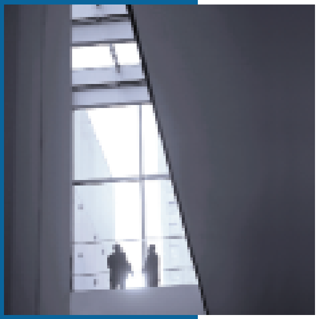
Fidelity Investment Funds III

Prospectus



Fidelity INTERNATIONAL

PROSPECTUS

OF

FIDELITY INVESTMENT FUNDS III

(an umbrella company with variable capital registered in England and Wales under registered number IC 000537)

This document constitutes the Prospectus for Fidelity Investment Funds III ("the Company"), which has been prepared in accordance with The Collective Investment Schemes Sourcebook (COLL).

This Prospectus is dated, and is valid as at 11 November 2024.

Copies of this Prospectus have been sent to the Financial Conduct Authority (formerly known as the Financial Services Authority) and the Depositary.

FIL Investment Services (UK) Limited, the Authorised Corporate Director of the Company, is the person responsible for the information contained in this Prospectus. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), the information in this document does not contain any untrue or misleading statement or omit any matters required by The Collective Investment Schemes Sourcebook to be included in it. FIL Investment Services (UK) Limited accepts responsibility accordingly.

FIL Investment Services (UK) Limited is authorised and regulated by the Financial Conduct Authority.

LO00833

PROSPECTUS OF FIDELITY INVESTMENT FUNDS III

An investment company with variable capital and segregated liability between Funds incorporated with limited liability and registered in England and Wales under number IC000537. The Company's FCA product reference number is 466377.

In accordance with the OEIC Regulations and with the approval of the FCA, the Company has converted to segregated liability status between Funds. Having segregated liability between Funds means that the Funds are segregated portfolios of assets and, accordingly, the assets of a Fund belong exclusively to that Fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Company, or any other Fund, and shall not be available for any such purpose. As outlined in the COLL Sourcebook and as more particularly outlined herein under risk factors, the concept of segregated liability is relatively new and accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known whether foreign courts will recognize the segregated liability status between Funds.

No person has been authorised by the Company to give any information or to make any representations concerning the Company or in connection with the offering of Shares other than those contained in this Prospectus, and, if given or made, such information or representations must not be relied on as having been given or made by the Company. Any purchase of Shares made by any person on the basis of information or representations not contained in or inconsistent with the information and representations contained in this Prospectus will be solely at the risk of the purchaser.

The Company's Funds are designed and managed to support longer-term investment, and frequent trading is discouraged. The Company is not intended to serve as a vehicle for active trading which seeks to take advantage of short-term fluctuations in securities markets. This type of short-term or excessive trading is often described as "market timing" and may harm a Fund's performance by disrupting portfolio management strategies and by increasing expenses. FIL Investment Services (UK) Limited is committed to disallowing transactions which it knows or reasonably believes to represent a pattern of market timing activity involving the Funds. Accordingly, FIL Investment Services (UK) Limited and other distributors may reject any purchase or switch of Shares by persons who are considered to have a history of short-term or excessive trading in the Funds or in other funds managed by Fidelity or by other fund managers, or whose trading activity has been or may be disruptive.

The delivery of this Prospectus (whether or not accompanied by any reports) or the issue of Shares shall not, under any circumstances, create any implication that the affairs of the Company have not changed since the date hereof.

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted. Persons into whose possession this Prospectus comes are required by the Company to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

Shares in the Company are not listed or dealt on any investment exchange.

Unless otherwise detailed in Appendix 1, the Shares are marketable to all investors. However, potential investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters and are recommended to consult their own professional advisers concerning the acquisition, holding or disposal of Shares.

Investors in the Company agree that data relating to them may be stored or used for legitimate purposes by FIL Investment Services (UK) Limited and associated or affiliated companies, who may be based outside of the European Economic Area. Data provided by investors will be used for a number of different purposes, including to develop and process the business relationship and to comply with legal and regulatory requirements. Data may be shared with associated or affiliated companies, wherever located, with intermediaries and other parties in the business relationship, and with other third parties for the purposes mentioned above. Information about investors may also be passed to financial and other organisations for the purpose of fraud prevention and where it is suspected that the relevant investor is or has been engaging in short-term, excessive or disruptive trading in the Company's Funds or other funds, so that appropriate steps may be taken to protect the Company and its Shareholders. If data is transferred outside of the UK, Fidelity will ensure that the recipient agrees to hold it securely in accordance with the requirements of the Data Protection Act Laws. Please see the privacy statement of the ACD and the Company, which is available www.fidelityinternational.com/OEIC_privacypolicy.

The provisions of this Prospectus and of the Company's Instrument of Incorporation are binding on each of its Shareholders (who are taken to have notice of them). The rights and obligations of Shareholders are set out in this Prospectus. Shareholders will not receive any direct legal interest in investments made by a sub-fund. The Company operates under English Law and is subject to the jurisdiction of the English Courts.

The ACD will ensure that Shareholders in the Company are treated fairly. Each Share pertaining to the same Class of Shares within the same sub-fund bears the same rights and obligations. Therefore the equal treatment of all Shareholders holding Shares of the same Class within the same sub-fund is ensured. The ACD (or any of its delegates) will not enter into any arrangement granting a preferential treatment to any investor which, in the justified opinion of the ACD, could result into an overall material disadvantage to other investors.

This Prospectus has been issued for the purpose of section 21 of the Financial Services and Markets Act 2000 by FIL Investment Services (UK) Limited.

This Prospectus is based on information, law and practice at the date hereof. The Company cannot be bound by an out of date prospectus when it has issued a new prospectus, and investors should check with FIL Investment Services (UK) Limited that this is the most recently published prospectus.

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TERMS USED IN THIS DOCUMENT

"ACD"	FIL Investment Services (UK) Limited, the authorised corporate director of the Company
"AIF"	An alternative investment fund under the AIFM Directive
"AIFM"	Alternative Investment Fund Manager
"AIFM Directive"	EC Directive 2011/61/EU as amended
"Approved Bank"	An approved bank as defined in the Glossary to the FCA Handbook
"bond futures"	Bond futures are contractual obligations for the contract holder to purchase or sell a bond on a specified date at a predetermined price. A bond future can be bought in a futures exchange market and the prices and dates are determined at the time the future is purchased.
"Class"	All of the Shares relating to a single Fund or a particular class of Shares relating to a single Fund
"COLL"	Refers to the appropriate chapter or rule in the COLL Sourcebook
"COLL Sourcebook"	The Collective Investment Schemes Sourcebook issued by the FCA, as amended or re-enacted from time to time
"commitment approach"	One of two standard recognised methodologies to estimate a fund's exposure to market risk. Under the commitment approach the global exposure relating to derivative instruments is the sum of the notional values of all securities as well as derivatives instruments expressed as a percentage of the total net asset value and limited to 100%. A value in excess of 100% could indicate a degree of leverage, i.e. that a given percentage change in market valuations might have a higher percentage impact on the fund.
"Company"	Fidelity Investment Funds III
"contracts for difference ("CFD")"	A contract for differences is a contract between two parties, typically described as "buyer" and "seller", stipulating that the seller will pay to the buyer the difference between the current value of an asset and its value at contract time (if the difference is negative, then the buyer pays instead to the seller). It allows investors to gain exposure to underlying assets which they may not be entitled to purchase directly, but also provides exposure to the price change without exposure to the related currency risk. Unlike futures contracts (which are settled through a clearing firm), contracts for difference are privately negotiated between two parties and are not standardised.
"credit default swap ("CDS")"	A credit default swap is a financial contract whereby a buyer of corporate or sovereign debt in the form of bonds attempts to eliminate possible loss arising from default by the issuer of the bonds. This is achieved by the issuer of the bonds insuring the buyer's potential losses as part of the agreement.
"Depositary"	J.P.Morgan Europe Limited, the depositary of the Company
"Dealing Day"	A day which is not a Saturday or Sunday or any other day recognised in England and Wales as a public holiday or any other day on which banks or the London Stock Exchange are not open for business in the UK. In addition, where a Fund invests outside the UK, the ACD may also take into account whether relevant local exchanges are open and may elect to treat such closures as "Non-Dealing Days". A list of such days treated as Non-Dealing Days for certain Funds from time to time can be obtained from the ACD upon request and is also available at www.fidelity.co.uk/nonbusinessdays. This list is subject to change.
"Eligible Institution"	One of certain eligible institutions as defined in the glossary to the FCA Handbook
"FCA"	The Financial Conduct Authority

"FCA Handbook" The FCA Handbook of Rules and Guidance

"forward contracts" A forward contract is a customized contract between two parties to buy or sell an asset at a specified price on a future date. A forward contract can be used for hedging or speculation, although its non-standardized nature makes it particularly suitable for hedging. Unlike standard futures contracts, a forward contract can be customized to any financial asset, amount and delivery date.

"Fund" A sub-fund of the Company (being part of the Scheme Property which is pooled separately and to which specific assets and liabilities of the sub-fund may be allocated), and which is invested in accordance with the investment objective applicable to such sub-fund

"futures" Fundamentally, forward and futures contracts have the same function in that both types of contracts allow investors to buy or sell a specific type of asset at a specific time at a given price. However, it is in the specific details that these contracts differ, including the following:

Futures	Forwards
Exchange traded	Private agreements
Standardised	Non-standardised
Clearing houses guarantee the transactions, which drastically lowers the probability of default	Greater chance of default
Contracts are marked-to-market daily, which means daily changes are settled day-by-day until the end of the contract	Settlement of the contract occurs at the end of the contract
Settlement can occur over a range of dates	Only one settlement date

"GDPR" Regulation (EU) 2016/679 of the European Parliament and of the Council.

"**Independent Fund Manager**" The manager 006Fr operator of an Underlying Fund which is not the ACD or another Fidelity company

"inflation swaps" An inflation swap is a derivative used to transfer inflation risk from one party to another through an exchange of cash flows. In an inflation swap, one party pays a fixed rate on a notional principal amount, while the other party pays a floating rate linked to an inflation index, such as the Consumer Price Index ("CPI"). The party paying the floating rate pays the inflation-adjusted rate multiplied by the notional principal amount. For example, one party may pay a fixed rate of 3% on a two year inflation swap, and in return receive the actual inflation.

"interest rate futures" An interest rate future is a contract between the buyer and seller agreeing to the future delivery of any interest-bearing asset. The interest rate future allows the buyer and seller to lock in the price of the interest-bearing asset for a future date.

"interest rate swaps" An interest rate swap is a liquid financial derivative instrument in which two parties agree to exchange interest rate cash flows, based on a specified notional principal amount from a fixed rate to a floating rate (or vice versa) or from one floating rate to another.

"ISA" Individual Savings Account

"ISA Regulations" The Individual Savings Account Regulations 1998 (as amended)

"Mainly" Where the investment objective or policy of a Fund contains the word "mainly", that Fund will invest over 50% of the value of its property in the specified kind of assets

"Net Asset Value" or "NAV"	The value of the Scheme Property (or of the scheme property attributable to a Fund or Class) less the liabilities of the Company (or of the Fund or Class) as calculated in accordance with the Company's Instrument of Incorporation
"non-deliverable forwards"	A non-deliverable forward is a forward contract (cf. above) in which counterparties agree not to exchange an asset for the previously agreed price, but only the difference between the previously agreed price and the current market price at the time of maturity of the contract. It is used in various markets such as foreign exchange and commodities. Non-deliverable forwards are commonly used for currencies which cannot be readily exchanged for other currencies due to capital controls.
"notional principal amount"	The notional amount (or notional principal amount or notional value) on a financial instrument is the nominal or face value that is used to calculate payments made on that instrument.
"NURS scheme"	A collective investment scheme which is non-UCITS retail scheme as defined in the COLL Sourcebook
"OEIC Regulations"	The Open-Ended Investment Companies Regulations 2001 as amended
"put/call options"	A put option is an option contract giving the owner the right, but not the obligation, to sell a specified amount of an underlying security at a specified price within a specified time. This is the opposite of a call option, which gives the holder the right, but not the obligation, to buy a specified amount of an underlying security at a specified price within a specified time.
"Scheme Property"	The property of the Company
"Share"	A share in the capital of the Company (including fractions of one hundredth of a Share)
"Shareholder"	a holder of registered Shares
"swaps"	A swap is a derivative in which two counterparties exchange cash flows of one party's financial instrument for those of the other party's financial instrument. Specifically, two counterparties agree to exchange one stream of cash flows against another stream. These streams are called the 'legs' of the swap. The swap agreement defines the dates when the cash flows are to be paid and the way they are accrued and calculated. Usually at the time when the contract is initiated, at least one of these series of cash flows is determined by an uncertain variable such as a floating interest rate, foreign exchange rate, equity price, or commodity price. Swaps are not traded on an exchange but over the counter.
"swaptions"	Swaption is an option on a swap (cf. above). A payer swaption gives the owner of the swaption the right to enter into a swap where they pay the fixed 'leg' and receive the floating 'leg'. A receiver swaption gives the owner of the swaption the right to enter into a swap in which they will receive the fixed 'leg', and pay the floating 'leg'.
"total return swaps"	A total return swap is a swap agreement in which one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the return of an underlying asset, which includes both the income it generates and any capital gains. In total return swaps, the underlying asset, referred to as the reference asset, is usually an equity index, loans, or bonds. This is owned by the party receiving the set rate payment. Total return swaps allow the party receiving the total return to gain exposure and benefit from a reference asset without actually having to own it.
"UCITS scheme"	A collective investment scheme which complies with the UCITS Directive 1985 (as amended and replaced by EC Council Directive 2009/65/EC) (the EU Directive regarding Undertakings for Collective Investment in Transferable Securities)

"**UK Data Protection Laws**"	The UK GDPR, together with the Data Protection Act 2018, the Privacy and Electronic Communications (EC Directive) Regulations 2003 (as amended), the Data Protection, Privacy and Electronic Communications (Amendments etc.) (EU Exit) Regulations 2019 and other data protection or privacy legislation in force from time to time in the United Kingdom.
"UK GDPR"	The GDPR as transposed into United Kingdom national law by operation of section 3 of the European Union (Withdrawal) Act 2018 and subsequently amended by the Data Protection, Privacy and Electronic Communications (Amendments etc.) (EU Exit) Regulations 2019.
"UK UCITS"	A collective investment scheme under the FCA Glossary definition which is identified as a UCITS and authorised by the FCA accordingly.
"**Underlying Fund"**	A collective investment scheme in which a Fund invests
"Value-at-Risk ("VaR")"	Value-at-risk is a statistical measure to estimate the size of rare potential loss events for a given time horizon and confidence level. Typical values for the confidence level are 95% and 99%. A higher confidence level results in a higher potential loss event.
"Value-at-Risk approach (VaR approach)"	The other standard recognised methodology to estimate a fund's exposure to market risk. The VaR approach applies VaR calculations (cf. above) to a fund and – if applicable – to a reference portfolio. The VaR of the fund is then either compared to an absolute limit or to the VaR of the reference portfolio. In this way, either the potential absolute – expected – loss events are controlled or the size of the potential loss events for the fund can be compared to those of a reference portfolio as a ratio. A value in excess of 100% could indicate a degree of leverage, i.e. that a given percentage change in market valuations might have a higher percentage impact on the fund.
"warrants"	A warrant is a contract that confers the right, but not the obligation, to buy or sell a security – normally an equity – at a certain price before expiration. The price at which the underlying security can be bought or sold is referred to as the exercise price or strike price. As opposed to a call option, a warrant is issued by the company who also issues the underlying stock.

