed income segment, positions in government bonds hampered returns. In Europe ex UK equities, stock picking by underlying managers in the financials and technology sectors also weakened performance. On a positive note, in emerging markets, the position in Fidelity Institutional Emerging Markets Fund contributed to returns.

### OUTLOOK

The macroeconomic environment remains broadly supportive of equities. At a regional level, the US is favoured on the back of improving corporate earnings and signs of stable growth. Equities in Japan could be volatile due to the impact of the sales tax increase. Meanwhile, Pacific ex Japan and emerging markets could be hurt by weakening growth in China, the major export market for both regions. Elsewhere, the weather induced strength in commodities is likely to fade. In fixed income, global corporate bonds are expected to outperform core government bonds as investors are attracted by the level of income they pay.

Joo Hee Lee & Eugene Philalithis  
Fund Manager  
30 April 14

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

## PERFORMANCE RECORD

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

	30/04/10	30/04/11	30/04/12	30/04/13	30/04/14
A Accumulation Shares	24.1	7.7	-2.6	9.3	-0.3
Gross paying A Accumulation Shares**	-	-	-	-	-0.1
* Comparative Index	23.0	8.8	-0.6	9.1	-0.1

\* Comparative Index: The Comparative Index follows a roll down path designed to match the changing asset class exposure of the fund. The initial asset class exposure is 100% equity and this changes over time as the fund approaches its maturity date, with bonds and then cash being introduced in increasing amounts. The Comparative Index weights and components as at 30/04/2014. Comprises: 35% BoFA ML Sterling Broad Mkt (Net), 6% FTSE All Share (Net), 10% GBP Overnight LIBOR, 9% DJ - UBS Commodity Index TR, 4% MSCI Europe Ex UK (Net), 4% MSCI North America (Net), 4% MSCI AC Pacific (Net), 26% Morningstar UK Savings 2500+ (Net) & 2% MSCI Emerging Markets (Net)

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested, \*\* gross income reinvested. Past performance is not a reliable indicator of future results.

## 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. Some funds 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, cash or other money market instruments there is a risk that the issuer may default. 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. Some funds are able to invest some or all of their assets in developing overseas markets which carry a higher risk than investing in larger established markets. Investments in emerging markets are likely to experience greater rises and falls in value and there may be trading difficulties. Some funds invest in overseas markets. This means that changes in currency exchange rates will affect the value of your investment. For some funds, derivatives and forward transactions may be used for specific 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. We assess the creditworthiness of counterparties as part of our risk management process. The value of the fund may be affected if any of the institutions with which cash is deposited suffers insolvency or other financial difficulty. 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.

# FIDELITY TARGET 2015 FUND

## PORTFOLIO INFORMATION

	30/04/14	31/10/13
	%	%
Cash Funds/Money Market Funds	27.00	20.87
Fixed Interest Funds	22.77	21.91
Equity Funds	22.08	26.64
ETFS: Tracking Government Bonds	12.32	11.70
Absolute Return Funds	9.08	8.99
Commodity Funds/Commodity Exposure	5.72	7.86
Cash and other net assets/(liabilities)	1.03	2.03

## TOP HOLDINGS

The top ten holdings in the fund as at 30 April 2014 and at the previous year end are shown below.

Top holdings as at 30/04/14	% of total net assets
Fidelity Gross Accumulating Cash Fund	26.99
iShares FTSE UK Gilts 0-5 Fund	12.32
Fidelity Institutional UK Aggregate Bond Fund	12.25
Fidelity Institutional UK Gilt Fund	10.51
Threadneedle Absolute Return Bond Fund	9.08
ETFS All Commodities - UBS Commodity Index	5.68
Fidelity UK Select Fund	3.01
Fidelity European Fund	2.40
Fidelity MoneyBuilder Growth Fund	2.29
Fidelity Institutional Emerging Markets Fund	1.96

Top holdings as at 31/10/13	% of total net assets
Fidelity Gross Accumulating Cash Fund	20.87
iShares FTSE UK Gilts 0-5 Fund	11.70
Fidelity Institutional UK Gilt Fund	10.09
Threadneedle Absolute Return Bond Fund	8.99
Fidelity Institutional UK Aggregate Bond Fund	8.43
Dow Jones - ETFS All Commodities	7.90
Fidelity Funds - America Fund	3.53
Fidelity MoneyBuilder Income Fund	3.38
Fidelity UK Select Fund	3.30
Fidelity European Fund	2.87

### Footnotes:

1. The net asset value is the accounting value at the period end on a fair value basis.

## FUND FACTS

### INCOME (pence per share)

No distributions were due in the six month period.

### ONGOING CHARGES (%)

	A Accumulation Shares	Gross paying A Accumulation Shares
30/04/14	1.34	1.34
30/04/13	1.36	1.36

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			Gross paying A Accumulation Shares		
30/04/14	8.1	48.58	16,573,091	9.2	48.65	18,961,686

## INVESTMENT OBJECTIVE AND POLICY

The Fund's investment objective is to achieve long term capital growth for investors planning to withdraw substantial portions of their investment in or after the year 2020. The Fund's policy is to invest in a wide range of investments covering markets throughout the world, in accordance with an asset allocation that will become increasingly conservative as the year 2020 is approached. The Fund will invest in other collective investment schemes (both regulated and unregulated), including schemes managed by Fidelity, and may also invest directly in transferable securities, money market instruments, cash and deposits. Derivatives and forward transactions may also be used for investment purposes.

## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

Most asset classes generated small but positive returns over the period. Energy prices rose due to the unseasonably cold winter in the US, while the drought in Brazil drove up coffee prices to a record high. Meanwhile, improving economic data and continued monetary support from central banks in developed markets drove equities higher. However, gains were limited by worries about the impact of the reduction in money supply by the US Federal Reserve (Fed), slow growth in China and rising geopolitical tensions in Ukraine. At a regional level, equities in Europe ex UK, the US and the UK rose, but declined in Japan, emerging markets and Pacific ex Japan. Meanwhile, in the fixed income segment, high yield and corporate bonds outperformed government bonds.