DIRECTORY

The Company:
Fidelity Investment Funds III

Head Office
and address for service of notices:
Beech Gate
Millfield Lane
Lower Kingswood
Tadworth
Surrey KT20 6RP
United Kingdom

Authorised Corporate Director, Investment Manager, General Distributor, Administrator and Registrar:
FIL Investment Services (UK) Limited
Beech Gate
Millfield Lane
Lower Kingswood
Tadworth
Surrey KT20 6RP
United Kingdom

Depositary:
J.P.Morgan Europe Limited
25 Bank Street
Canary Wharf
London
E14 5JP
United Kingdom

Auditors:
Deloitte LLP
1 New Street Square
London EC4 3HQ
United Kingdom

THE COMPANY AND ITS FUNDS

The Company

Fidelity Investment Funds III is an open-ended investment company with variable capital incorporated in England and Wales under registered number IC000537 and authorised by the FCA on 11 May 2007.

The Company has an unlimited duration. Shareholders are not liable for the debts of the Company.

Share Capital:

The maximum share capital of the Company is £500 billion and the minimum share capital of the Company is £10 million. Shares have no par value. The share capital of the Company at all times equals the sum of the Net Asset Values of the Funds.

Base Currency:

The currency of the Company is pounds sterling or such other currency or currencies as may be the lawful currency of England and Wales.

The Funds

The Company is itself authorised as a NURS scheme and is an AIF. It is structured as an umbrella company, the different Funds each comprising a distinct portfolio of investments. Additional Funds, or new Classes of Shares within existing Funds, may be established from time to time by the ACD with the agreement of the Depositary and the approval of the FCA. This Prospectus will be revised on the introduction of a new Fund or Class of Shares within a Fund.

The Funds are operated separately, and the assets of each Fund are managed in accordance with the investment objective and policy applicable to that Fund.

The Company has the following Funds:

Fidelity Diversified Markets Fund.

The Fidelity Diversified Markets Fund is designed for investors seeking exposure to a diversified range of assets across the world. Investment will be through securities, collective investment schemes, money market instruments, cash, deposits, derivatives and forward transactions. The underlying exposure obtained through investment may include corporate and government bonds, equities and high yield securities in variable proportions to manage volatility and risk.

Fidelity Institutional Diversified Income Fund

The Fidelity Institutional Diversified Income Fund is designed for investors seeking a target level of income of above 4% per annum. It aims to achieve this through investing in a diverse range of instruments (mainly funds) with diverse economic exposures.

Full details of each Fund are set out in Appendix 1. The investment powers and restrictions of each Fund are explained below and in Appendix 2.

A Shareholder is entitled (subject to certain restrictions) to switch all or some of their Shares for Shares of a different Fund. Details of this switching facility and of the restrictions are set out in Buying, Selling and Switching Shares – “Switching Shares”.

Investment Objectives and Policies of the Funds

Fidelity Investment Funds III provides access, both indirectly through investing in Underlying Funds (established in the UK, Luxembourg and Ireland) and directly, to the global research resources and stockpicking skills of Fidelity’s investment management teams throughout the world. The Funds provide the opportunity to benefit from investment in professionally managed pools of securities and other financial instruments in different geographic areas, currencies and markets as appropriate.

The investment objective and policy of each Fund is set out in Appendix 1, and details of the investment powers and restrictions prescribed by the COLL Sourcebook are provided in Appendix 2.

A Fund may change its investment objective and/or investment policy in accordance with the requirements of the COLL Sourcebook. A change which is classified as fundamental will require the prior approval of the FCA and at least 75% of the Fund’s Shareholders who vote at a Shareholder meeting to be approved. A non-fundamental but still significant change would require FCA approval and at least 60 days advance notice to the Shareholders of the Fund.

EU Benchmark Regulation

On 30 June 2016, the European Parliament and the Council adopted a regulation that came into force on 1 January 2018 requiring further transparency on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the “EU Benchmark Regulation”).

At the date of this Prospectus, there are no Funds which operate as index tracker funds. Other Funds may use indices for the purpose of performance fee calculation. For further information (if any) on performance fee methodology, please refer to the Charges and Expenses section and Appendix 1 of the Prospectus.

In accordance with the EU Benchmark Regulation, the Investment Manager will maintain an index contingency plan setting out the actions to be taken in the event that a benchmark changes materially or ceases to be provided. Also, the EU Benchmark Regulation requires the prospectus to provide clear and prominent information stating whether the benchmark that may be used is provided by an administrator included in the register of administrators and benchmarks, as defined in the article 36 of the EU Benchmark Regulation (the “Benchmark Register”). EU benchmark administrators have until 1 January 2020 to submit a request to be entered on the Benchmark Register. Updated information in relation to whether a benchmark is provided by an administrator included in the ESMA register of benchmark administrators will be disclosed once available.

Benchmarks may also be used by some Funds for comparison purposes or as point of reference against which the performance of a Fund may be measured. Such Funds will actively select the securities in which they invest. As these Funds are actively managed with investment decisions being made at the discretion of the Investment Manager, the actual holdings and Fund performance may differ materially from that of any comparison/reference benchmark(s).

Risk Factors

The following risk factors do not purport to be a complete explanation of the risks involved in investing in the Shares of a Fund. Prospective investors should read the entire Prospectus and consult with their legal, tax and financial advisors before making any decision to invest in a Fund. Appendix 8 sets out a summary of whether the risks described below may apply to each Fund.

General Risks

1. Risk to Capital and Income

   The assets of a Fund are subject to fluctuations in value and other risks inherent in investing in securities and other financial instruments including the risks outlined below. The value of investments and the income from them may go down as well as up, and you may not get back the original amount invested. Past performance is no guarantee of future performance.

2. Foreign Currency Risk

   Some or all of a Fund’s assets may be denominated in currencies other than the base currency of the Fund and this means that currency movements may affect the Fund’s return. A Fund may, or may not, hedge these risks using foreign exchange contracts and the associated risks are explained below in the section on Financial Derivative Instruments.

   If a Fund invests in assets denominated in restricted currencies (i.e. where governments impose controls on the amounts of currency that can be traded) this may be subject to higher volatility due to lower traded volumes and pricing uncertainty. Further, the ability to hedge these risks may be limited as derivative instruments such as forwards or futures may be restricted, overly expensive or unavailable.

3. Cash and Cash Equivalents

   A Fund may hold cash or cash equivalents (e.g. money market funds or instruments). If the Fund does not include this asset Class as part of its asset allocation, it therefore may not fully participate in the movements of the market(s) on which it focuses.

4. Liquidity

   In normal market conditions a Fund’s assets comprise mainly realisable investments which can be readily sold. A Fund’s main liability is the redemption of any shares that investors wish to sell. In general a Fund manages its investments, including cash, such that it can meet its liabilities.

Investments held may need to be sold if insufficient cash is available to finance such redemptions. If the size of the disposals are sufficiently large, or the market is illiquid, then there is a risk that either the investments might not be sold or the price at which they are sold may adversely affect the Net Asset Value of the Fund.

5. Pricing & Valuation

A Fund's assets comprise mainly quoted investments where a valuation price can be obtained from an exchange or similarly verifiable source. However, the Fund may also invest in unquoted and/or illiquid investments which will increase the risk of mispricing. Further, the Fund will compute Net Asset Values when some markets are closed for holidays or other reasons. In these and similar cases an objective verifiable source of market prices will not be available and the Investment Manager will invoke a process which will determine a fair value price for the relevant investments; this process involves assumptions, uncertainty and subjectivity. If such valuation turns out to be incorrect, this will affect the Net Asset Value calculation of the Funds.

6. Counterparty Credit & Settlement

All security investments are transacted through brokers who have been approved by the Investment Manager as an acceptable counterparty. The list of approved brokers is reviewed regularly. There is a risk of loss if a counterparty fails to perform its financial or other obligations to the Funds, for example, the possibility that a counterparty may default, by failing to make payments due, or make payments in a timely manner. If settlement does not occur the loss incurred by the Fund will be the difference between the price of the original contract and the price of the replacement contract, or, in the case where the contract is not replaced, the absolute value of the contract at the time it is voided.

7. Legal & Tax

In some jurisdictions the interpretation and implementation of laws and regulations and the enforcement of shareholders' rights under such laws and regulations may involve significant uncertainties. Further, there may be differences between accounting and auditing standards, reporting practices and disclosure requirements and those generally accepted internationally. Some of the Funds may be subject to withholding and other taxes. Tax law and regulations of any country are constantly changing, and they may be changed with retrospective effect. The interpretation and applicability of the tax law and regulations by tax authorities in some jurisdictions are not as consistent and transparent as those of more developed nations, and may vary from region to region.

8. Custody

A Fund's assets are safe kept by a depositary, this exposes the Fund to the risk of loss of assets placed in custody as a result of insolvency, negligence or fraudulent trading by the depositary. The depositary does not keep all the assets of the Fund itself but uses a network of third-party delegates. Investors are also exposed to the risk of bankruptcy of the third-party delegates. A Fund may invest in markets where custodial and/or settlement systems are not fully developed. Thus, there may be risks that settlement may be delayed and that cash or securities belonging to the Fund may be at risk because of failures of or defects in the settlement systems. In particular, market practice may require that payment be made before receipt of the security being purchased or that delivery of a security be made before payment is received. In such cases, default by a broker or bank (the "counterparty") through whom the transaction is effected might cause the Fund to suffer a loss. The Fund will seek, where possible, to use counterparties whose financial status is such that this risk is reduced. However, there can be no certainty that the Fund will be successful in eliminating this risk, particularly as counterparties operating in some markets may frequently lack the standing or financial resources of those in the most developed countries. There may also be a risk that, because of uncertainties in the operation of settlement systems in individual markets, competing claims may arise with respect to securities held by or to be transferred to the Fund.

9. Cross Share Class Liabilities

Although assets and liabilities are clearly attributable to each Class of Shares, there is no legal segregation between Classes of Shares within a Fund. This means that if the liabilities of a Class of Shares exceed its assets, creditors of such Class may have recourse without restriction to assets which are attributable to the other Classes of Shares within the same Fund. Although the Management Company implements appropriate procedures to mitigate this risk of contagion, Shareholders should note that specific transactions (e.g. currency hedging) may be entered into for the benefit of a particular Class of Shares but result in liabilities for the other Classes of Shares within the same Fund

10. Hedged Share Classes

Investors should be aware that, whilst the Investment Manager seeks to hedge undesired foreign exchange risk into the Principal Dealing Currency through the use of forward foreign exchange contracts (as further detailed in Appendix 2 in the Prospectus), the currency hedging process may not give a precise hedge. Furthermore, there is no guarantee that the hedging will entirely eliminate the risk from undesired currency exposures. Investors in the Hedged Share Classes may have exposure to currencies other than their Principal Dealing Currency and may also be exposed to the risks associated with the instruments used in the hedging process.

11. Dealing Arrangements

In certain circumstances, the investor’s right to redeem Shares may be suspended or redemption requests may be deferred.

12. Cyber Events

Cyber-attacks, disruptions, or failures (collectively: cyber events) that affect the Fund’s service providers or counterparties, issuers of securities held by the Fund or other market participants may adversely impact the Fund and its shareholders, including by causing financial losses or impairing operations. While the Management Company has established systems and processes seeking to address cyber events there are inherent limitations as the Fund cannot control the cyber security plans of its counterparties.

13. Distribution of Dividends and Expenses out of Capital (Income Share Classes only)

For distributing Classes of Shares, dividends may be paid out of capital where the investment income/capital gain generated by the Fund is insufficient to pay a distribution as declared. Certain distributing Classes of Shares may also pay dividends out of gross investment income whilst all or part of their fees and expenses are paid out of capital, thereby resulting in an increase in distributable income for the payment of dividends to such Classes of Shares. It is important to note that distributing Classes of Shares may distribute not only investment income, but also realised and unrealised capital gains or capital. Investors should also note that the payment of dividends and/or fees and expenses (collectively, “distributions”) out of capital represents a return or withdrawal of part of the amount they originally invested or from any capital gains attributable to the original investment. Such distributions may result in an immediate decrease in the Net Asset Value per Share of the Fund and in the capital that the Fund has available for investment in the future. Capital growth may be reduced so that a high distribution yield does not imply a positive or high return on investors’ total investments.

14. Replacement of LIBOR and other IBORs

The London Inter-bank Offered Rate (“LIBOR”) is the average of interest rates estimated by leading banks in London, based on what they would be charged to borrow from other banks. A Fund may undertake transactions in instruments that are valued using LIBOR or other, currency specific, IBOR rates or enter into contracts which determine payment obligations by reference to IBORs. From the end of 2021, the UK Financial Conduct Authority (FCA) will no longer require panel banks to submit rates for the calculation of LIBOR and therefore it is not certain whether, and to what extent, they will continue to provide submissions and whether LIBOR will continue on its current basis.

The discontinuance of LIBOR and other IBORs is part of a regulatory agenda to transition the industry from IBORs to alternative benchmark rates. The transition presents risks to the Funds which it is not possible to identify exhaustively but these may adversely affect the performance of a Fund, its Net Asset Value, and a Fund's earnings and returns to Shareholders.

If an IBOR is discontinued or otherwise unavailable, the rate of interest on debt instruments referencing the IBOR will have to be determined based on any applicable fall-back provisions. This may in certain circumstances be reliant upon the provision by reference banks of offered quotations for the IBOR rate, which may not be available, or require the application of a fixed rate based on the last relevant IBOR rate available. Additionally, where such fall-back provisions need to be amended to reflect discontinuance and there is uncertainty on an alternative interest rate measure, there can be no assurance that such amendments or alternative interest rates will mitigate future interest rate risk in the same way.

Positions in IBOR instruments may suffer from reduced liquidity and fall in value as a result of its planned discontinuation. Also, any substitute reference rate and any pricing adjustments imposed unilaterally, by a regulator or by counterparties, may not be suitable for a Fund, resulting in costs incurred to close out positions and place replacement trades. Where such a reference index is referenced or used by a Fund, or in relation investments to which a Fund is exposed (directly or indirectly), there may be a need to replace such an index with alternatives and terminate or restructure a relevant investment which may result in close out and replacement trade costs. There may be extra costs if the instruments with the most favourable liquidity or pricing are not available to a Fund.

Asset Class Specific Risks

1. Equities

   For Funds which invest in stocks, the value of those stocks may fluctuate, sometimes dramatically, in response to the activities and results of individual companies or because of general market and economic conditions or other events, including changes in investment sentiment, political and issuer-specific factors.

2. Bonds and other Debt Instruments

   For Funds which invest in bonds or other debt instruments, the value of those investments and hence the Net Asset Value of the Fund will depend on factors including, but not limited to, market interest rates, the credit quality of the issuer, the currency of the investment (when the currency of the investment is other than the base currency of the Fund holding that investment) and liquidity considerations. In general, the prices of debt instruments rise when interest rates fall, whilst their prices fall when interest rates rise.

   (a) Lower Rated/Unrated Securities

   The credit quality of debt instruments is often assessed by rating agencies. Certain Funds may invest in lower-rated and un-rated securities. Lower-rated securities (below investment grade) and un-rated securities may be higher yielding but be subject to wider fluctuations in yield, wider bid-offer spreads, lower liquidity and consequently greater fluctuations in market values and greater risk of loss of principal and interest, than higher-rated (investment grade) securities.

   (b) Downgrading Risk

   The credit rating of debt instruments or their issuers may be downgraded. In the event of such downgrading, the value of the instrument, and hence the Fund, may be adversely affected. The manager may or may not be able to dispose of the debt instruments that are being downgraded.

   (c) Credit / Default Risk

   Investments may be adversely affected if any of the institutions with which money is deposited suffers insolvency or are otherwise unable to pay interest or principal (default). Credit risk also arises from the uncertainty about the ultimate repayment of principal and interest from bond or other debt instrument investments. In both cases the entire deposit or purchase price of the debt instrument is at risk of loss if there is no recovery after default. The risk of default is usually greatest with bonds and debt instruments that are classed as ‘sub-investment grade’.

   (d) Sovereign debt risk

   Certain Funds’ investments in securities issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and / or interest when due or may request the Fund to participate in restructuring such debts. The relevant Funds may suffer significant losses when there is a default of sovereign debt issuers.

(e) Credit Rating Risk

Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.

(f) Valuation Risk

Valuation of a Fund's investments may involve uncertainties and judgemental determination. If such valuation turns out to be incorrect, this may affect the calculation of a Fund's Net Asset Value.

3. Commodities

Exposure to commodities involve additional risks than those resulting from more standard asset Classes such as equities and may subject the Fund to greater volatility than such investments. The value of commodity-linked instruments may be affected by the overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular commodity industry or the production and trading of commodities, such as natural events (e.g. drought, floods, weather, livestock disease), embargoes, tariffs and international economic, political and regulatory developments.

4. Real Estate Related

(a) Real Estate Investment Trusts ("REITs")

REITs are exchange-traded entities where the underlying investments are primarily investments in real estate, which are generally less liquid than certain other asset classes such as equities, which may then be reflected in wider bid-offer spreads. Limited liquidity may affect the ability of a REIT to vary its investment portfolio or liquidate part of its assets in response to changes in economic conditions, international securities markets, foreign exchange rates, interest rates, real estate market or other conditions. Heavy cash flow dependency, borrowers' default risk, decline in the credit rating of the REIT and interest rates rise will potentially lead to a decline in the value of the investments.

(b) Mortgage-related securities

When interest rates increase the expected time borrowers take to pay down fixed rate mortgage products may lengthen, thus increasing the expected longevity of fixed rate mortgage-related securities. This increases their sensitivity to changes in interest rates and hence also the volatility of the instrument (extension risk). When interest rates decline, borrowers may pay off their mortgages sooner than expected. This can reduce the returns of a Fund because the Fund may have to reinvest that money at the lower prevailing interest rates (prepayment risk). Investments in securitised products may be less liquid than other securities. The lack of liquidity may cause the current market price of assets to become disconnected from the underlying assets' value as well as adversely affecting the ability to sell the position or the price at which such a sale is transacted.

(c) Real Estate Funds

Real estate funds are subject to substantially the same risks as direct investments in real estate. Real estate values fluctuate depending on factors such as local, regional and national economic environment, rental market demand, interest rates changes, as well as the management, organisation, skill and capital funding of the managers and operators of the underlying properties. When the economy slows or if interest rates rise, mortgage and financing costs will increase and can affect the profitability and liquidity of properties in the real estate market. This will potentially lead to declines in property values and hence adversely affect the value of investor's investments.

5. Multi-Asset

Multi-asset funds invest in multiple asset classes (including cash and cash equivalents) and can generally vary their exposure to each of them. As well as being subject to the risks inherent in those individual asset classes to a degree that depends on the exposure over time, the overall risk also depends on the correlation of returns between each asset class and hence could be adversely affected by a change in those correlations which could result in higher volatility and/or lower diversification.

Investment Focus/Style Related Risks

1. Stock/Issuer Concentration

   Funds which invest in a relatively small number of investments or issuers may experience a more volatile Net Asset Value as a result of this concentration of holdings relative to a Fund that diversifies across a larger number of investments or issuers.

2. Country Concentration

   Funds which may invest in a single or small number of countries may have greater exposures to the market, political, policy, foreign exchange, liquidity, tax, legal, regulatory, economic and social risks of those countries than a Fund which diversifies across a number of countries, thereby making the Fund more susceptible to any adverse events affecting those countries. This may result in lower liquidity of the Fund's assets and/or a higher volatility of the Net Asset Value than a Fund that diversifies across more countries.

3. Sector Concentration

   Funds which may invest in a single or small number of sectors may have greater exposures to the market, liquidity, tax, legal, regulatory, and economic risks of those sectors than a Fund which diversifies across a number of sectors, thereby making the Fund more susceptible to any adverse events affecting those sectors. This may result in lower liquidity of the Fund's assets and/or a higher volatility of the Net Asset Value than a Fund that diversifies across more sectors.

4. Investments in Small Companies

   The prices of securities of small companies generally are more volatile than those of larger companies; the securities are often less liquid and these companies may be subject to more abrupt fluctuations in market price than larger, more established companies. Investments in securities of companies with smaller market capitalisations are generally considered to offer greater opportunity for appreciation but may involve greater risks than those customarily associated with more established companies as they are generally more likely to be adversely affected by poor economic or market conditions. These companies may have limited product lines, markets or financial resources, or they may be dependent upon a limited management group. In addition to exhibiting greater volatility, small companies' stocks may, to a degree, fluctuate independently of larger company stocks (i.e., small company stocks may decline in price as the prices of large company stock rise or vice versa). For Funds investing in such companies, transactions, particularly those large in size, are likely to have a greater impact on the Fund's costs than similar transactions in large sized firms because of the relatively illiquid nature of markets in small companies' shares.

5. Below Investment Grade / Unrated Securities and High Yielding Debt Instruments

   A Fund may invest in below investment grade and high yielding debt instruments where the level of income may be relatively high (compared to investment grade debt instruments); however the risk of depreciation and realisation of capital losses on such debt instruments held may be significantly higher than on lower yielding debt instruments. High yield bonds may be subject to lower liquidity, higher volatility, heightened risk of default and loss of principal and interest than higher-rated/lower yielding debt securities.

6. Emerging Markets

   A Fund may invest, in part or in whole, in emerging market securities. The price of these securities may be more volatile and/or less liquid than those of securities in more developed markets due to increased risk and special considerations not typically associated with investment in more developed markets. This volatility or lack of liquidity may stem from political, economic, legal, taxation, settlement, transfer of securities, custody and currency / currency control factors. Some emerging market economies may be sensitive to world commodity prices and/or volatile inflation rates. Others are especially vulnerable to economic conditions. Although care is taken to understand and manage these risks, the Fund will ultimately bear the risks associated with investing in these markets.

7. Russia

Some of the Funds may invest a portion of their net assets in Russia. There are specific risks linked to investing in Russia. Investors should be aware that the Russian market presents specific risks in relation to the settlement and safekeeping of securities as well as regarding the registration of assets where registrars are not always subject to effective government or other supervision. Russian securities are not on physical deposit with the Depositary or its local agents in Russia. Therefore, neither the Depositary nor its local agents in Russia can be considered to be performing a physical safekeeping or custody function in accordance with recognised international standards. The Depositary's liability only extends to its own negligence and/or wilful default and to negligence and wilful misconduct of its local agents in Russia and does not extend to losses due to the liquidation, bankruptcy, negligence and wilful default of any registrar. In the event of such losses, the Fund will have to pursue its rights against the issuer and/or the appointed registrar of the securities. Some, or all, of the risks attributed to investing in Russia may also apply in other emerging markets.

8. Eurozone Risk

The performance of certain Funds will be closely tied to the economic, political, regulatory, geopolitical, market, currency or other conditions in the Eurozone and could be more volatile than the performance of more geographically diversified Funds. In light of the ongoing concerns on the sovereign debt risk of certain countries within the Eurozone, certain Funds' investments in the region may be subject to higher volatility, liquidity, currency and default risks. Any adverse events, such as the credit downgrade of a sovereign or the exit of European Union members from the Eurozone, may have a negative impact on the value of the Fund.

<u>Specific Instrument Related Risks</u>

1. China Related

(a) General

i. Chinese Renminbi Currency and Conversion

The Chinese Renminbi (RMB) is subject to a managed floating exchange rate based on market supply and demand with reference to a basket of currencies. Currently, the RMB is traded in two markets: one in Mainland China (onshore RMB, or CNY), and one outside Mainland China, primarily in Hong Kong (offshore RMB, or CNH). Although CNH and CNY are the same currency, they trade at different rates, and any divergence between CNH and CNY may adversely impact investors. CNY is not freely convertible and is subject to exchange controls and certain requirements by the government of Mainland China, whereas the CNH is freely tradable.

Whilst the RMB is traded freely outside Mainland China, the RMB spot, forward foreign exchange contracts and related instruments reflect the structural complexities of this evolving market. There is no guarantee that the value of RMB against the investors' base currencies will not depreciate. Any depreciation of RMB could adversely affect the value of an investor's investment in the Fund. Accordingly, the Funds may be exposed to greater foreign exchange risks. Under exceptional circumstances, payment of redemptions and / or dividend payment in RMB may be delayed due to the exchange controls and restrictions applicable to RMB.

ii. China Assets

Investments in RMB by a Fund in China A / B shares or onshore China fixed income securities and other permissible securities denominated in RMB may be made through any permissible means pursuant to any prevailing regulations, including through the Qualified Foreign Institutional Investor ("QFII") quota, the Shanghai-Hong Kong Stock Connect program ("Stock Connect") and any other eligible means. The uncertainty and change of the relevant laws and regulations in the People's Republic of China ("PRC") and the potential for the PRC government and/or the regulators to implement policies that may affect the financial markets may have an adverse impact on such a Fund.

High market volatility and potential settlement difficulties in the PRC markets may also result in significant fluctuations in the prices of the securities traded on such markets. Besides, securities exchanges in the PRC typically have the right to suspend or limit trading in any security traded on the relevant exchange. All these may have a negative impact on the Net Asset Value of a Fund.

iii. QFII

Under the prevailing regulations in the PRC, foreign investors can invest in China A shares or onshore China fixed income securities through institutions that have obtained QFII status in the PRC. The current QFII regulations impose strict restrictions on China A share investment or onshore China fixed income securities. A Fund's ability to make the relevant investments or to fully implement or pursue its investment objective and strategy is subject to the applicable laws, rules and regulations (including restrictions on investments, minimum investment holding periods and repatriation of principal and profits) in the PRC, which may be subject to change and such change may have potential retrospective effect. In certain circumstances, the Funds may incur losses due to limited investment opportunities, or may not be able to fully implement or pursue their investment objectives or strategy

The Funds may also suffer substantial losses if there is insufficient QFII quota allocated for the Fund to make investments, the approval of the QFII is being revoked/terminated or otherwise invalidated as the Fund may be prohibited from trading of relevant securities and repatriation of the Fund's monies, or if any of the key operators or parties (including QFII custodian/brokers) is bankrupt/in default and/or is disqualified from performing its obligations (including execution or settlement of any transaction or transfer of monies or securities).

iv. Stock Connect

Certain Funds may invest and have direct access to certain eligible China A shares via the Stock Connect, a securities trading and clearing linked program which aims to achieve mutual stock market access between the PRC and Hong Kong.

Under the Stock Connect, overseas investors (including the Funds) may be allowed, subject to rules and regulations issued / amended from time to time, to trade China A Shares listed on the Shanghai Stock Exchange ("SSE") through the Northbound Trading Link.

Investments through the Stock Connect are subject to risks, such as quota limitations, suspension risk, operational risk, restrictions on selling imposed by front-end monitoring, recalling of eligible stocks, clearing and settlement risks, nominee arrangements in holding China A shares and regulatory risk. Both the Stock Exchange of Hong Kong Limited ("SEHK") and SSE reserve the right to suspend trading through Stock Connect if necessary for ensuring an orderly and fair market and managing risks prudently which could adversely affect the relevant Funds' ability to access the PRC market. Where a suspension in the trading through the programme is effected, a Fund's ability to invest in China A shares or access the PRC market through the programme will be adversely affected. In such an event, the Fund's ability to achieve its investment objective could be negatively affected. PRC regulations require that before an investor sells any share, there should be sufficient shares in the account (front-end monitoring); otherwise SSE will reject the sell order concerned. SEHK will carry out pre-trade checking on China A shares sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling. Furthermore, the Stock Connect only operates on days when both the PRC and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the PRC market but Hong Kong investors (such as the Funds) cannot carry out any China A shares trading. The Funds may be subject to a risk of price fluctuations in China A shares during the time when the Stock Connect is not trading as a result.

The Stock Connect is novel in nature, and is subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong. Furthermore, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Stock Connect.

The regulations are untested so far and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change. There can be no assurance that the Stock Connect will not be abolished. The relevant Funds which may invest in the PRC markets through Stock Connect may be adversely affected as a result of such changes.

v. PRC Tax Risk

There are risks and uncertainties associated with the current tax laws, regulations and practice of Mainland China in respect of capital gains realised via QFII status or Stock Connect or access products on a fund's investments in Mainland China (which may have retrospective effect). Any increased tax liabilities on a fund may adversely affect the fund's value.

Based on professional and independent advice, currently no provision is being made by any of the funds for tax on capital gains on disposals of (i) China A Shares and B Shares, or (ii) China fixed income securities listed or traded on exchanges or the mainland China interbank bond market or for tax on interest on such onshore Mainland China fixed income securities or for tax on dividends, if any, received on China A Shares (including those acquired through Stock Connect), without deduction of tax provision made ultimately may prove excessive or inadequate to meet any at source. The actual tax liabilities (if any) will be debited from the relevant fund's assets, and may adversely affect the fund's Net Asset Value.

Although no tax provision has been made under current situation, the situation will be under review and after taking professional and independent tax advice, the Investment Manager may make tax provision going forward where appropriate. Whilst the Investment Manager reviews the tax provisioning policy on an on-going basis, investors should note that, even if tax provision is made, any shortfall between the provision and the actual tax liabilities will be debited from the relevant fund's assets and will adversely affect the Net Asset Value of the fund. The actual tax liabilities may be lower than the tax provision made. Depending on the timing of their subscriptions and/or redemptions, investors may be disadvantaged as a result of any shortfall of tax provision and will not have the right to claim any part of the overprovision (as the case may be).

(b) Dim Sum Bond Market

Some Funds may invest in "Dim Sum" bonds (i.e. bonds issued outside of Mainland China but denominated in RMB). The "Dim Sum" bond market is a relatively small market. As with some global fixed income markets, it may be more susceptible to volatility and illiquidity, and should there be any new rules which limit or restrict the ability of issuers to raise RMB (offshore CNH) funding by way of bond issuance and / or reversal or suspension of the liberalization of the CNH market by the relevant regulator(s), the operation of the "Dim Sum" bond market and new issuances could be disrupted and potentially cause a fall in the Net Asset Value of the Fund.

2. Fixed Income Related

(a) Hybrids

Hybrid securities are those that combine exposure to two or more asset classes, typically including equity and debt. A common example of hybrid securities is convertible bonds, which typically pay a lower coupon than a standard debt instrument, but convert into the reference equity if it performs well. In the event of insolvency the issuer is obliged to repay certain forms of debt before others. Debt that is repaid first is 'senior', while other debt is referred to as 'subordinated' so that the likelihood of repayment for the holder is reduced under such circumstances. Convertible bonds are senior debt instruments and repayment is thus aligned with that of other senior debt. Other hybrid bonds are subordinated instruments that have more equity like characteristics. Typically hybrid bonds include long final maturity (or no limitation on maturity - 'perpetual') and have a call schedule (i.e. a series of call dates on which the issuer can redeem the bond at specific prices), thereby increasing reinvestment risk, which is the risk that a bond's future cash flows will have to be reinvested at a lower Interest rate. Their subordination typically lies somewhere between equity and other subordinated debt. As such, as well as typical 'bond' risk factors, hybrid securities also convey such risks as the deferral of interest payments, equity market volatility and illiquidity. Some sources of additional risk associated with hybrids are set forth below:

Coupon Cancellation: Coupon payments on some hybrids are entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time. The cancellation of coupon payments on such bonds does not amount to an event of default. Cancelled payments do not accumulate and are instead written off. Holders may see their coupons cancelled while the issuer continues to pay dividends on its common equity and variable compensation to its workforce.

Call Extension Risk: Some hybrids are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority. It cannot be assumed that the perpetual instrument will be called on call date. The investor may not receive return of principal if expected on call date or indeed at any date.