### PORTFOLIO ACTIVITY

The selection of underlying managers in the equity segment of the portfolio negatively impacted returns. In Europe ex UK equities, stock picking by underlying managers in the financials and technology sectors weakened performance. In the UK, positions in Fidelity UK Select Fund and Fidelity MoneyBuilder Growth Fund detracted from returns. The exposure to both funds was reduced. In contrast, selection in emerging market equities boosted performance. Stock picking in consumer discretionary and an underweight stance in energy and materials supported returns. Selection of underlying managers in the fixed income segment also buoyed returns. Based on our positive view on global growth, we positioned the fund to benefit from an improving economic environment by maintaining a bias towards equities at the expense of other asset classes. However, in equities, an overweight stance in the Asia Pacific region, notably the exposure to Japan, held back gains. Equities in Japan were hurt due to concerns over the impact of an increase in the sales tax on consumption spending, and the lack of near term policy action to counter the impact. The exposure to Japan was scaled down by selling the positions in Fidelity Japan Smaller Companies Fund. Over the period, we maintained a preference for US equities given my optimistic outlook for the region. Positions were purchased in SPDR S&P US Dividend Aristocrats ETF Fund, Fidelity Funds -American Growth Fund and FAST - US Fund. We believed that slow growth in China, the largest consumer of industrial metals, will hurt commodity prices. However, the underweight stance in the asset class detracted from returns as commodities rose on the back of harsh weather. Nonetheless, we believe this was an unexpected short-term gain, and retain my underweight in the sector.

### OUTLOOK

The macroeconomic environment remains broadly supportive of equities. At a regional level, the US is favoured on the back of improving corporate earnings and signs of stable growth. Equities in Japan could be volatile due to the impact of the sales tax increase. Meanwhile, Pacific ex Japan and emerging markets could be hurt by weakening growth in China, the major export market for both regions. Elsewhere, the weather induced strength in commodities is likely to fade. In fixed income, global corporate bonds are expected to outperform core government bonds as investors are attracted by the level of income they pay.

Joo Hee Lee & Eugene Philalithis  
Fund Manager  
30 April 14

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

## PERFORMANCE RECORD

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

	30/04/10	30/04/11	30/04/12	30/04/13	30/04/14
A Accumulation Shares	28.7	7.9	-6.0	14.4	2.2
* Comparative Index	29.1	10.1	-4.4	13.8	2.2

\* Comparative Index: The Comparative Index follows a roll down path designed to match the changing asset class exposure of the fund. The initial asset class exposure is 100% equity and this changes over time as the fund approaches its maturity date, with bonds and then cash being introduced in increasing amounts. The Comparative Index weights and components as at 30/04/2014. Comprises: 17.1% FTSE All Share (Net), 11.4% MSCI Europe ex-UK (Net), 11.4% MSCI North America (Net), 11.4% MSCI AC Pacific (Net), 23% BofA ML Sterling Broad Mkt (Net), 10% GBP Overnight LIBOR, 10% DJ - UBS Commodity Index & 5.7% MSCI Emerging Markets (Net)

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested. Past performance is not a reliable indicator of future results.

## 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. Some funds 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, cash or other money market instruments there is a risk that the issuer may default. 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. Some funds are able to invest some or all of their assets in developing overseas markets which carry a higher risk than investing in larger established markets. Investments in emerging markets are likely to experience greater rises and falls in value and there may be trading difficulties. Some funds invest in overseas markets. This means that changes in currency exchange rates will affect the value of your investment. For some funds, derivatives and forward transactions may be used for specific 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. We assess the creditworthiness of counterparties as part of our risk management process. The value of the fund may be affected if any of the institutions with which cash is deposited suffers insolvency or other financial difficulty. 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

	30/04/14	31/10/13
	%	%
Equity Funds	59.00	61.59
Fixed Interest Funds	22.96	15.61
Absolute Return Funds	9.00	8.93
Commodity Funds/Commodity Exposure	7.27	7.80
ETFS: Tracking Government Bonds	0.00	3.87
Cash and other net assets/(liabilities)	1.77	2.20

## TOP HOLDINGS

The top ten holdings in the fund as at 30 April 2014 and at the previous year end are shown below.

Top holdings as at 30/04/14	% of total net assets
Fidelity Institutional UK Aggregate Bond Fund	13.77
Fidelity Institutional UK Gilt Fund	9.19
Threadneedle Absolute Return Bond Fund	9.00
Fidelity UK Select Fund	7.45
ETFS All Commodities - UBS Commodity Index	7.23
Fidelity European Fund	6.83
Fidelity MoneyBuilder Growth Fund	5.66
Fidelity Institutional Emerging Markets Fund	5.56
Fidelity European Opportunities Fund	4.52
Fidelity Institutional Pacific (ex-Japan) Fund	4.44

Top holdings as at 31/10/13	% of total net assets
Threadneedle Absolute Return Bond Fund	8.93
ETFS All Commodities	7.84
Fidelity Institutional UK Aggregate Bond Fund	7.81
Fidelity Funds - America Fund	7.74
Fidelity UK Select Fund	7.53
Fidelity European Fund	7.08
Fidelity Japan Fund	5.91
Fidelity Institutional UK Gilt Fund	5.85
Fidelity Institutional Emerging Markets Fund	5.83
Fidelity MoneyBuilder Growth Fund	5.67

### Footnotes:

1. The net asset value is the accounting value at the period end on a fair value basis.

## FUND FACTS

### INCOME (pence per share)

No distributions were due in the six month period.