(b) Contingent Convertible Securities (CoCos)

CoCos are a form of hybrid debt security that are intended to either convert into equity or have their principal written down upon the occurrence of certain ‘triggers’ linked to regulatory capital thresholds or where the issuing banking institution’s regulatory authorities considers this to be necessary. CoCos will have unique equity conversion or principal write-down features which are tailored to the issuing banking institution and its regulatory requirements. Triggers are sometimes set with respect to the institution’s ratio of risk-weighted assets versus core equity capital, the ‘capital ratio’. Some additional risks associated with CoCos are set forth below:

Capital Structure Inversion Risk: Contrary to standard capital hierarchy, CoCo investors may suffer a loss of capital when equity holders do not. In a standard capital structure equity holders are expected to suffer the first loss. This is less likely with a CoCo whose trigger is activated when the capital ratio falls below a relatively low level when equity holders will already have suffered loss, than in a high trigger CoCo (those whose trigger is activated when the capital ratio remains relatively high).

Liquidity and Concentration Risks: In normal market conditions CoCos can be readily sold. The structure of the instruments is innovative but their behaviour under certain market scenarios is as yet untested. In the event a single issuer activates a trigger or suspends coupons it is not known whether the market will view the issue as an idiosyncratic or systemic event. In the latter case, potential price contagion and volatility to the entire asset class is possible. Further, in an illiquid market, prices may be increasingly stressed.

(c) Loans

Funds may invest in fixed and floating rate loans from one or more financial institutions to a borrower by way of (i) assignment/transfer of or (ii) participation in the whole or part of the loan amount outstanding.

The primary risks associated with the loans market are similar to the high yield bond market, namely credit risk and liquidity risk. While in normal market conditions loans can be readily sold, liquidity on the secondary market can become impaired. Subject to disclosure in the relevant investment policies, the Funds will invest only in loans that comply with the criteria applicable to Money Market Instruments for the purposes of the applicable regulations. Such loans must be capable of being freely traded and transferred between investors. When purchasing loan participations, a Fund assumes the economic risk associated with the corporate borrower and the credit risk associated with an interposed bank or other financial intermediary. When purchasing loan assignments, a Fund assumes the credit risk associated with the corporate borrower only. Such loans may be secured or unsecured. Loans that are fully secured offer a Fund more protection than an unsecured loan in the event of non-payment of scheduled interest or principal. However, there is no assurance that the liquidation of collateral from a secured loan would satisfy the corporate borrower’s obligation. In addition, investments in loans through a direct assignment include the risk that if a loan is terminated, a Fund could become part owner of any collateral and would bear the costs and liabilities associated with owning and disposing of the collateral. The loans in which a Fund invests may not be rated by any internationally recognised rating service.

(d) Collateralised and/or Securitised Debt Instruments

Funds may invest in collateralised and / or securitised debt instruments (collectively referred to as structured products). Such instruments include asset-backed securities, mortgage-backed securities, collateralised debt instruments and collateralised loan obligations. Structured products provide exposure, synthetically or otherwise, to underlying assets and the risk/return profile is determined by the cash flows derived from such assets. Some of such products involve multiple instruments and cash flow profiles such that it may not be possible to accurately predict the impact on valuation from a given market scenario. The price of such an investment may be prone to substantial price volatility as a result of sensitivity to changes in the underlying assets of the structured instrument which can take many forms including, but not limited to, credit card receivables, residential mortgages, corporate loans, manufactured housing loans or any type of receivables from a company or structured vehicle that has regular cash flows from its customers. Some structured products may employ leverage which can cause the price of the instruments to be more volatile than if they had not employed leverage. In addition, structured products may be subject to greater credit, liquidity and interest rate risk compared to other debt securities. Lack of liquidity may also cause the current market price of assets to become disconnected from the underlying assets' value. In addition, such products are often exposed to extension risks (the risk of increased longevity due to lower-than-expected paydowns) and prepayment risks (the risk of reinvesting at lower rates due to higher-than-expected paydowns) and risks that the payment obligations relating to the underlying assets are not met, which may adversely impact the returns of such products.

3. Equity Linked Notes/Credit Linked Notes

Equity Linked Notes (ELNs), Credit Linked Notes (CLNs) and similar structured instruments involve a counterparty writing a contract which defines the principal value and the payoff which is intended to move in line with the underlying security specified in the contract. Unlike Financial Derivative Instruments, cash is transferred from the buyer to the seller of the note upon purchase. In the event that the counterparty defaults the risk to the Fund is to that of the counterparty, irrespective of the value of the underlying security within the note.

CLNs are also subject to the risk of loss and/or delay in the repayment of principal and the periodic interest payment expected to be received in the event that one or more of the underlying debt obligations defaults or no longer performs. Additional risks result from the fact that the documentation of such notes programmes tends to be highly customised. The liquidity of an ELN, CLN or similar notes can be less than that for the underlying security, a regular bond or debt instrument and this may adversely affect either the ability to sell the position or the price at which such a sale is transacted.

Derivatives/Counterparty Related Risks

1. General

A Fund may use various Financial Derivative Instruments to reduce risks or costs or to generate additional capital or income in order to meet the investment objectives of a Fund. Certain Funds may use derivatives extensively and/or for more complex strategies (i.e. have extended derivative powers) as further described in their respective investment objectives. [Entering into Derivatives for investment purposes may, to some extent, alter the risk profile of a Fund depending on the circumstances and the purposes for which the Derivatives are used.] The Risk Management Process Document sets out the approved derivative strategies.

Throughout this section and others that refer to derivatives, privately negotiated or non-exchange traded derivatives are referred to as being 'Over the Counter', which is abbreviated to OTC. Investors may wish to consult their independent financial adviser about the suitability of a particular Fund for their investment needs bearing in mind its powers with regard to the use of derivatives.

While the judicious use of derivative instruments by experienced investment advisers such as the Investment Manager can be beneficial, derivative instruments also involve risks different from, and, in certain cases, greater than, the risks associated with more traditional investments.

The following are important risk factors concerning the use of derivative instruments that investors should understand before investing in a Fund.

(a) Valuation

Some derivative instruments, in particular OTC derivative instruments, do not have prices observable on an exchange and so involve the use of formulae, with prices of underlying securities or reference benchmarks obtained from other sources of market price data.

OTC instruments involve the use of models, with assumptions, which increases the risk of pricing errors. Improper valuations could result in increased cash payment requirements to counterparties or a loss of value to the Fund.

(b) Liquidity

Liquidity risk exists when a particular instrument is difficult to purchase or sell at a given valuation. If a derivative instrument transaction is particularly large or if the relevant market is illiquid (as can be the case with OTC derivative instruments), it may not be possible to initiate a transaction or liquidate a position at an advantageous price.

(c) Basis

Basis risk is the risk of loss due to divergence between two rates or prices. Derivative instruments do not always perfectly or even highly correlate with the assets, rates or indices they are designed to track. Consequently, a Fund's use of derivative instruments may not always be an effective means of, and sometimes could be counterproductive to, furthering the Fund's investment objective. This applies particularly where an underlying position is hedged through derivative contracts which may be similar to (but are not the same as) the underlying position.

(d) Leverage

The use of derivatives may give rise to a form of leverage, which may cause the Net Asset Value of a Fund to be more volatile and/or change by greater amounts than if they had not been leveraged. This is because leverage tends to exaggerate the effect of any increase or decrease in the value of the respective Fund's portfolio securities and other instruments.

(e) Counterparty Credit

This is the risk that a loss may be sustained by a Fund as a result of the failure of the other party to a derivative instrument (usually referred to as a 'counterparty') to comply with the terms of the derivative instrument contract. The counterparty credit risk for exchange-traded derivative instruments is generally less than for OTC derivative instruments, since the clearing firm, which is the issuer or counterparty to each exchange-traded derivative instrument, provides a guarantee of clearing. This guarantee is supported by a daily payment system (i.e. margin requirements) operated by the clearing firm in order to reduce overall counterparty credit risk. Assets deposited as margin with the brokers and/or exchanges may not be held in segregated accounts by these counterparties and may therefore become available to the creditors of such counterparties in the event of default by them. For OTC derivative instruments, there is no similar clearing firm guarantee. Therefore, the Investment Manager adopts a counterparty risk management framework which measures, monitors and manages counterparty credit risk, taking into account both current and potential future credit exposure, through the use of internal credit assessments and external credit agency ratings. OTC derivative instruments are not standardised. They are an agreement between two parties and can therefore be tailored to the requirements of the parties involved. The documentation risk is reduced by adhering to standard ISDA documentation.

A Fund's exposure to an individual counterparty shall not exceed 10% of the relevant Fund's net assets. Counterparty credit risk may be further mitigated through the use of collateral agreements. However, collateral arrangements are still subject to the insolvency risk and credit risk of the issuers or depositary of the collateral.

Further, collateral thresholds exist below which collateral is not called for and timing differences between calculating the need for collateral and its receipt by the Fund from the counterparty both mean that not all the current exposure will be collateralised.

(f) Settlement

Settlement risk exists when derivatives are not settled in a timely manner, thereby increasing counterparty credit risk prior to settlement and potentially incurring funding costs that would otherwise not be experienced. If settlement never occurs the loss incurred by the Fund will be the same as it is for any other such situation involving a security namely the difference between the price of the original contract and the price of the replacement contract, or, in the case where the contract is not replaced the absolute value of the contract at the time it is voided.

(g) Legal

Derivative transactions are typically undertaken under separate legal arrangements. In the case of OTC derivatives, a standard International Swaps and Derivatives Association ("ISDA") agreement is used to govern the trade between the Fund and the counterparty. The agreement covers situations such as a default of either party and also the delivery and receipt of collateral. As a result, there is a risk of loss to the Fund where liabilities in those agreements are challenged in a court of law.

2. Short Positions

A Fund may take a position in which it expects to gain value in the event a particular asset loses value (‘shorting’) through the use of derivatives. The Fund is therefore exposed to the risk that the asset will rise, rather than fall, in value. Further, as price rises are theoretically unlimited, the losses arising from such a position can theoretically be uncapped. However the Investment Manager actively manages these positions in order to limit the realised and potential losses.

3. High Leverage Risk

Funds with high leverage risk may have a net leverage exposure of more than 100% of the Net Asset Value of the Fund. This will further magnify any potential negative impact of any change in the value of the underlying asset on the Fund and also increase the volatility of the Fund’s price and may lead to significant losses.

4. Active Currency Positions

The Fund may implement active currency positions which may not be correlated with the underlying securities positions held by the Fund. This may result in the Fund suffering a significant or total loss even if there is no loss of the value of the underlying securities positions (e.g. equities, fixed income securities) being held by the Fund.

5. Specific Derivative Instruments

For Funds using one or a combination of the following instruments the following risks should be considered, as applicable:

Instrument	**Risks**
Credit Default Swaps (CDS)	The swap contract is an agreement between two parties and therefore each party bears the other’s counterparty credit risk. Collateral is arranged to mitigate this risk. The documentation risk for CDS is reduced by adhering to standard ISDA documentation. The liquidity of a CDS may be worse than the liquidity of the underlying security or securities in the basket and this may adversely affect the ability to close out a CDS position or the price at which such a close out is transacted.
Foreign Exchange Forward Contracts	To the extent that such contracts are used to hedge foreign (non-base) currency exposures back to the base currency of the Fund, there is a risk that the hedge may not be perfect and movements in its value may not exactly offset the change in value of the currency exposure being hedged. Since the gross amounts of the contract are exchanged on the specified date, there is a risk that if the counterparty with whom the contract has been agreed goes into default between the time of payment by the Fund but before receipt by the Fund of the amount due from the counterparty, then the Fund will be exposed to the counterparty credit risk of the amount not received and the entire principal of a transaction could be lost.
Forward Contracts and Contracts for Difference	The main risk to the buyer or seller of such contracts is the change in value of the underlying security. When the value of the underlying security changes, the value of the contract becomes positive or negative. Further, the two parties must bear each other’s credit risk, which is not the case with a futures contract and collateral is arranged to mitigate this risk. Also, since these contracts are not exchange traded, there is no marked-to-market margin requirement, which allows a buyer to avoid almost all capital outflow initially.

Instrument	Risks
Futures	The main risk to the buyer or seller of an exchange-traded future is the change in value of the underlying reference index/security/contract/bond.
Inflation Swaps	The market risk of this type of instrument is driven by the change in the reference benchmarks used for the two legs of the transaction, one of which will be an inflation benchmark. This is an agreement between two parties and so can be tailored to the requirements of the parties involved. Consequently each party bears the other's credit risk and collateral is arranged to mitigate this risk.
Interest Rate Swaps	The market risk of this type of instrument is driven by the change in the reference benchmarks used for the fixed and floating legs. An interest rate swap is an OTC agreement between two parties and so can be tailored to the requirements of the parties involved. Consequently each party bears the other's credit risk and collateral is arranged to mitigate this risk.
Put/Call Options and Warrants	The most significant contributor to market risk resulting from options is the market risk associated with the underlying when the option has an intrinsic value (i.e. it is 'in-the-money'), or the strike price is near the price of the underlying ('near-the-money'). In these circumstances the change in value of the underlying will have a significant influence on the change in value of the option. The other variables will also have an influence, which will likely to be greater the further away the strike price is from the price of the underlying. For OTC options the two parties must bear each other's credit risk and collateral is arranged to mitigate this risk. The liquidity of an OTC option can be less than an exchange traded option and this may adversely affect the ability to close out the option position, or the price at which such a close out is transacted.
Swaptions	A swaption comprises risks associated with interest rate swaps and option contracts. A swaption is an OTC agreement between two parties and so can be tailored to the requirements of the parties involved. Consequently each party bears the other's credit risk and collateral is exchanged to mitigate this risk.
Total Return Swaps (TRS)	These contracts may be less liquid than interest rate swaps as there is no standardisation of the underlying reference benchmark and this may adversely affect the ability to close out a TRS position or the price at which such a close out is transacted. The swap contract is an agreement between two parties and therefore each party bears the other's counterparty credit risk and collateral is arranged to mitigate this risk. The documentation risk for TRS is reduced by adhering to standard ISDA documentation.

Additional Risks

1. Index Tracking Funds

(a) Tracking Difference

The aim of an Index Tracking Fund is to match the performance of an index as closely as possible. However there is the risk that the Fund's performance may not track that of the underlying index exactly ("tracking difference"). This tracking difference may result from the investment strategy used, fees and expenses and taxes. Changes to the underlying index, regulatory requirements and differences in valuation points between the Fund and index may also contribute to tracking differences. The Investment Manager will monitor and seek to manage such risk in minimising tracking difference. There can be no assurance of exact or identical replication at any time of the performance of the index.

(b) Passive Investment Risk

For Funds that are passively managed, the Investment Manager will not have the discretion to adapt to market changes due to the inherent investment nature of the Fund. Falls in the index are expected to result in corresponding falls in the value of the Fund.

2. Asset Allocation - Target Date

Some Funds allocate capital to asset classes where the weights change according to a pre-determined schedule up to a specific target date. As a Fund moves closer to its target date, it generally allocates more capital to assets with a lower expected risk and return profile. The performance of the Fund is dependent on the outcome of the asset allocation employed by the Fund and there is a risk that losses will be realised as the asset allocation changes. While investors will be provided with investment options at the target date, there is no guarantee that the Fund will close and so investors may suffer loss after the target date. It is important to note that a target date Fund should not be selected based solely on age or retirement date. There is no guarantee that investors will receive the principal invested on the target date.

3. Asset Allocation - Dynamic

The Fund may periodically change its allocation across asset classes and therefore may incur greater transaction costs than a Fund with static allocation strategy.

4. Cash Funds

An investment in Cash Funds is neither insured nor guaranteed by any government, government agencies or government-sponsored agencies or any bank guarantee Fund. Shares in Cash Funds are not deposits or obligations of, or guaranteed or endorsed by, any bank and the amount invested in Shares may fluctuate up and/or down. Although the Fund seeks to maintain capital value and liquidity whilst producing a return in line with money market rates to the investor, Cash Funds do not guarantee a stable Net Asset Value. All investments are subject to credit and counterparty risk and provide limited potential for capital appreciation and generally lower income than investments in medium- or long-term instruments would. Furthermore, the performance of Cash Funds may be affected by changes in money market rates, economic and market conditions and in legal, regulatory and tax requirements. In a low interest rate environment or during adverse market conditions, Cash Funds may invest in negative yield instruments which may adversely impact the Net Asset Value of the Fund.

5. Ethical Investing

The Investment Manager's focus on securities of companies which maintain strong environmental, social and governance ("ESG") credentials may result in a return that at times compares unfavourably to similar products without such focus. No representation or warranty is made with respect to the fairness, accuracy or completeness of such credentials. The status of a security's ESG credentials can change over time.

6. Income-producing securities

Although the Fund will generally invest in income-producing securities, it is not guaranteed that all underlying investments will generate income. To the extent that underlying investments of the Fund are income producing, higher yields generally mean that there will be:

(a) reduced potential for capital appreciation for equity securities; and

(b) increased potential for capital appreciation and / or depreciation for fixed income securities.

7. Securities Lending

Securities Lending involves risks in that (a) if the borrower of securities lent by a Fund fails to return them there is a risk that the collateral received may realise less than the value of the securities lent out, whether due to inaccurate pricing, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded and that (b) in case of reinvestment of cash collateral such reinvestment may (i) create leverage with corresponding risks and risk of losses and volatility, (ii) introduce market exposures inconsistent with the investment objective of the Fund, or (iii) yield a sum less than the amount of collateral to be returned and that (c) delays in the return of securities on loans may restrict the ability of a Fund to meet delivery obligations under security sales.

8. Repurchase and Reverse Repurchase Transactions

Repurchase transactions are where one party sells a security to a counterparty and agrees to repurchase it in the future. For the seller this is a ‘repo’; for the buyer it is a ‘reverse repo’. In the event of the failure of the counterparty there is the risk that collateral received from the counterparty may realise less than the value of the security placed out. There are also risks that (i) locking cash in transactions of excessive size or duration, (ii) delays in recovering cash placed out, or (iii) difficulty in realising collateral may restrict the ability of the Fund to meet redemption requests, security purchases or, more generally, reinvest.

Risk Management Process

The Manager employs a risk management process which identifies and addresses the following main risks in particular:

- Market risk - the risk of loss for the Funds resulting from fluctuation in the market value of positions held in the Funds attributable to changes in market variables, such as interest rates, foreign exchange rates, equity and commodity prices or an issuer's credit worthiness. Market risk includes the risk arising from leveraging and inappropriate diversification. Leveraging encompasses the global risk exposure while diversification includes counterparty limits associated with OTC derivatives as well as concentration limits. ‘Leverage’ means any method by which the fund manager increases the exposure of a fund it manages whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means;
- Liquidity risk - the risk of not being able to liquidate a position in a timely manner at a reasonable price to meet client redemptions. Liquidity risk also includes the ability and cost of borrowing if the Funds are unable to liquidate sufficient assets to meet redemption requests.
- Counterparty/Credit risk - is the risk of loss if a counterparty fails to perform or meet its financial obligations (e.g. to repay principal and/or interest in a timely manner) to the Fund.
- Operational risk - the risk of loss arising from inadequate or failed internal processes, systems, third parties, external events, people and fraud.
- Regulatory risk - the risk of a fund violating a specific regulatory requirement, as well as a Board-imposed restriction, client guideline, prospectus and eligibility requirements.

Risk management policies and procedures define qualitative or quantitative risk limits as well as procedures to ensure that exposures of the Funds to market, liquidity, counterparty, operational and all other relevant risks are identified and appropriately managed. Techniques and tools are developed globally at FIL Group level and monitored locally within each Fund.

It is the Manager’s risk management policy to implement and strictly monitor risk limits to meet any regulatory and/or other requirements that the Funds have to comply with e.g. investment policy and diversification limits and any other risk limits, which the Manager believes is relevant to ensure a proper management of the material risks that the Fund has identified and might be exposed to. Further details of the risk management policy are available from the Manager on request.

Investment Powers and Restrictions

The assets of each Fund will be invested with the aim of achieving the investment objective and policy of that Fund. They must also be invested so as to comply with the investment and borrowing powers and restrictions set out in the COLL Sourcebook, the Instrument of Incorporation of the Company and this Prospectus.

A summary of the investment powers and restrictions applicable to each Fund is set out in Appendix 2.

SHARES

Classes of Shares

Shares of different Classes may from time to time be issued in respect of a Fund, and the ACD may from time to time create additional Classes in respect of a Fund. The differences between Classes may be the minimum subscription, the minimum holding and/or the charges to be borne, as detailed in Appendix 1. In most cases either income Shares or accumulation Shares are offered. The Classes currently available in each Fund are set out in Appendix 1.

Income Shares

Holders of income Shares are entitled to be paid the income attributable to such Shares in respect of each annual and interim accounting period. However, unless the Shareholder instructs the ACD that he wishes to receive the income, the income will be reinvested in the relevant Fund and used to purchase further income Shares.

Accumulation Shares

Holders of accumulation Shares are not entitled to be paid the income attributable to such Shares, but that income is automatically added to (and retained as part of) the capital assets of the relevant Fund at the end of each annual accounting period. The price of an accumulation Share increases to reflect accrued income.

F Shares

These Classes of Shares are available only to Fidelity and Fidelity related companies as Income and/or Accumulation type Shares.

I Shares

These Classes of Shares are available only to Institutional Investors as Income and/or Accumulation type Shares.

Investment Pathway 1 Accumulation Shares

These Classes of Shares are available only through distributors pre-approved by Fidelity.

Treatment of Charges and Expenses

Where a Fund has more than one Class, each Class may attract different charges and expenses and so monies may be deducted from the Classes in unequal proportions. In these circumstances, the proportionate interests of the Classes within a Fund will be adjusted accordingly.

Register of Shareholders and Statements

All Shares are in registered form. Certificates will not be issued in respect of Shares. Ownership of Shares will be evidenced by an entry in the Company’s register of Shareholders.

At least once each year, the ACD will send a statement to each person who holds Shares or has held Shares since the previous statement. Where Shares are jointly held, statements are sent to the first named Shareholder. The statement will describe current holding(s) of Shares at the date of the statement and any transactions in Shares since the date of the last statement. Individual statements will also be issued at any time on request by the registered Shareholder.

All notices and documents will be sent to a registered Shareholder in writing at the address given in the Register, or, where a Shareholder has consented, in writing by electronic means in accordance with the COLL Sourcebook.

BUYING, SELLING AND SWITCHING SHARES

General

The ACD will receive requests for the issue, redemption and switching of Shares between 9.00a.m. and 5.00p.m. on weekdays excluding UK public holidays. Requests received after 5.00p.m. on the last business day preceding a Dealing Day will not be dealt on that Dealing Day but, once accepted, will be dealt on the following Dealing Day. Once a deal is accepted Shares will be dealt on a forward basis at the price determined at the next valuation of the scheme property for dealing purposes (on a Dealing Day). Dealing in Shares may generally be by post or by telephone. The ACD will, as specified below, from time to time allow dealings in Shares or communications with Shareholders to be made on-line or through other communication media.

Money Laundering Prevention

Under legislation to prevent money laundering in the United Kingdom, persons conducting investment business are responsible for compliance with money laundering regulations. Investors may be asked to provide proof of identity when buying, redeeming or switching Shares, and, in certain circumstances, it may be necessary for the ACD to re-verify an investor's identity and obtain any missing or additional information for this purpose. Until satisfactory proof of identity is provided, the ACD reserves the right to refuse to issue Shares, to pay the proceeds of sale of Shares, or to switch Shares. The ACD will not be liable for any share price movements occurring during delays while money laundering checks are carried out.

Minimum Holdings

The minimum initial subscription for Shares in any Class and any subsequent subscription are set out for the relevant Fund at Appendix 1. Generally, Shareholders must maintain a minimum holding of Shares for each Class in which they invest. If, following a redemption of Shares or at any time, a holding of Shares falls below the minimum holding, the ACD may require redemption of the entire holding.

The ACD may at its discretion accept subscriptions lower than the minimum.

Buying Shares

Applications to purchase Shares may be made by post, telephone, fax or via the Internet as determined by the ACD from time to time. Application forms may be obtained from the ACD if required. The ACD may also at its discretion accept electronic instructions subject to appropriate arrangements which it specifies being in place.

Completed applications received on a dealing day before the valuation point (12.00 noon UK time) will normally be fulfilled that day at the next calculated Net Asset Value.

Normally, cleared moneys must have been received for a subscription to be dealt. Subscription monies will only normally be accepted if by electronic transfer and, if received by the ACD between 9.00 a.m. and 5.00 p.m. on the last business day preceding the relevant Dealing Day. Where monies are not received as above the ACD may return them to the applicant at the applicant's risk. Any subscription moneys received by the ACD in respect of the purchase of Shares earlier than the day before the settlement date will be held in a client money bank account. Any money received later than this may be held in a client money bank account, but will otherwise be held in a corporate bank account in accordance with the delivery versus payment exemption as permitted by the FCA's client money rules.

Any subscription monies remaining after a whole number of Shares has been issued will be used to purchase fractions of whole Shares (known as smaller denomination Shares). A smaller denomination Share is equivalent to one-hundredth of a whole Share.

A contract note will be sent normally by the close of the Dealing Day on which the Shares are allocated and priced. This will show the number of Shares purchased and the price. If relevant, notice of the applicant's right to cancel will be sent separately (together with a renunciation form) within seven days of receipt of the application. Settlement is due on receipt of the contract note by the applicant. Shares are normally issued to an applicant only once settlement in cleared funds has been received.

Selling Shares

A Shareholder is normally entitled to require that some or all of their Shares be redeemed on any Dealing Day. In respect of the Fidelity Institutional Diversified Income Fund a redemption request will be dealt on the next Dealing Day 14 days after its receipt by the ACD. Any number of Shares may be redeemed, but a Shareholder may be required to redeem all of their Shares if, following a partial redemption, their holding is less than the minimum holding for the Fund concerned.

Requests to redeem Shares may be made to the ACD by telephone or in writing. Alternatively, forms of redemption are available on the Internet. Requests by telephone or via the Internet must be confirmed in writing. The ACD may also at its discretion accept electronic instructions subject to appropriate arrangements which it specifies being in place.

A contract note will be sent to the selling Shareholder (or to the first-named, in the case of joint Shareholders), giving details of the Shares sold and the price. With effect from 18 May 2015, payments to satisfy a redemption request will normally be issued by the close of the third business day (but no later than close of the fourth business day) after the later of the day of the calculation of the price and receipt by the ACD of a properly completed and signed renunciation form in respect of the appropriate number of Shares together with any other appropriate evidence of title as determined by the ACD. All redemption payments will be issued from a client money bank account. However, prior to issue, balances relating to redemption payments may be held by the ACD in a corporate bank account in accordance with the delivery versus payment exemption as permitted by the FCA's client money rules. All redemption proceeds that remain unpaid after the settlement date will be held in a client money bank account.

Once a request to redeem Shares has been made, it cannot subsequently be withdrawn.

Switching Shares

A Shareholder may at any time switch all or some of their Shares of one Class ("Original Shares") for Shares of another Class within the same Fund or for Shares of any Class within a different Fund ("New Shares"). A switch involves the sale of the Original Shares and the purchase of the New Shares and any provisions on buying and selling Shares as above will apply to the Original Shares and the New Shares. The number of New Shares issued will be determined by reference to the respective prices of New Shares and Original Shares at the valuation point applicable when the Original Shares are redeemed and the New Shares are issued.

Instructions for switching Shares may be given by telephoning the ACD or in writing to the ACD, and the Shareholder may be required to complete a switching form (which, in the case of joint Shareholders, must be signed by all the joint holders). Switching forms may be obtained from the ACD and are also available on the Internet. The ACD may also at its discretion accept electronic instructions subject to appropriate arrangements which it specifies being in place.

The ACD may at its discretion make a charge on the switching of Shares. The charge will not exceed an amount equal to the then prevailing preliminary charge (if any) for the New Shares. The ACD may adjust the number of New Shares issued to reflect the imposition of any switching charge and any other charges or levies in respect of the issue or sale of the New Shares or the redemption or cancellation of the Original Shares as may be permitted pursuant to the COLL Sourcebook.

If a switch would result in the Shareholder's holding a number of Original Shares or New Shares of a value which is less than the minimum holding in the Fund concerned, the ACD may, if it thinks fit, convert the whole of the Shareholder's holding of Original Shares to New Shares or refuse to effect any switch of the Original Shares. No switch will be made during any period when the right of Shareholders to require the redemption of their Shares is suspended. The general provisions on procedures relating to redemption will apply equally to a switch.

Shareholders subject to UK tax should note that a switch of Shares between Funds (but not between Classes of Shares within a Fund) is treated as a disposal for the purposes of capital gains taxation.

A Shareholder who switches Shares of one Class for Shares of any other Class will not be given a right by law to withdraw from or cancel the transaction.

Further information relating to dealing in the Funds is provided in Appendix 4.

SHARE PRICES

Pricing Basis

The Company deals on a forward pricing basis. A forward price is the price calculated at the next valuation of the Scheme Property after the purchase, redemption or switch of Shares is agreed.

Shares are priced on a single, mid-market basis in accordance with the COLL Sourcebook.

Calculation of Prices

The price of a Share is calculated by reference to the Net Asset Value of the Fund (or Class) to which it relates. In summary, this is done by valuing the property of the Fund and dividing that value (or the part attributed to Shares of the relevant Class) by the number of Shares of the relevant Class in issue. The basis of the calculation of the Net Asset Value is summarised in Appendix 4 – "Calculation of Net Asset Value". The ACD may also apply an adjustment to the Net Asset Value of a Fund where large cash inflows or outflows from a Fund may prejudice its Shareholders – see "Price Adjustment Policy" section below. The Net Asset Value of each Fund is normally calculated at 12.00 noon UK time on each business day for that Fund. The ACD may at any time during a Dealing Day carry out an additional valuation if the ACD considers it desirable to do so.

Investors should bear in mind that, on purchase, the ACD's preliminary charge is added to the price of a Share and that any applicable redemption charge will be deducted from the price of a Share on sale.

Publication of Prices

Share prices are made available online at www.fidelity.co.uk or by telephoning on 0800 41 41 61.

Price Adjustment Policy (Swing Pricing)

Large transactions in or out of a Fund can create "dilution" of a Fund's assets because the price at which an investor buys or sells Shares in a Fund may not entirely reflect the dealing and other costs that arise when the investment manager has to trade in underlying investments to accommodate large cash inflows or outflows. In order to counter this and enhance the protection of existing Shareholders there may be a Share price adjustment as part of the regular daily valuation process to counter the impact of dealing and other costs on occasions when these are deemed to be significant, for example:

1) Where the fund is suffering continued net outflows;
2) The fund experiences large deals that result in net sales or net redemptions which exceed a threshold set by the ACD from time to time for each Fund;
3) The Fund experiences net sales or net redemptions in comparison to its size;
4) In any other situation where the ACD feels it is in the best interests of both continuing and new Shareholders to implement a dilution adjustment.

On any dealing day the asset value of a Fund may be adjusted upwards or downwards as applicable to reflect the costs that may be deemed to be incurred in liquidating or purchasing investments to satisfy net daily transactions at Fund level. The ACD reserves the right to make such an adjustment taking into account factors such as the estimated dilution costs (such as underlying dealing spreads, commissions and other trading expenses) and the size of the Funds. In deciding whether to make such an adjustment the ACD will have regard to the interests of existing, continuing and potential Shareholders in the Fund.

The adjustment will be upwards when the net aggregate transactions result in an increase of the number of Shares and will be downwards when the net aggregate transactions result in a decrease of the number of Shares. The adjusted asset value will be applicable to all transactions on that day.