### ONGOING CHARGES (%)

	A Accumulation Shares
30/04/14	1.63
30/04/13	1.51

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
		A Accumulation Shares	
30/04/14	22.0	53.73	40,997,440

## INVESTMENT OBJECTIVE AND POLICY

The fund's investment objective is to achieve long term capital growth for investors planning to withdraw substantial portions of their investment in or after the year 2025. The fund's policy is to invest in a wide range of investments covering markets throughout the world, in accordance with an asset allocation that will become increasingly conservative as the year 2025 is approached. The fund will invest in other collective investment schemes, including schemes managed by Fidelity, and may also invest directly in transferable securities, money market instruments, cash and deposits. Derivatives and forward transactions may also be used for investment purposes.

## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

Most asset classes generated small but positive returns over the period. Energy prices rose due to the unseasonably cold winter in the US, while the drought in Brazil drove up coffee prices to a record high. Meanwhile, improving economic data and continued monetary support from central banks in developed markets drove equities higher. However, gains were limited by worries about the impact of the reduction in money supply by the US Federal Reserve (Fed), slow growth in China and rising geopolitical tensions in Ukraine. Meanwhile, in the fixed income segment, high yield and corporate bonds outperformed government bonds.

### PORTFOLIO ACTIVITY

The selection of underlying managers in the equity segment of the portfolio negatively impacted returns. In Europe ex UK equities, stock picking by underlying managers in the financials and technology sectors weakened performance. In the UK, positions in Fidelity UK Select Fund and Fidelity MoneyBuilder Growth Fund detracted from returns. On a positive note, selection in emerging market equities boosted performance. Stock picking in consumer discretionary and an underweight stance in energy and materials supported returns. Based on our positive view on global growth, we positioned the fund to benefit from an improving economic environment by maintaining a bias towards equities at the expense of other asset classes. However, in equities, an overweight stance in the Asia Pacific region, notably the exposure to Japan, held back gains. Equities in Japan were hurt due to concerns over the impact of an increase in the sales tax on consumption spending, and the lack of near term policy action to counter the impact. The exposure to Japan was scaled down by selling the positions in Fidelity Japan Smaller Companies Fund and reducing the allocation to Fidelity Japan Fund. Over the period, we maintained a preference for US equities given my optimistic outlook for the region. Positions were purchased in SPDR S&P US Dividend Aristocrats ETF Fund, Fidelity Funds - American Growth Fund and FAST - US Fund. We believe that slow growth in China, the largest consumer of industrial metals, will hurt commodity prices. Therefore, the allocation to commodities was lowered by reducing the holding in ETFS All Commodities. However, the underweight stance in the asset class detracted from returns as commodities rose on the back of harsh weather. Nonetheless, we believe this was an unexpected short-term gain, and retain my underweight in the sector. Elsewhere, the exposure to government bonds detracted from returns.

### OUTLOOK

The macroeconomic environment remains broadly supportive of equities. At a regional level, the US is favoured on the back of improving corporate earnings and signs of stable growth. Equities in Japan could be volatile due to the impact of the sales tax increase. Meanwhile, Pacific ex Japan and emerging markets could be hurt by weakening growth in China, the major export market for both regions. Elsewhere, the weather induced strength in commodities is likely to fade. In fixed income, global corporate bonds are expected to outperform core government bonds as investors are attracted by the level of income they pay.

Joo Hee Lee & Eugene Philalithis  
Fund Manager  
30 April 14

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

## PERFORMANCE RECORD

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

	30/04/10	30/04/11	30/04/12	30/04/13	30/04/14
A Accumulation Shares	31.9	8.1	-6.6	17.5	3.2
* Comparative Index	33.4	10.5	-5.4	17.1	3.8

\* Comparative Index: The Comparative Index follows a roll down path designed to match the changing asset class exposure of the fund. The initial asset class exposure is 100% equity and this changes over time as the fund approaches its maturity date, with bonds and then cash being introduced in increasing amounts. The Comparative Index weights and components as at 30/04/2014 Comprises: 24% FTSE All Share (Net), 16% MSCI Europe ex-UK (Net), 16% MSCI North America (Net), 16% MSCI AC Pacific (Net), 8% MSCI Emerging Markets (Net), 8% GBP Overnight LIBOR, 6% DJ - UBS Commodity Index Total Return & 6% BofA ML Sterling Broad Mkt (Net)

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested. Past performance is not a reliable indicator of future results.

## 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. Some funds 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, cash or other money market instruments there is a risk that the issuer may default. 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. Some funds are able to invest some or all of their assets in developing overseas markets which carry a higher risk than investing in larger established markets. Investments in emerging markets are likely to experience greater rises and falls in value and there may be trading difficulties. Some funds invest in overseas markets. This means that changes in currency exchange rates will affect the value of your investment. For some funds, derivatives and forward transactions may be used for specific 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. We assess the creditworthiness of counterparties as part of our risk management process. The value of the fund may be affected if any of the institutions with which cash is deposited suffers insolvency or other financial difficulty. 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.

# FIDELITY TARGET 2025 FUND

## PORTFOLIO INFORMATION

	30/04/14	31/10/13
	%	%
Equity Funds	82.54	84.58
Absolute Return Funds	5.95	5.90
Fixed Interest Funds	5.95	2.40
Commodity Funds/Commodity Exposure	5.01	5.80
ETFS: Tracking Government Bonds	0.00	0.58
Cash and other net assets/(liabilities)	0.55	0.74

## TOP HOLDINGS

The top ten holdings in the fund as at 30 April 2014 and at the previous year end are shown below.

Top holdings as at 30/04/14	% of total net assets
Fidelity UK Select Fund	10.16
Fidelity European Fund	9.54
Fidelity Institutional Emerging Markets Fund	7.74
Fidelity MoneyBuilder Growth Fund	7.71
Fidelity Institutional Pacific (ex-Japan) Fund	6.39
Fidelity European Opportunities Fund	6.33
Fidelity Institutional Japan Fund	5.95
FAST - US Fund	5.95
Threadneedle Absolute Return Bond Fund	5.95
Fidelity MoneyBuilder Dividend Fund	5.39

Top holdings as at 31/10/13	% of total net assets
Fidelity Funds - America Fund	10.48
Fidelity UK Select Fund	10.26
Fidelity European Fund	9.78
Fidelity Japan Fund	8.30
Fidelity Institutional Emerging Markets Fund	8.04
Fidelity MoneyBuilder Growth Fund	7.69
Fidelity Institutional Pacific (ex-Japan) Fund	6.76
Fidelity European Opportunities Fund	6.54
Threadneedle Absolute Return Bond Fund	5.90
ETFS All Commodities	5.80

### Footnotes:

1. The net asset value is the accounting value at the period end on a fair value basis.

## FUND FACTS

### INCOME (pence per share)

No distributions were due in the six month period.

### ONGOING CHARGES (%)

	A Accumulation Shares
30/04/14	2.06
30/04/13	2.01

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> A Accumulation Shares	Shares in issue
30/04/14	3.4	123.28	2,754,859



## INVESTMENT OBJECTIVE AND POLICY

The fund's investment objective is to achieve long term capital growth for investors planning to withdraw substantial portions of their investment in or after the year 2030. The fund's policy is to invest in a wide range of investments covering markets throughout the world, in accordance with an asset allocation that will become increasingly conservative as the year 2030 is approached. The fund will invest in other collective investment schemes, including schemes managed by Fidelity, and may also invest directly in transferable securities, money market instruments, cash and deposits. Derivatives and forward transactions may also be used for investment purposes.

## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

Most asset classes generated small but positive returns over the period. Energy prices rose due to the unseasonably cold winter in the US, while the drought in Brazil drove up coffee prices to a record high. Meanwhile, improving economic data and continued monetary support from central banks in developed markets drove equities higher. However, gains were limited by worries about the impact of the reduction in money supply by the US Federal Reserve (Fed), slow growth in China and rising geopolitical tensions in Ukraine. Meanwhile, in the fixed income segment, high yield and corporate bonds outperformed government bonds.

### PORTFOLIO ACTIVITY

The selection of underlying managers in the equity segment of the portfolio negatively impacted returns. In Europe ex UK equities, stock picking by underlying managers in the financials and technology sectors weakened performance. In the UK, positions in Fidelity UK Select Fund and Fidelity MoneyBuilder Growth Fund detracted from returns. In contrast, in emerging markets, stock selection in consumer discretionary and an underweight stance in energy and materials supported returns. Based on our positive view on global growth, we positioned the fund to benefit from an improving economic environment by maintaining a bias towards equities. However, an overweight stance in the Asia Pacific region, notably the exposure to Japan held back gains. Equities in Japan were hurt due to concerns over the impact of an increase in the sales tax on consumption spending. The exposure to Japan was scaled down by selling the position in Fidelity Japan Smaller Companies Fund and reducing the allocation to Fidelity Japan Fund. Meanwhile, we maintained a preference for US equities, which helped returns. Positions were purchased in SPDR S&P US Dividend Aristocrats ETF Fund and FAST - US Fund. An overweight holding in UK equities also supported performance. We bought a position in Fidelity Special Situations Fund as the underlying manager believes that the economic environment is favourable for finding undervalued medium-sized companies. We believe that this strategy will support performance going forward. Meanwhile, the holding in Fidelity Special Values PLC was sold. The fund did not have exposure to commodities as we believe that slow growth in China, the largest consumer of industrial metals, will hurt commodity prices. However, this decision detracted from returns as commodities rose on the back of harsh weather. Nonetheless, we believe this was an unexpected short-term gain, and continue to avoid the asset class.

### OUTLOOK

The macroeconomic environment remains broadly supportive of equities. At a regional level, the US is favoured on the back of improving corporate earnings and signs of stable growth. Equities in Japan could be volatile due to the impact of the sales tax increase. Meanwhile, Pacific ex Japan and emerging markets could be hurt by weakening growth in China, the major export market for both regions. Elsewhere, the weather induced strength in commodities is likely to fade. In fixed income, global corporate bonds are expected to outperform core government bonds as investors are attracted by the level of income they pay.

Joo Hee Lee & Eugene Philalithis  
Fund Manager  
30 April 14

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

## PERFORMANCE RECORD

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

	30/04/10	30/04/11	30/04/12	30/04/13	30/04/14
A Accumulation Shares	32.7	8.2	-7.1	19.9	4.2
* Comparative Index	34.7	10.9	-5.6	19.8	4.8

\* Comparative Index: The Comparative Index follows a roll down path designed to match the changing asset class exposure of the fund. The initial asset class exposure is 100% equity and this changes over time as the fund approaches its maturity date, with bonds and then cash being introduced in increasing amounts. The Comparative Index weights and components as at 30/04/2014 Comprises 28.8% FTSE All Share (Net), 19.2% MSCI Europe ex-UK (Net), 19.2% MSCI North America (Net), 19.2% MSCI AC Pacific (Net), 9.6% MSCI Emerging Markets (Net), 2% GBP Overnight LIBOR, 1% BoFA ML Sterling Broad Market Index (Net) & 1% Dow Jones - UBS Commodity Index Total Return.

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested. Past performance is not a reliable indicator of future results.

## 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. Some funds 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, cash or other money market instruments there is a risk that the issuer may default. 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. Some funds are able to invest some or all of their assets in developing overseas markets which carry a higher risk than investing in larger established markets. Investments in emerging markets are likely to experience greater rises and falls in value and there may be trading difficulties. Some funds invest in overseas markets. This means that changes in currency exchange rates will affect the value of your investment. For some funds, derivatives and forward transactions may be used for specific 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. We assess the creditworthiness of counterparties as part of our risk management process. The value of the fund may be affected if any of the institutions with which cash is deposited suffers insolvency or other financial difficulty. 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.