Where a dilution adjustment is not applied to a Fund there may be dilution of the assets of that Fund which may constrain or reduce the future growth of that Fund.

The price of each class of Share in a Fund is calculated separately and any dilution adjustment will in percentage terms affect the price of the Shares of each Class of that Fund to the same degree.

For illustrative purposes, the table in Appendix 8 sets out the average number of times the ACD applied a dilution adjustment on the dealing in Shares of each Fund over a three-year period as well as the estimates of the dilution adjustments for each Fund (based on the information available at the end of the financial year). However, such historical information does not constitute a projection and the adjustment may be wider and smaller on a specific day as a result of the mechanics of the financial markets. As dilution is related to the inflows and outflows of money from the Fund it is not possible to accurately predict whether dilution will occur at any future point in time. Consequently, it is also not possible to accurately predict how frequently the ACD will need to make such a dilution adjustment. In the usual course of business, the application of a dilution adjustment will be triggered on a consistent basis.

CHARGES AND EXPENSES

ACD's Charges

Preliminary Charge

The ACD may make a preliminary charge of 5.25% on a sale of Shares which is added to the published purchase price. The maximum preliminary charge permitted in every case is 7% of the purchase price of a Share. The preliminary charge is payable to the ACD.

A Fund may invest in other collective investment schemes managed by the ACD or an associate of the ACD. In relation to such investments in Fidelity funds, no duplication of preliminary charges will arise in respect of investment through the Company.

A Fund may invest in other collective investment schemes managed by Independent Fund Managers. In relation to investments in such Underlying Funds, the ACD will seek to negotiate that no preliminary charges will be applied in respect of investment through the Company.

Redemption Charge

The ACD currently makes no charge on a cancellation or redemption of Shares, above, which provides that the ACD may at its discretion make a charge for switching shares from time to time whether for a switch to Shares of another Class within the same Fund or for Shares of any Class within a different Fund.

Switch Charge

See Buying, Selling and Switching Shares - "Switching Shares".

Annual Charges

In payment for carrying out its duties and responsibilities, the ACD is entitled to make certain annual charges out of each Fund as described below. The current rates for each Fund are set out in the details of the Funds in Appendix 1.

- Investment management charge
- Service charge

  The ACD makes a charge for providing all necessary administration and fund accounting services to the Company.
- Registrar charge

  The ACD makes a charge for its services as registrar and transfer agent.

Each of these Annual Charges accrues daily and is payable monthly. The daily calculation is based on the Net Asset Value of the relevant Fund at 12 noon UK time on the previous business day. The Annual Charges and the Registrar Charges are accrued on the previous dealing day's Net Asset Value of each Fund. For this purpose the value of a Fund is inclusive of the Share issues and cancellations which take effect as at the relevant valuation point.

Underlying Fund Charges

As each Fund may invest in other collective investment schemes, various other charges and expenses may be incurred indirectly by the Funds at the level of the Underlying Funds.

Where any Fund invests in other collective investment schemes managed by Independent Fund Managers, the ACD will seek to negotiate a high level of rebate of the Underlying Funds' management charges, so as to minimise the effect of charging at both the Fund and Underlying Fund levels.

Where any Fund invests in other collective investment schemes managed by the ACD or an associate of the ACD, to mitigate a double management charge in respect of the same portfolio, up to the full amounts of the charges which the ACD and/or any associated company of the ACD receives for managing the investments of the relevant Underlying Funds will be credited to the Fund, to the extent that such charges are attributable to investment in the Underlying Funds by the Fund.

Treatment of Charges

Fidelity Institutional Diversified Income Fund: in accordance with the COLL Sourcebook the ACD and the Depositary have agreed that the ACD's Annual Charges may be treated as capital charges which will enhance income returns but may constrain capital growth.

Depositary's Charges

The Depositary's remuneration, which is payable out of the assets of each Fund, is a periodic charge at such annual percentage of the value of the property of each Fund as is set out below, with the property of each Fund being valued and such remuneration accruing and being paid on the same basis as the ACD's annual charges. Currently, the ACD and the Depositary have agreed that the Depositary's remuneration in respect of each Fund shall be calculated on a sliding scale as follows:

Band Range	Fee
On the first £250 million	0.01% per annum
On the next £750 million	0.005% per annum
On the remainder	0.001% per annum

The Depositary is also entitled to receive out of the property of each Fund, remuneration for such services in performing or arranging for the performance of the functions conferred on the Depositary by the Instrument of Incorporation or the COLL Sourcebook. Currently the Depositary does not receive any remuneration or service charges under this paragraph. The introduction of or increase in any such charge is subject to obtaining the requisite consent from Shareholders. Any such charges shall be on terms no less favourable than would be applicable to a comparable customer of the Depositary. Service charges shall accrue when the relevant transaction or other dealing is effected and shall be paid in arrears on the next following date on which payment of the Depositary's periodic charge is to be made or as soon as practicable thereafter.

The Depositary's remuneration may not exceed 0.50% per annum of the Net Asset Value of the Fund.

Custodian Charges

The Depositary has appointed J.P. Morgan Chase Bank (London Branch) as the Custodian of the property of each Fund and is entitled to receive reimbursement of the Custodian's fees as an expense of the Fund. J.P. Morgan Chase Bank's remuneration for acting as Custodian is calculated at an *ad valorem* rate determined by the territory or country in which the assets of the Fund are held. Currently, the lowest rate is 0.005% and the highest rate is 0.35%. In addition, the Custodian is permitted to make a transaction charge determined by the territory or country in which the transaction is effected. Currently, these transaction charges range from US$1 to US$100 per transaction.

The Depositary is also entitled to be reimbursed out of the property of each Fund in respect of remuneration charged by the Custodian for such services, being services delegated to the Custodian by the Depositary in performing or arranging for the performance of the functions conferred on the Depositary by the Instrument of Incorporation or the COLL Sourcebook. Currently the Depositary does not receive any remuneration or service charges under this paragraph. The introduction of or increase in any such charge is subject to obtaining the requisite consent from Shareholders. Any such charges shall be on terms no less favourable than would be applicable to a comparable customer of the Custodian. Service charges shall accrue when the relevant transaction or other dealing is effected and shall be paid in arrears.

The Custodian's *ad valorem* remuneration may not exceed 1% per annum of the Net Asset Value of the Fund, and its transaction charges may not exceed US$750 per transaction.

Expenses

In addition to the above charges, the Company may pay out of the assets of the Funds or if attributable to a particular Fund, out of the assets of that particular Fund as appropriate the following expenses:

ACD Expenses

(a) all reasonable and properly evidenced out of pocket expenses incurred by the ACD as the authorised corporate director of the Company;

Depositary Expenses

(b) expenses properly incurred by the Depositary in the discharge of its duties or exercising any of the powers conferred upon it in relation to the Company and each Fund, including all charges imposed by and any expenses of any agents appointed by the Depositary to assist in the discharge of its duties, subject to approval by the ACD;

Other Expenses

(c) stamp duty, taxes, brokerage or other expenses incurred in acquiring and disposing of investments;

(d) interest on borrowings and charges incurred in negotiating borrowings;

(e) expenses associated with administration of the Company and its Funds, including calculation of Net Asset Values and the pricing of Shares;

(f) fees in respect of the publication and circulation of details of the Net Asset Value and Share prices;

(g) expenses incurred in relation to servicing any fund supermarket or investment links to multi-manager products or any other platform on or through which Shares are available;

(h) brokers' bond and errors and omissions insurance, sub-fund guarantee protection insurance;

(i) taxation and duties payable by the Company;

(j) expenses incurred in collecting and distributing income to Shareholders and related notifications;

(k) expenses in respect of establishing and maintaining the register of Shareholders (and any sub-register) and related functions;

(l) costs of printing and distributing reports, accounts and communications to Shareholders (including notices of general meetings), and costs incurred as a result of periodic updates of this Prospectus (and key features) or amendment of the Instrument of Incorporation of the Company and any other administrative expenses;

(m) costs of convening and holding Shareholder meetings (including Class meetings);

(n) expenses incurred in connection with company secretarial duties, including the cost of minute books and other documentation required to be maintained by the Company;

(o) fees and expenses of the auditors and of tax, legal and other professional advisers of the Company;

(p) costs incurred as a result of an update of this Prospectus or amendment to the Instrument of Incorporation of the Company and any other related expenses;

(q) any payments otherwise due by virtue of the COLL Sourcebook and other rules of the FCA;

(r) any amount payable by the Company under any indemnity provisions contained in the Instrument of Incorporation of the Company or any agreement with a functionary of the Company;

(s) fees of the FCA under the Financial Services and Markets Act 2000 and the corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which Shares are or may be marketed, and any related costs incurred in relation to obtaining and/or maintaining a regulatory status in a country or territory outside the United Kingdom;

(t) such other expenses as the ACD resolves are properly payable out of the Scheme Property and as may be permitted to be paid out of the Scheme Property under, or alternatively are not prohibited from being paid out of the Scheme Property by, the COLL Sourcebook as amended from time to time.

The ACD shall also be permitted to charge or recover such fees, costs and/or expenditure as it so determines shall be so charged or recovered in respect of the costs and expenses of the authorization and incorporation of the Company, an offer of Shares, the preparation and printing of this Prospectus and the fees of the professional advisers to the Company in connection with any offer of Shares as borne by the ACD or other companies in its group, provided that such charge or recovery is not prohibited by the COLL Sourcebook or other provisions of the FCA Handbook from time to time.

Subject to current HM Customs & Excise regulations, Value Added Tax at the prevailing rate may be payable in addition to the Depositary's remuneration, the Custodian's remuneration and the above expenses.

It is not currently proposed to seek a listing for the Shares on any stock exchange, but if a listing is sought in the future the fees connected with the listing will be payable by the Company.

Expenses are allocated between capital and income in accordance with the Instrument of Incorporation of the Company and the COLL Sourcebook.

Foreign Exchange Transactions

Foreign exchange transactions for the Company are carried out through associates or affiliates of FIL Limited (an associated company of the ACD) as agent and at rates approved by the ACD.

Foreign exchange transactions for investors are carried out by associates or affiliates of FIL Limited (an associated company of the ACD) as principal and may be aggregated. Such associates or affiliates will derive and retain a benefit from such transactions at rates approved by the ACD.

Allocation of Charges and Expenses between Funds

All charges and expenses which are directly attributable to a particular Fund (or Class within a Fund) will be charged to that Fund (or Class). Otherwise, if there is more than one Class within a Fund, charges and expenses which are directly attributable to the Fund (but not to a particular Class) will normally be allocated between the Classes within the Fund *pro rata* to the Net Asset Value of the Fund attributable to each Class.

Any charges and expenses not attributable to any one particular Fund will normally be allocated by the ACD to all Funds (and their Classes) *pro rata* to the Net Asset Values of the Funds (and their Classes), although the ACD has a discretion to allocate such charges and expenses in a different manner which it considers fair to Shareholders generally.

Ongoing Charges Figure ("OCF")

The OCF for each Fund from time to time is set out in the most recent Key Investor Information Document ("KIID") applicable to each Fund. The OCF is made up of the amounts paid to the ACD and the Depositary for providing services to a Fund. It also includes expenses that must be included in the OCF calculation (such as audit, legal and regulatory fees). The OCF calculation excludes costs incurred by a Fund in connection with transactions on its portfolio of assets (for example: brokerage fees, taxes and linked charges), and any performance fees, entry and exit fees, if applicable, interest on borrowings, and payments incurred because of financial instruments. The figure is expressed as a percentage of the Net Asset Value of a Fund.

INCOME

Accounting Periods

The annual accounting period of the Company ends each year on 31 October (the accounting reference date). The half-yearly accounting period ends each year on 30 April. In addition, Funds with income shares in issue may have interim accounting periods within each annual accounting period (see Appendix 1).

Income Allocations

Allocations of income are made in respect of the income available for allocation in each annual accounting period.

Distributions of income for each Fund are paid on or before the annual income allocation date of 31 December. In the case of certain Funds with income Shares in issue, interim distributions will be paid on or before the interim income allocation dates set out in Appendix 1. If a holder of Income Shares instructs the ACD that he wishes to receive the income, this is normally paid by direct credit to the Shareholder's bank or building society but may, if the ACD so agrees, be paid by another common banking method. Income allocations to Accumulation Shares will be automatically added to (and retained as part of) the capital assets of the relevant Fund.

The amount available for allocation in an accounting period is calculated by:

(a) taking the aggregate of the income received or receivable for the account of the relevant Fund for that period;

(b) deducting the charges and expenses of the Fund paid or payable out of income for that accounting period; and

(c) making such adjustments as the ACD considers appropriate (and after consulting the auditors as appropriate) in relation to tax and certain other issues.

Where a Fund has more than one Class in issue, allocations of income are made in accordance with the proportionate interests of the Classes within the Fund.

If a distribution remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the Company.

Income Equalisation

The purchase price of a Share reflects the entitlement to share in the accrued income of the relevant Fund since the previous income allocation. This capital sum, known as income equalisation, is returned to a Shareholder with the first allocation of income in respect of a Share issued during an accounting period.

The amount of income equalisation is calculated by dividing the aggregate of the amounts of income included in the price of Shares of the relevant Class issued in an annual or interim accounting period by the number of those Shares and applying the resultant average to each of the Shares in question.

UK TAXATION

The information given below does not constitute legal or tax advice, and prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of Shares under the laws of any jurisdiction in which they may be subject to tax.

Taxation of the Company and the Funds

The Company is an umbrella scheme. The effect of the Company being an umbrella scheme is that each Fund is treated as a separate open-ended investment company (OEIC) within the meaning of section 613 – 615 of the Corporation Tax Act 2010 and is therefore treated for the purposes of United Kingdom taxation of income as a company resident in the United Kingdom. A Fund does not suffer any liability to United Kingdom taxation in respect of any capital gains accruing to it on the disposal of its investments. A Fund is however, liable to United Kingdom corporation tax at the current rate of 20% on the excess of its taxable income for any accounting period over its deductible expenses of management and interest costs for that period. Any distributions paid by any Fund to its Shareholders will not be treated as deductible expenses in computing the Fund's taxable income, except in the case of interest distributions.

The taxable income of each Fund does not include any dividends or other qualifying distributions received by that Fund from United Kingdom resident companies nor does it normally include foreign dividends unless the fund has elected to treat the latter as taxable. The tax treatment of any distributions received by a Fund from any Underlying Funds which are authorised unit trusts or OEICs will follow the same principles as apply to distributions paid by that Fund to a Shareholder that is within the charge to UK corporation tax, as explained below. Any other income derived by a Fund from foreign sources will be included in its taxable income, but, in computing its liability to corporation tax on any such income, credit may be available for any foreign withholding taxes that the income has borne.

Any corporation tax payable by any Fund will be assessed by reference to the Fund's accounting periods.

Taxation of Distributions from the Funds

Each Fund will be treated, for tax purposes, as distributing to its Shareholders (in one of the ways specified below) the whole of the income shown in its accounts for each of its distribution periods as being available for distribution to Shareholders. The making of a distribution, for this purpose, includes both paying an amount in respect of a holding of income Shares to the Shareholder concerned and also investing an amount within the Fund in respect of a holding of accumulation Shares on behalf of the Shareholder concerned. Any reference in this section to a "distribution" should be construed accordingly. Each Fund's "distribution periods" will correspond to its accounting periods.

The distribution accounts of each Fund for any of its distribution periods may show the Fund's income as being available for distribution as either a dividend or interest distribution; the type selected depends on the source and composition of the income of the Fund for the distribution period in question (as explained further below).

Broadly speaking, any Fund which invests primarily in interest paying investments (including indirectly through other authorised unit trusts and OEICs) may make interest distributions. Other Funds may only make dividend distributions.

Dividend Distributions

Any dividend distribution made by a Fund will be treated as if it were a UK dividend paid to the Shareholders in that Fund. No deduction by way of withholding tax is required to be made from any dividend distribution.