# FIDELITY TARGET 2030 FUND

## PORTFOLIO INFORMATION

	30/04/14	31/10/13
	%	%
Equity Funds	98.51	99.34
Fixed Interest Funds	0.99	0.00
Cash and other net assets/(liabilities)	0.50	0.66

## TOP HOLDINGS

The top ten holdings in the fund as at 30 April 2014 and at the previous year end are shown below.

Top holdings as at 30/04/14	% of total net assets
Fidelity UK Select Fund	12.08
Fidelity European Fund	11.47
Fidelity Institutional Emerging Markets Fund	9.32
Fidelity MoneyBuilder Growth Fund	9.17
Fidelity Institutional Pacific (ex-Japan) Fund	7.64
Fidelity European Opportunities Fund	7.59
Fidelity Institutional Japan Fund	7.09
FAST - US Fund	7.07
Fidelity MoneyBuilder Dividend Fund	6.41
SPDR S&P US Dividend Aristocrats ETF	6.01

Top holdings as at 31/10/13	% of total net assets
Fidelity Funds - America Fund	12.23
Fidelity UK Select Fund	12.03
Fidelity European Fund	11.60
Fidelity Japan Fund	9.72
Fidelity Institutional Emerging Markets Fund	9.49
Fidelity MoneyBuilder Growth Fund	9.04
Fidelity Institutional Pacific (ex-Japan) Fund	7.92
Fidelity European Opportunities Fund	7.72
Fidelity MoneyBuilder Dividend Fund	6.07
Fidelity Special Values PLC	2.99

### Footnotes:

1. The net asset value is the accounting value at the period end on a fair value basis.

## FUND FACTS

### INCOME (pence per share)

No distributions were due in the six month period.

### ONGOING CHARGES (%)

	A Accumulation Shares
30/04/14	2.02
30/04/13	2.00

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
		A Accumulation Shares	
30/04/14	4.2	128.14	3,300,403

## INVESTMENT OBJECTIVE AND POLICY

The fund's investment objective is to achieve long term capital growth. The Fund's policy is to invest primarily in collective investment schemes covering markets throughout the world and providing exposure mainly to equities, including schemes managed by Fidelity. The Fund will seek to invest in new, emerging or undiscovered fund managers who offer the potential to outperform their peer group. This may include fund managers who are relatively new to managing money and so have a shorter track record; or those running a fund which has gone unnoticed by the market but has a solid track record but lower assets under management; or those managers who are stand alone or with a small team in a boutique structure. The Fund may also invest directly in transferable securities, money market instruments, cash and deposits. Derivatives and forward transactions may also be used for investment purposes.

## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

Global equities generated small but positive returns over the period. Improving economic data in developed markets supported investor sentiment. However, worries about the impact of the reduction in money supply by the US Federal Reserve (Fed), particularly on emerging market economies which remain somewhat dependent on external financing, hampered markets. Concerns about slower growth in China and geopolitical tensions in Ukraine further limited gains. Against this backdrop, Europe ex UK, the US and the UK generated positive returns. In contrast, Pacific ex Japan and emerging markets declined. In Japan, equities slid due to concerns about the impact that an increase in the sales tax, which was scheduled for April, would have on consumption spending and the lack of near term policy action to counter that impact.

### PORTFOLIO ACTIVITY

The selection of underlying managers in the UK and Japanese segments supported performance. In the UK, a position in Heronbridge UK Equity Fund was notably rewarding. Strong stock picking, particularly in economically sensitive holdings, boosted Heronbridge's performance; the exposure to economically sensitive securities was reduced and the allocation to stocks that are less sensitive to economic conditions was increased. We maintain a significant exposure to Heronbridge as we have very strong conviction in its ability to outperform UK equities. Elsewhere, the holding in Baring Japan Growth Trust supported returns, largely due to its strong overweight stance in financials. The sector did well due to an upturn in the economy and substantial policy support. We do not expect frequent purchases and sales in the Fidelity Undiscovered Talent Fund as the objective is to identify managers whose investment process we feel confident about and to maintain long-term investments with them.

### OUTLOOK

Central banks in most developed countries continue to support their economies by maintaining adequate money supply, which should support global growth and equities. However, slower growth in China and geopolitical tensions in Ukraine make us cautious about the outlook. At a regional level, the US is favoured on the back of improving employment data and corporate earnings. Europe is seeing weak recovery and equities in Japan could be volatile due to the impact of the sales tax increase. Meanwhile, Pacific ex Japan and emerging markets could be hurt by weakening growth in China, the major export market for both regions.

Nick Peters & James Bateman  
Fund Managers  
30 April 14

## PERFORMANCE RECORD

A discrete 1 year performance table has not been included as the fund launched on 4 September 2013 and does not have a full twelve month performance record.

## 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 investments and the income from it can go down as well as up so you may not get back the amount you invested. Some funds are able to invest some or all of their assets in developing overseas markets which carry a higher risk than investing in larger established markets. Investments in emerging markets are likely to experience greater rises and falls in value and there may be trading difficulties. Some funds invest in overseas markets. This means that changes in currency exchange rates will affect the value of your investment. For some funds, derivatives and forward transactions may be used for specific 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. We assess the creditworthiness of counterparties as part of our risk management process. 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

	30/04/14	31/10/13
	%	%
United States	44.42	40.51
Europe	16.01	17.11
United Kingdom	14.78	17.23
Global	10.73	11.05
Japan	8.10	7.66
Asia Pacific Ex-Japan	4.57	4.78
Cash and other net assets/(liabilities)	1.39	1.66

## TOP HOLDINGS

The top ten holdings in the fund as at 30 April 2014 and at the previous year end are shown below.

Top holdings as at 30/04/14	% of total net assets
Fidelity Funds - American Growth Fund	18.02
Alken European Opportunities Fund	16.01
Heronbridge UK Equity Fund	15.06
BlackRock North American Equity Tracker	13.50
SPDR S&P US Dividend Aristocrats ETF	12.76
PFS Somerset Global Emerging Markets Fund	10.73
Baring Japan Growth Trust	8.10
JO Hambro Asia ex-Japan Fund	4.57
S&P500 E-MINI Future 20/06/2014	0.12
FTSE 100 Index Future 20/06/2014	-0.28

Top holdings as at 31/10/13	% of total net assets
Fidelity Funds - American Growth Fund	20.55
Heronbridge UK Equity Fund	17.58
Alken European Opportunities Fund	17.11
BlackRock North American Equity Tracker Fund	12.12
PFS Somerset Global Emerging Markets Fund	11.05
Baring Japan Growth Trust	7.66
SPDR S&P US Dividend Aristocrats ETF	7.54
JO Hambro Asia ex-Japan Fund	4.78
S&P500 E-Mini Future 20/12/2013	0.30
FTSE 100 Index Future 20/12/2013	-0.36

### Footnotes:

1. The net asset value is the accounting value at the period end on a fair value basis.

## FUND FACTS

### INCOME (pence per share)

No distributions were due in the six month period.

### ONGOING CHARGES (%)

30/04/14

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

Y Accumulation  
Shares

1.73

### FUND SIZE

30/04/14

assets  
(£m)

Total net  
value per  
share (p)<sup>1</sup>

Net asset  
Shares  
in issue

Y Accumulation Shares

4.2

105.40

4,007,054

## INVESTMENT OBJECTIVE AND POLICY

The fund's investment objective is to achieve long term capital growth by investing primarily in collective investment schemes, including schemes managed by Fidelity in order to obtain exposure to global markets. The fund may also invest directly in transferable securities, money market instruments, cash and deposits. Derivatives and forward transactions may also be used for investment purposes.

NB: It is anticipated that investment shall be made primarily in funds managed by Fidelity

## FUND MANAGER'S COMMENTARY

### MARKET REVIEW

Global equities generated small but positive returns over the period. Improving economic data in developed markets supported investor sentiment. However, worries about the impact of the reduction in money supply by the US Federal Reserve (Fed), particularly on emerging market economies which remain somewhat dependent on external financing, hampered markets. Concerns about slower growth in China and geopolitical tensions in Ukraine further limited gains. Against this backdrop, Europe ex UK, the US and the UK generated positive returns. In contrast, Pacific ex Japan and emerging markets declined. In Japan, equities slid due to concerns about the impact that an increase in the sales tax, which was scheduled for April, would have on consumption spending and the lack of near term policy action to counter that impact.

### PORTFOLIO ACTIVITY

The selection of underlying managers across several regions weakened performance. New positions in Fidelity Funds – American Growth Fund and FAST US Fund, which were bought in the second half of the period, detracted from returns. Stock picking by underlying managers in the information technology and consumer discretionary sectors hampered performance. An overweight stance in the health care sector was also unhelpful. US health care stocks declined sharply in the last two months of the period as investors sought to take profits after a period of outperformance. Meanwhile, the bias towards consumer discretionary and financials stocks weakened returns from Japanese funds as well as from Fidelity South East Asia Fund. On a positive note, the selection of underlying managers in the European and UK segments contributed to returns. The overweight exposure to selected health care stocks, which benefited from merger and acquisition news, supported performance from both segments. Moreover, strong stock selection among financials aided the performance of underlying UK funds. In terms of tactical asset allocation, a preference for Europe ex UK over the UK supported performance. The bias against Japan and emerging markets, which underperformed most regions also contributed to relative returns. We reduced the allocation to several US funds following a change in their managers. Three new holdings, including SPDR S&P US Dividend Aristocrats ETF were bought instead. We also sold Fidelity Funds – Japan Advantage Fund and bought two new funds that helped make the Japanese segment more style neutral. Fidelity UK Smaller Companies Fund was sold and the allocation to Fidelity South East Asia Fund and Fidelity Global Demographics Fund reduced.

### OUTLOOK

Central banks in most developed countries continue to support their economies by maintaining adequate money supply, which should support global growth and equities. However, slower growth in China and geopolitical tensions in Ukraine make us cautious about the outlook. At a regional level, the US is favoured on the back of improving employment data and corporate earnings. Europe is seeing weak recovery and equities in Japan could be volatile due to the impact of the sales tax increase. Meanwhile, Pacific ex Japan and emerging markets could be hurt by weakening growth in China, the major export market for both regions.

James Bateman & Nick Peters  
Fund Managers  
30 April 14

## PERFORMANCE RECORD

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

	30/04/10	30/04/11	30/04/12	30/04/13	30/04/14
A Accumulation Shares	32.5	8.0	-4.6	19.7	5.6
Fidelity PathFinder Focused 5 Accumulation Shares	-	-	-	-	5.6
Y Accumulation Shares	-	-	-	-	6.3
N Accumulation Shares	-	-	-	-	-
Fidelity PathFinder Focused 5 Accumulation (clean) Shares	-	-	-	-	-
* Comparative Index	35.4	10.9	-5.5	21.1	4.7

\* Comparative Index: Comprises 30% FTSE All Share Index (Net), 20% MSCI Europe ex-UK (Net), 20% MSCI North America (Net), 20% MSCI Pacific (Net) & 10% MSCI Emerging Markets (Net).

Source: Fidelity and RIMES, bid to bid, UK£, net income reinvested. Past performance is not a reliable indicator of future results.