For distributions a Shareholder in a Fund who is an individual and is resident in the United Kingdom for taxation purposes will be entitled to a dividend allowance of £2,000, where the dividend allowance is not exceeded no further UK tax is payable. Where the dividend allowance is exceeded individual Shareholders who pay income tax will be liable to tax based on their marginal rate of tax with the specific tax rates applicable to dividend income being 7.5% (basic rate), 32.5% (higher rate) or 38.1% (additional rate) tax on the amount that exceeds the dividend allowance, from 6 April 2022 these rates will be 8.75%, 33.75% and 39.35% respectively.

Shareholders within the charge to UK corporation tax will receive dividend distributions "streamed" into franked and unfranked components depending on the underlying income of the Fund. The franked stream is treated as franked investment income in the hands of the corporate Shareholder. The unfranked stream is treated as an annual payment received after deduction of tax at the lower rate. This tax is repayable only to the extent of the Shareholder's proportion of the Fund's net UK corporation tax liability although all of it is available for offset against the Shareholder's UK corporation tax liabilities. Both the proportions of a dividend distribution that are to be treated as franked and unfranked investment income and the Shareholder's proportion of the Fund's net UK corporation tax liability will be shown on tax vouchers accompanying dividend distributions.

Interest Distributions

A Fund which, by way of example, invests exclusively in UK authorised unit trusts or OEICs with more than 60% of their investments invested throughout an accounting period in, broadly speaking, interest paying investments, derivative contracts whose underlying subject matter is such investments or certain contracts for differences may make interest distributions. Distributions paid prior to 6 April 2017 were generally paid after deduction of income tax at the lower rate of 20%. Any distribution paid on or after 6 April 2017 will be paid without any tax deductions.

A Shareholder in a Fund who is an individual and is resident in the United Kingdom for taxation purposes will be entitled to a personal savings allowance of £1,000 (basic rate) £500 (higher rate) and £0 (upper rate) to be set against distributions received. Where total distributions received exceeds this allowance Shareholders liable to income tax will be liable to pay income tax based on their marginal rate of tax with the specific tax rates applicable to savings income being 20% (basic rate), 40% (higher rate) or 45% (additional rate) tax on the amount that exceeds the personal savings allowance.

Details of interest distributions paid to individuals, (other than ISA investors and Child Trust Fund investors), with addresses in the UK and other specified countries must be reported to HM Revenue & Customs by the ACD along with the names and addresses of those individuals.

The attention of Shareholders within the charge to UK corporation tax is drawn to the provisions of Section 490 of Corporation Tax Act 2009. Under these provisions, holdings in a Fund which, by way of example, invests exclusively in unit trust schemes or OEICs where each such scheme or OEIC at any time during an accounting period holds more than 60% of its investments in interest paying investments, derivative contracts whose underlying subject matter is such investments or certain contracts for differences will be taxed as creditor relationships of the Shareholder. That creditor relationship can only be taxed on a mark to market basis of accounting. This means that the Shareholder within the charge to corporation tax can be charged to tax on unrealised profits in each accounting period.

Individuals who are not ordinarily resident in the UK and companies and other entities that are not UK resident may apply for payment of part of any interest distribution to which they are entitled to be paid gross of UK income tax. The proportion paid gross will be the proportion of interest income received gross by the Fund to its gross income. Gross payments of interest distributions may be made to individuals who are not ordinarily resident in the UK and companies and other entities that are not UK resident, provided that they either:

(1) invest through a reputable intermediary, which is subject to the EC Money Laundering Directive or equivalent rules, or

(2) are a company or the trustees of a unit trust scheme.

These provisions enable the full amount of any interest distribution to be paid gross regardless of the proportion of gross interest income received by the Fund.

Capital Gains

Shareholders who are resident or, if applicable, ordinarily resident in the UK for tax purposes who are not within the charge to UK corporation tax may be subject to capital gains tax in respect of gains arising from the sale or other disposal of Shares, where their annual gains exceed their allowance at the rate of 10% (basic rate tax payers) or 20% (higher or additional rate tax payers).

Shareholders within the charge to UK corporation tax will be subject to corporation tax in respect of gains arising from the sale or other disposal of Shares.

When the first income allocation is made to Shares purchased during an accounting period, the amount representing the income equalisation in the price of the Shares is a return of capital and is not taxable as income in the hands of Shareholders. This amount should be deducted from the cost of Shares in computing any capital gains realised on a subsequent disposal.

No deduction by way of withholding tax is required to be made from any payment made by a Fund to a Shareholder upon the redemption of their Shares.

US Foreign Account Tax Compliance Act ("FATCA")

The Hiring Incentives to Restore Employment Act (the "Hire Act") was signed into US law in March 2010. It includes provisions generally known as Foreign Account Tax Compliance Act (''FATCA''). The objective of FATCA provisions is to impose to non-US Financial Institutions to identify and appropriately report on US citizens or residents for tax purposes holding (directly or in some circumstances indirectly) Financial Accounts outside the US as a safeguard against US tax evasion.

On 12 September 2013 the UK signed an agreement ("IGA") with the US to implement FATCA for all UK based Financial Institutions. The IGA as transposed into UK law requires UK Financial Institutions, to report to HMRC the details of US citizens or residents for tax purposes holding (directly or in some circumstances indirectly) Financial Accounts with those Financial Institutions so the UK can exchange this information with the US on an automatic basis. The IGA is effective from 1 July 2014 and applicable to the Fund as a UK Financial Institution, and from 1 July 2014 requires the Fund to obtain upon subscription mandatory evidence (notably by obtaining a self certification in most cases) as to whether there are or are not any new Account Holders from 1 July 2014 (in this case, Shareholders and debt holders if any) who are Specified US Persons, a Passive NFFE with US Controlling Person(s) or Nonparticipating Financial Institution within the meaning of the IGA. The Fund was also required to identify any pre-existing Shareholder (and debt holder if any), i.e. as at 30 June 2014 as a Specified US Person, a Passive NFFE with US Controlling Person(s) or a Nonparticipating Financial Institution within the meaning of the IGA based on the records the Fund holds or through the collection of additional documentation (notably a FATCA self-certification). Further under the UK law implementing the IGA the Fund is required to disclose such information as maybe required under the IGA to HMRC on any Shareholder (or debt holder if any) who is considered to have become a Specified US Person or a Passive NFFE with US Controlling Person(s) within the meaning of the IGA. Each shareholder (and debt holder if any) should immediately notify the Fund of any change in circumstances within the meaning of FATCA. Investors should consult their own tax advisers regarding any potential obligations that the IGA, or the wider US FATCA regulations, may impose on them.

OECD Common Reporting Standard ("CRS")

In addition to the agreement signed by the UK with the US to implement FATCA, the UK has signed the Multilateral Competent Authority Agreement to implement the CRS. Details of the jurisdictions that are signatories can be found at http://www.oecd.org/tax/automatic-exchange/about-automatic-exchange/crs-mcaa-signatories.pdf.

The EU has transposed the CRS by virtue of the amended EU Directive on Administrative Cooperation (DAC 2), adopted on 9 December 2014, which the UK and EU Member States had to incorporate into their national laws by 31 December 2015. In this respect the International Tax Compliance regulations 2015 (the "CRS law") transposes these requirements into UK law.

The CRS law requires Reporting UK Financial Institutions, to report annually to HMRC, as from 2017 (for the year 2016), certain financial account information about Shareholders (and debt holders if any) and (in certain cases) their Controlling Persons that are tax resident in a Reportable Jurisdiction so the UK can exchange this information with the relevant jurisdiction on an automatic basis. The Fund as a UK Financial Institution, is subject to the CRS Law. In general, the CRS law requires the Fund to obtain upon subscription mandatory self-certifications including notably declarations as to the tax residency(s) of any new Shareholder (and debt holder, if any) as from 01 January 2016, and in the case of non-individuals additionally what their CRS classification is and information on their Controlling Person(s) depending on the CRS status disclosed. The Fund should also identify relevant tax residency(s) of any existing Shareholder on 31 December 2015 and in the case of non-individuals additionally what their CRS classification is, based on the records the Fund holds (if possible) and / or a self-certification from the Shareholder (or the debt holder if any) and/or from its/their Controlling Person(s) if applicable. Where a tax residency in a Reportable Jurisdiction is disclosed or identified, the Fund may be required to disclose certain personal and financial account information annually under the CRS on the relevant Shareholder (or debt holder) and / or its Controlling Person(s) to HMRC that will automatically exchange that information with the relevant foreign tax authorities.

Further under the CRS law, the Fund is also required to disclose such information as maybe required annually under the CRS to HMRC on any Shareholder (or debt holder if any) who is considered to have become tax resident of a different jurisdiction following a change in circumstance within the meaning of the CRS. If there is a change of circumstances that results in one or more indicia, then the Fund must treat the Shareholder (or debt holder if any) as a resident for tax purposes of each Reportable Jurisdiction for which an indicium is identified unless the Shareholder (or debt holder if any) provides evidence of its actual tax residency(ies). Each Shareholder (and debt holder if any) should immediately notify the Fund of any change in circumstances within the meaning of the CRS. Investors should consult their own tax advisers regarding any potential obligations that the CRS may impose on them.

These statements are based on UK law and HM Revenue & Customs practice as known at the date of this document. Shareholders are recommended to consult their professional advisers if they are in any doubt about their tax position.

APPENDIX 1: THE FUNDS

This Appendix sets out full details of each of the Funds:

Fidelity Diversified Markets Fund

Fidelity Institutional Diversified Income Fund

Fidelity Diversified Markets Fund

Investment Objective
The Fund aims to increase the value of your investment over a period of 5 years or longer and to maintain volatility within the range of 6-8% p.a.

Investment Policy
The Fund invests globally, into a broad range of asset classes based on their risk profile. The Fund is actively managed without reference to a benchmark.

The asset allocation is managed using a systematic volatility and risk management process. This typically involves increasing the Fund's allocation to lower risk assets e.g. government bonds when market volatility rises, and increasing the allocation to higher risk assets e.g. equities, when market volatility falls.

The Fund can invest in funds (including funds managed by Fidelity), securities, money market instruments, cash, deposits and derivatives (which can be used for both efficient portfolio management and investment purposes).

Performance Benchmark
The Fund's long-term performance can be compared to the SONIA (Sterling Overnight Index Average) Index ("the SONIA Index") + 3%. The SONIA Index reflects the average of interest rates that banks pay to borrow Sterling overnight from other financial institutions. The Investment Manager believes that this reflects the outcome that could be expected as a result of investing in line with the Fund's targeted level of risk over the long term. The SONIA Index +3% is not a target of the Fund and the Investment Manager does not aim to specifically achieve this outcome, it is solely a comparator benchmark against which investors may compare the Fund's performance.

Class of Shares	F Accumulation Shares
	Investment Pathway 1 Accumulation Shares
Currency of Denomination	Pounds Sterling
Minimum Initial Investment	£100,000 - F Accumulation Shares
	£1,000 (or £50 per month under regular savings plan) - Investment Pathway 1 Accumulation Shares
Minimum Subsequent Investment	£100,000 - F Accumulation Shares
	£250 - Investment Pathway 1 Accumulation Shares
Minimum Withdrawal	£100,000 - F Accumulation Shares
	None, provided minimum holding remains - Investment Pathway 1 Accumulation Shares
Minimum Holding	£100,000 - F Accumulation Shares
	£1,000 (except for regular savings plans – no minimum holding) - Investment Pathway 1 Accumulation Shares
ACD's Preliminary Charge	None
Investment Management Charge	0.25% per annum
ACD's Service Charge	None
ACD's Registrar Charge	None
Annual Accounting Date	31 October
Half-yearly Accounting Date	30 April
Annual Income Allocation Date	31 December

Interim Income Allocation Date	None
Grouping Periods for Income Equalisation	Annual accounting periods
Annual Report published by	The last day of February
Interim Report published by	30 June

Performance of the Fund

Annual total return (full calendar year) to 2021 to 2023

Average annual return to 31.12.23 (3Y)

Notes

1. Past performance information is not available before 2021.
2. Basis of calculation: NAV to NAV with income reinvested to 31 December 2023, net of tax and annual charges but excluding preliminary charges. More recent past performance information is available from the ACD on request.
3. Potential investors are warned that past performance should not be seen as an indication of future performance and cannot in any way provide a guarantee of future returns. The value of investments and income from them can go down as well as up, and investors may not get back the original amount invested.
4. The Fund may invest in variable proportions in collective investment schemes including those managed by Fidelity. The collective investment schemes in which the Fund may invest shall be domiciled in Ireland, the United Kingdom and other European countries.
5. In accordance with the AIFM Directive, the maximum level of leverage to be used on this Fund is 200% under the Commitment method and 300% under the Gross method.
6. The ACD expects that the Ongoing Charges Figure ("OCF") of each class of the Fund will normally equal the annual rate of the management charge. This is because the expenses that form the basis of the OCF[1] calculation, including, audit, depositary, legal and regulatory fees, will be paid by Fidelity out of the management charge.

   [1]The OCF does not include costs incurred by a fund in connection with transactions on its portfolio (for example: brokerage fees, taxes and linked charges, interest on borrowings, and payments incurred because of financial instruments).

Fidelity Institutional Diversified Income Fund

Investment Objective

The Fund aims to achieve an income yield that is above 4% per annum over a typical market cycle (5-7 years). Any income you may receive will vary depending on the share class of the Fund into which you are invested and is not guaranteed.

Investment Policy

The Fund is actively managed without reference to a benchmark and invests over 50% in funds (including funds managed by Fidelity) which provide global exposure to a mixture of asset classes such as transferable securities, money market instruments, cash and deposits. This allocation to funds will normally be higher but may vary depending on market conditions and market opportunities. The Fund can also invest directly into transferable securities, money market instruments, cash and deposits, and is also able to use derivatives for efficient portfolio management and investment purposes.

Asset allocation exposure of the Fund will be actively managed subject to it remaining within the following parameters: 20-100% income assets (such as bonds and cash) and 0-65% growth assets (such as equities, infrastructure securities and property securities). The Fund’s asset allocation can be adjusted within the ranges in order to preserve capital or to take advantage of market opportunities.

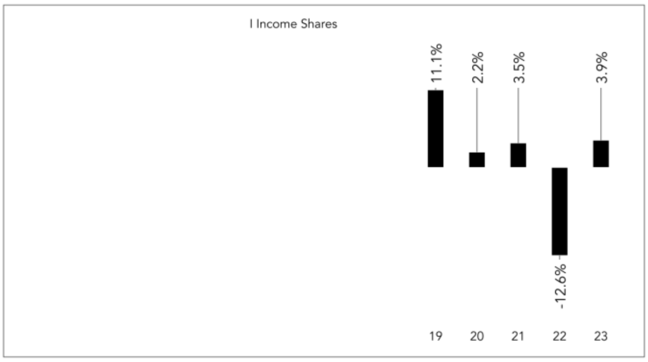
Performance Benchmark

The Fund's performance can be assessed by comparing its actual yield against its target of 4%.