## 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. Some funds are able to invest some or all of their assets in developing overseas markets which carry a higher risk than investing in larger established markets. Investments in emerging markets are likely to experience greater rises and falls in value and there may be trading difficulties. Some funds invest in overseas markets. This means that changes in currency exchange rates will affect the value of your investment. For some funds, derivatives and forward transactions may be used for specific 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. We assess the creditworthiness of counterparties as part of our risk management process. 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

	30/04/14	31/10/13
	%	%
United States	26.14	22.52
Europe	25.39	28.90
United Kingdom	19.94	19.99
Japan	10.99	9.80
Asia Pacific Ex-Japan	8.00	8.55
Emerging Markets	6.44	7.03
Global	2.09	2.03
Latin America	0.81	0.94
Cash and other net assets/(liabilities)	0.20	0.24

## TOP HOLDINGS

The top ten holdings in the fund as at 30 April 2014 and at the previous year end are shown below.

Top holdings as at 30/04/14	% of total net assets
FAST - US Fund	8.09
FAST - UK Fund	7.30
Fidelity Funds - European Dividend Fund	6.00
Fidelity Funds - European Dynamic Value Fund	5.91
Fidelity Funds - American Growth Fund	5.58
FAST - Europe Fund	4.93
Fidelity Special Situations Fund	4.92
Fidelity American Special Situations Fund	4.51
Fidelity Funds - European Larger Companies Fund	4.37
Fidelity MoneyBuilder Dividend Fund	4.31

Top holdings as at 31/10/13	% of total net assets
Fidelity Genesis Fund	10.19
Fidelity Funds - European Dynamic Value Fund	7.40
Fidelity South-East Asia Fund	7.19
Fidelity Funds - European Dividend Fund	6.97
Fidelity American Fund	6.49
Fidelity American Special Situations Fund	5.84
FAST - UK Fund	5.63
Fidelity Funds - European Larger Companies Fund	5.08
Fidelity MoneyBuilder Growth Fund	5.07
FAST - Japan Fund	4.92

### Footnotes:

1. The net asset value is the accounting value at the period end on a fair value basis.
2. The Fidelity PathFinder Focused 5 Accumulation (clean) Shares were launched on 30/01/14.

## FUND FACTS

### INCOME (pence per share)

No distributions were due in the six month period.

### ONGOING CHARGES (%)

	A Accumulation Shares	N Accumulation Shares
30/04/14	1.75	1.01
30/04/13	1.76	-
	Y Accumulation Shares	Fidelity PathFinder Focused 5 Accumulation Shares
30/04/14	1.26	1.75
30/04/13	1.27	1.77
	Fidelity PathFinder Focused 5 Accumulation (clean) Shares <sup>2</sup>	
30/04/14	1.11	

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			N Accumulation Shares		
30/04/14	797.4	91.21	874,183,157	3.7	101.78	3,654,883
	Y Accumulation Shares			Fidelity PathFinder Focused 5 Accumulation Shares		
30/04/14	12.7	106.73	11,907,905	1.4	112.11	1,249,087
	Fidelity PathFinder Focused 5 Accumulation (clean) Shares					
30/04/14	3.4	102.04	3,359,644			

# FIDELITY INVESTMENT FUNDS IV INTERIM SHORT REPORT FOR THE SIX MONTH PERIOD ENDED 30 APRIL 2014

## RISK AND REWARD PROFILES

FUND	SHARE CLASS	SRRI*
Fidelity Allocator World Fund	N Accumulation Shares	6
	Y Accumulation Shares	6
	Fidelity PathFinder Foundation 5 Accumulation Shares	6
	Fidelity PathFinder Foundation 5 Accumulation (clean) Shares	6
Fidelity Multi Asset Adventurous Fund	A Accumulation Shares	5
	N Accumulation Shares	5
	Y Accumulation Shares	5
	Fidelity PathFinder Focused 4 Accumulation Shares	5
	Fidelity PathFinder Focused 4 Accumulation (clean) Shares	5
Fidelity Multi Asset Allocator Adventurous Fund	A Accumulation Shares	6
	N Accumulation Shares	6
	Y Accumulation Shares	6
	Fidelity PathFinder Foundation 4 Accumulation Shares	6
	Fidelity PathFinder Foundation 4 Accumulation (clean) Shares	6
Fidelity Multi Asset Allocator Defensive Fund	A Accumulation Shares	3
	Gross paying A Accumulation Shares	3
	N Accumulation Shares	3
	Gross paying N Accumulation Shares	3
	Y Accumulation Shares	3
	Gross paying Y Accumulation Shares	3
	Fidelity PathFinder Foundation 1 Accumulation Shares	3
	Gross paying Fidelity PathFinder Foundation 1 Accumulation Shares	3
	Fidelity PathFinder Foundation 1 Accumulation (clean) Shares	3
	Gross paying Fidelity PathFinder Foundation 1 Accumulation (clean) Shares	3
Fidelity Multi Asset Allocator Growth Fund	A Accumulation Shares	5
	N Accumulation Shares	5
	Y Accumulation Shares	5
	Fidelity PathFinder Foundation 3 Accumulation Shares	5
	Fidelity PathFinder Foundation 3 Accumulation (clean) Shares	5
Fidelity Multi Asset Allocator Strategic Fund	A Accumulation Shares	4
	N Accumulation Shares	4
	Y Accumulation Shares	4
	Fidelity PathFinder Foundation 2 Accumulation Shares	4
	Fidelity PathFinder Foundation 2 Accumulation (clean) Shares	4
	MoneyBuilder Asset Allocator Accumulation Shares	4
Fidelity Multi Asset Balanced Income Fund	N Income Shares	4
	Gross paying N Income Shares	4
	Y Income Shares	4
	Gross paying Y Income Shares	4
	Y Accumulation Shares	4
	Gross paying Y Accumulation Shares	4
	Fidelity PathFinder Income 2 Income Shares	4
	Gross paying Fidelity PathFinder Income 2 Income Shares	4
	Fidelity PathFinder Income 2 Income (clean) Shares	4
	Gross paying Fidelity PathFinder Income 2 Income (clean) Shares	4



# FIDELITY INVESTMENT FUNDS IV INTERIM SHORT REPORT FOR THE SIX MONTH PERIOD ENDED 30 APRIL 2014

## RISK AND REWARD PROFILES

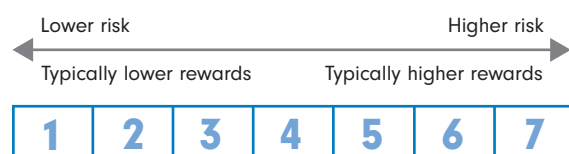
FUND	SHARE CLASS	SRRI*
Fidelity Multi Asset Defensive Fund	A Accumulation Shares	3
	Gross paying A Accumulation Shares	3
	N Accumulation Shares	3
	Gross paying N Accumulation Shares	3
	Y Accumulation Shares	3
	Gross paying Y Accumulation Shares	3
	Fidelity PathFinder Focused 1 Accumulation Shares	3
	Gross paying Fidelity PathFinder Focused 1 Accumulation Shares	3
	Fidelity PathFinder Focused 1 Accumulation (clean) Shares	3
Fidelity Multi Asset Growth Fund	Gross paying Fidelity PathFinder Focused 1 Accumulation (clean) Shares	3
	A Accumulation Shares	5
	N Accumulation Shares	5
	Y Accumulation Shares	5
	Fidelity PathFinder Focused 3 Accumulation Shares	5
Fidelity Multi Asset Income Fund	Fidelity PathFinder Focused 3 Accumulation (clean) Shares	5
	A Income Shares	4
	Gross paying A Income Shares	4
	N Income Shares	4
	Gross paying N Income Shares	4
	Y Income Shares	4
	Gross paying Y Income Shares	4
	A Accumulation Shares	4
	Gross paying A Accumulation Shares	4
	Y Accumulation Shares	4
	Gross paying Y Accumulation Shares	4
	Fidelity PathFinder Income 1 Income Shares	4
	Gross paying Fidelity PathFinder Income 1 Income Shares	4
	Fidelity PathFinder Income 1 Income (clean) Shares	4
	Gross paying Fidelity PathFinder Income 1 Income (clean) Shares	4
Fidelity Multi Asset Income & Growth Fund	N Income Shares	5
	Y Income Shares	5
	Y Accumulation Shares	5
	Fidelity PathFinder Income 3 Income Shares	5
	Fidelity PathFinder Income 3 Income (clean) Shares	5
Fidelity Multi Asset Open Adventurous Fund	N Accumulation Shares	6
	Y Accumulation Shares	6
	Fidelity PathFinder Freedom 4 Accumulation Shares	6
	Fidelity PathFinder Freedom 4 Accumulation (clean) Shares	6
Fidelity Multi Asset Open Defensive Fund	N Accumulation Shares	3
	Gross paying N Accumulation Shares	3
	Y Accumulation Shares	3
	Gross paying Y Accumulation Shares	3
	Fidelity PathFinder Freedom 1 Accumulation Shares	3
	Gross paying Fidelity PathFinder Freedom 1 Accumulation Shares	3
	Fidelity PathFinder Freedom 1 Accumulation (clean) Shares	3
	Gross paying Fidelity PathFinder Freedom 1 Accumulation (clean) Shares	3
Fidelity Multi Asset Open Growth Fund	A Accumulation Shares	5
	N Accumulation Shares	5
	Y Accumulation Shares	5
	Fidelity PathFinder Freedom 3 Accumulation Shares	5
	Fidelity PathFinder Freedom 3 Accumulation (clean) Shares	5

# FIDELITY INVESTMENT FUNDS IV INTERIM SHORT REPORT FOR THE SIX MONTH PERIOD ENDED 30 APRIL 2014

## RISK AND REWARD PROFILES

FUND	SHARE CLASS	SRRI*
Fidelity Multi Asset Open Strategic Fund	A Income Shares	4
	Y Income Shares	4
	A Accumulation Shares	4
	N Accumulation Shares	4
	Y Accumulation Shares	4
	Fidelity PathFinder Freedom 2 Accumulation Shares	4
	Fidelity PathFinder Freedom 2 Accumulation (clean) Shares	4
Fidelity Multi Asset Strategic Fund	A Accumulation Shares	4
	N Accumulation Shares	4
	Y Accumulation Shares	4
	Fidelity PathFinder Focused 2 Accumulation Shares	4
	Fidelity PathFinder Focused 2 Accumulation (clean) Shares	4
Fidelity Open World Fund	A Accumulation Shares	6
	N Accumulation Shares	6
	Y Accumulation Shares	6
	Fidelity PathFinder Freedom 5 Accumulation Shares	6
	Fidelity PathFinder Freedom 5 Accumulation (clean) Shares	6
Fidelity Target 2015 Fund	A Accumulation Shares	3
	Gross paying A Accumulation Shares	4
Fidelity Target 2020 Fund	A Accumulation Shares	5
Fidelity Target 2025 Fund	A Accumulation Shares	5
Fidelity Target 2030 Fund	A Accumulation Shares	6
Fidelity Undiscovered Talent Fund	Y Accumulation Shares	6
Fidelity WealthBuilder Fund	A Accumulation Shares	6
	N Accumulation Shares	6
	Y Accumulation Shares	6
	Fidelity PathFinder Focused 5 Accumulation Shares	6
	Fidelity PathFinder Focused 5 Accumulation (clean) Shares	6

\*The synthetic risk and reward indicator (SRRI) is explained in the table 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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