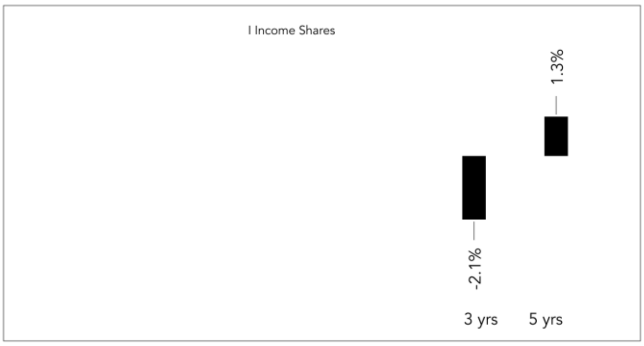
Class of Shares	I Income Shares
Currency of Denomination	Pounds Sterling
Minimum Initial Investment	£10,000,000
Minimum Subsequent Investment	£1,000,000
Minimum Withdrawal	None, provided minimum holding remains
Minimum Holding	£1,000,000
ACD’s Preliminary Charge	None
Investment Management Charge	0.5% per annum
ACD’s Service Charge	0.05% per annum
ACD’s Registrar Charge	None
Annual Accounting Date	31 October
Half-yearly Accounting Date	30 April
Annual Income Allocation Date	31 December
Interim Income Allocation Date	None
Grouping Periods for Income Equalisation	The last day of each month - Income Shares
Annual Report published by	The last day of February
Interim Report published by	30 June

Performance of the Fund

Annual total return (full calendar year) 2019 to 2022



Average annual return to 31.12.23 (3Y, 5Y)



Notes

1. Past performance information is not available before 2019.
2. Basis of calculation: NAV to NAV with income reinvested to 31 December 2023, net of tax and annual charges but excluding preliminary charges. More recent past performance information is available from the ACD on request.
3. Potential investors are warned that past performance should not be seen as an indication of future performance and cannot in any way provide a guarantee of future returns. The value of investments and income from them can go down as well as up, and investors may not get back the original amount invested.
4. In accordance with the AIFM Directive, the maximum level of leverage to be used on this Fund is 200% under the Commitment method and 300% under the Gross method.
5. The Fund's FCA product reference number is 802301.

APPENDIX 2: INVESTMENT POWERS AND RESTRICTIONS

Each Fund is categorised as a non-UCITS retail scheme for the purposes of compliance with the FCA Handbook.

General

Authorised funds, such as the Funds of the Company, are required to comply with a number of investment rules that require the spreading of risk. The ACD must ensure that, taking account of the investment objective and policy of each Fund, the Scheme Property of each Fund aims to provide a prudent spread of risk. An aim of the restrictions on investment and borrowing powers set out in the COLL Sourcebook (which are summarised below) is to help protect Shareholders by laying down minimum standards for the investments that may be held.

The ACD will, on a Shareholder's request, provide supplementary information to that set out in this Prospectus relating to the quantitative limits applying in the risk management of each Fund, the methods used in this connection, and any recent development of the risk and yields of the main categories of investment of each Fund.

The property of a Fund must only consist of any or all of the following, as is permitted in this Prospectus:

(a) units in collective investment schemes;

(b) transferable securities;

(c) money market instruments provided they meet the criteria set out in "Money Market Instruments" below;

(d) derivatives and forward transactions;

(e) deposits with an Approved Bank which mature in no more than twelve months, and are either repayable on demand or have the right to be withdrawn; and

(f) immovables provided they meet the criteria set out in "Immovables" below;

(g) gold up to a value of 10% of the scheme property; and

(h) cash and near cash.

The scheme property of the Company may also include movable and immovable property that is necessary for the direct pursuit of the Company's business, but it is not intended that the Company will hold any such property.

Collective Investment Schemes

Investment by a Fund in units in collective investment schemes is subject to the following restrictions:

- A Fund may invest in any of the following types of collective investment scheme:
  - (a) a scheme which is a UK UCITS or complies with the conditions necessary for it to enjoy the rights conferred by the UCITS Directive;
  - (b) a scheme which is recognised under the provisions of section 270 or section 272 of the Financial Services and Markets Act 2000;
  - (c) a NURS scheme;
  - (d) a scheme which is authorised outside the United Kingdom, and the investment and borrowing powers of which are the same or more restrictive than those of a NURS Scheme; or
  - (e) a scheme which does not fall into (a)-(d) above and in respect of which no more than 20% in the value of property of the Fund (including the aggregate of any transferable securities which are not approved securities) is invested;
- any Underlying Fund must operate on the principle of the prudent spread of risk;
- any Underlying Fund must be prohibited from having more than 15% in value of its scheme property consisting of units in collective investment schemes; and
- any Underlying Fund must permit investors in that scheme to redeem their units in accordance with the scheme at a price which is related to the net value of the property to which the units relate and is determined in accordance with the scheme.

- As mentioned below (see “Spread Requirements”), no more than 35% in value of a Fund is to consist of units in any one collective investment scheme. For the purposes of this spread requirement, if investment is made in sub-funds of an umbrella scheme, each sub-fund is treated as if it were a separate scheme.
- No Fund may invest in another Fund in the Company. However, a Fund may invest in associated collective investment schemes (other collective investment schemes which are managed or operated by the ACD or an associate of the ACD) provided there is no double charging of the preliminary charge on investment, or of the redemption charge on disinvestment, on the basis set out in the COLL Sourcebook.

- **Transferable Securities**

A Fund may invest in transferable securities. “Transferable securities” are essentially shares, instruments creating or acknowledging indebtedness, government and public securities, instruments giving entitlement to such investments, and certificates representing certain securities, in each case which are transferable without the consent of a third party.

No more than 20% in value of a Fund’s property may consist of the aggregate of transferable securities which are not approved securities and money market instruments which are not admitted to or dealt on an eligible market.

“Approved securities” are transferable securities traded on eligible securities markets (as defined below), otherwise than by the specific permission of the market authority.

“Eligible securities markets” are regulated markets, which are defined by reference to provisions of the Investment Service Directive; markets established in the UK and EEA member states on which transferable securities admitted to official listing in those states are dealt in or traded; and other markets which the ACD, after consultation with the Depositary, has decided are appropriate for the purpose of investment of the property of the relevant Fund. In accordance with the relevant criteria in the COLL Sourcebook and formal guidance from the FCA, such markets must operate regularly and be regulated, recognised and open to the public.

The eligible markets for each Fund (in addition to those established in the UK and EEA member states) are as follows:

UK and Member States of the EEA and EU - All primary and secondary markets	
Other countries	
Australia	Australian Securities Exchange (ASX)
Bahrain	Bahrain Stock Exchange (BSE)
Bangladesh	Dhaka Stock Exchange (DSE)
Brazil	B3
Canada	Canadian Securities Exchange (CSE) Montreal Exchange Toronto Stock Exchange (TSX) TSX Ventures Exchange
Chile	Bolsa de Santiago
China	China Bond Connect China Interbank Bond Market Shanghai Stock Exchange Shenzen Stock Exchange
Colombia	Bolsa de Valores de Colombia
Croatia	Zagreb Stock Exchange
Cyprus	Cyprus Stock Exchange
Ghana	Ghana Stock Exchange

UK and Member States of the EEA and EU - All primary and secondary markets	
Other countries	
Hong Kong	Hong Kong Stock Exchange Hong Kong GEM Shanghai- Hong Kong Stock Connect (Northbound Trading) Shenzhen- Hong Kong Stock Connect (Northbound Trading)
India	BSE Ltd National Stock Exchange of India
Indonesia	Indonesia Stock Exchange (ISE)
Israel	Tel Aviv Stock Exchange
Japan	Tokyo Stock Exchange Fukuoaka Stock Exchange Nagoya Stock Exchange Osaka Exchange Sapporo Stock Exchange Tokyo OTC market
Kazakhstan	Kazakhstan OTC market Kazakhstan Stock Exchange
Kenya	Nairobi Stock Exchange
Kuwait	Boursa Kuwait
Malaysia	Bursa Malaysia
Mauritius	Stock Exchange of Mauritius
Mexico	Bolsa Mexicana de Valores (BMV)
Morocco	Casablanca Stock Exchange and OTC Market
New Zealand	NZX Limited Futures New Zealand Exchange Limited
Pakistan	Pakistan Stock Exchange
Peru	Lima Stock Exchange
Philippines	Philippine Stock Exchange (PSE)
Qatar	Qatar Stock Market
Romania	Bucharest Stock Exchange
Saudi Arabia	Saudi Stock Exchange (Taduwul)
Singapore	SGX Singapore Exchange
Slovakia	Bratislava Stock Exchange
Slovenia	Ljubljana Stock Exchange
South Africa	Johannesburg Stock Exchange Bond Exchange of South Africa (BESA)
South Korea	Korea Stock Exchange (KOSDAQ)
Sri Lanka	Colombo Stock Exchange (CSE)
Switzerland	Six Swiss Exchange (SWIX)
Taiwan	Taiwan Stock Exchange (TSE) Taipei Exchange
Thailand	Stock Exchange of Thailand (SET) Bond Electronic Exchange (BEX)
Turkey	Borsa Istanbul

UK and Member States of the EEA and EU - All primary and secondary markets	
Other countries	
United Arab Emirates	Dubai Financial Market (DFM) Abu Dhabi Securities Exchange (ADX) NASDAQ Dubai
Uruguay	Bolsa de Electronica de Valores del Uruguay SA
USA	NASDAQ BX NYSE Chicago NASDAQ New York Stock Exchange NYSE US Govt Securities Market US Fixed Income Market
Vietnam	Ho Chi Minh Stock Exchange (HOSE)
Zambia	Lusaka Stock Exchange

- **Money Market Instruments**

A Fund may invest in money market instruments including those which are:

(a) admitted to or dealt in on an eligible market; or

(b) are not within (a) but are liquid and whose value can be determined accurately at any time, provided that, no more than 20% in value of the scheme property of a Fund may consist of the aggregate of such money market instruments and transferable securities which are not approved securities.

"Eligible markets" are regulated markets, which are defined by reference to provisions of the Investment Service Directive; markets established in EEA member states on which transferable securities admitted to official listing in those states are dealt in or traded; and other markets which the ACD, after consultation with the Depositary, has decided are appropriate for the purpose of investment of the property of the relevant Fund (these other markets are listed above). In accordance with the relevant criteria in the COLL Sourcebook and formal guidance from the FCA, such markets must operate regularly and be regulated, recognised and open to the public.

- **Derivatives and Forward Transactions**

Under the COLL Sourcebook, derivatives may be used by NURS schemes for efficient portfolio management purposes (such as hedging) or for achieving a scheme's investment objectives, or for both.

The Funds have the power to use derivatives for specific investment purposes in accordance with the investment objective and policy of the relevant Fund. Whilst the ACD does not expect to use derivative aggressively in the management of a Fund, their use may lead to a higher volatility in the share price of the Fund, except as otherwise stated (see The Company And Its Funds - "Derivatives and Forwards Transactions").

The use of derivatives and forward transactions for the Company's Funds is currently governed as follows:

(i) by the COLL Sourcebook provisions explained in sections (a) to (e) below, which apply to all Funds generally; and

(ii) in addition, by the terms set out below, which explain the extent of the possible use of derivatives for the Funds.

Examples of the techniques and instruments used in this regard are given below.

(a) Subject to certain detailed restrictions, a transaction in a derivative or a forward transaction may be effected for a Fund if it is a permitted transaction and the transaction is covered, on the basis explained below. A transaction in a derivative must not cause a Fund to diverge from its investment objectives. For any derivative transaction, there are requirements that there must be an appropriate risk management process in place.

(b) To be a permitted transaction, the following constraints must be complied with.

The underlying property of any transaction in a derivative must consist of property to which the Fund is dedicated (for example, transferable securities).

A transaction in a derivative must be in an approved derivative, (i.e. a transaction effected on or under the rules of an eligible derivatives market) or, subject to restrictions, an over-the-counter (OTC) derivative transaction.

Eligible derivatives markets are those which are regulated as defined in the FCA Handbook or markets in the UK and EEA states which are regulated, operate regularly and are open to the public. Markets not falling within either of these definitions are eligible if the ACD, after consultation with the Depositary, has decided that such markets are appropriate for the purposes of investment of or dealing in the property of a Fund with regard to the relevant criteria set out in the COLL Sourcebook and the formal guidance on eligible markets issued by the FCA as amended from time to time. The eligible derivatives markets for the Funds as at the date of this Prospectus are as follows:

(i) Markets in the UK and EEA states which are regulated, operate regularly and are open to the public and in addition

(ii) For all Funds (the EEA and non-EEA markets listed below):

- Athens Derivatives Exchange
- Australia Securities Exchange
- Austria Exchange
- Canadian Securities Exchange (CSE)
- Chicago Board of Trade
- Chicago Board Options Exchange
- Chicago Mercantile Exchange
- EDX
- Eurex (Germany; Zurich)
- Euronext (Amsterdam; EQF, Equities and Indices Derivatives)
- Hong Kong Exchanges and Clearing (HKEX)
- ICE Futures U.S.
- Korean Futures Exchange (KOFAX)
- Malaysia Derivatives Exchange (MDEX)
- MEFF Renta Variable
- Milan Stock Exchange
- Montreal Exchange Inc.
- NASDAQ
- National Stock Exchange (India)
- New York Futures Exchange
- NYMEX
- New York Stock Exchange (NYSE)
- New Zealand Stock Exchange
- OMX Stockholm
- Osaka Securities Exchange
- Singapore Exchange
- South African Futures Exchange
- SEHK
- SIX Swiss Exchange
- Sydney Futures Exchange
- Thailand Futures Exchange
- Tokyo International Financial Futures Exchange
- Tokyo Stock Exchange
- Turquoise

- XEMD – Mercado Mexicano de Derivados

Any forward transaction must be made with an Eligible Institution or an Approved Bank.

A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, money market instruments, units in a collective investment scheme or derivatives. This is subject to the general ability to enter into an uncovered sale whether through using a derivative or not, provided:

(i) the risks of the underlying financial instrument of a derivative can be appropriately represented by another financial instrument and the underlying financial instrument is highly liquid; or

(ii) the ACD or the depositary has the right to settle the derivative in cash, and cover exists within the scheme property which falls within one of the following asset classes;

- cash;
- liquid debt instruments (e.g. government bonds of first credit rating) with appropriate safeguards (in particular, haircuts);
- other highly liquid assets having regard to their correlation with the underlying of the financial derivative instruments, subject to appropriate safeguards (e.g. haircuts where relevant).

In the asset classes referred to in (i) and (ii) above, an asset may be considered as liquid where the instrument can be converted into cash in no more than seven business days at a price closely corresponding to the current valuation of the financial instrument on its own market.

(c) A transaction in derivatives or a forward transaction may only be entered into if the maximum exposure, in terms of the principal or notional principal created by the transaction to which a Fund is or may be committed by another person is covered globally. Exposure is covered globally if adequate cover from within the scheme property of the Fund is available to meet the Fund's total exposure, taking into account the value of the underlying assets and any reasonably foreseeable market movement, counterparty risk, and the time available to liquidate any positions.

The global exposure relating to derivatives held in a Fund may not exceed the net value of that Fund.

(d) A derivative or forward transaction which will or could lead to the delivery of property for the account of a Fund, may be entered into only if at the time of execution:

(i) that property can be held for the account of the relevant Fund; and

(ii) the ACD, having taken reasonable care, determines that delivery of the property under that transaction will not occur or will not lead to a breach of the applicable restrictions.

(e) The ACD must use an appropriate risk management process enabling it to monitor and measure as frequently as appropriate the risk of each Fund's derivatives positions and their contribution to the overall risk profile of that Fund. This process must take into account the investment objectives and policy of the Fund and the creditworthiness of counterparties used to undertake derivative transactions. The use of derivatives has the overall intention of reducing the volatility of returns, although this outcome is not guaranteed and derivatives held may at times lead to increased price volatility. The Depositary is obliged to take reasonable care to review the appropriateness of the risk management process in line with its duties.

(f) **The following provisions will apply in situations where the ACD enters into derivative and forward transactions for the efficient portfolio management of a Fund**

The ACD may utilise the property of a Fund to enter into transactions for the purposes of efficient portfolio management of that Fund, i.e. transactions which relate to transferable securities or money market instruments, are economically appropriate (they are realised in a cost effective way) and which are permitted by the COLL Sourcebook to be effected in order to achieve a reduction in certain risks or costs or the generation of additional capital or income for the Funds with a risk level which is consistent with the risk profile of the Fund and the risk diversification rules laid down in COLL. There is no limit on the amount or value of the property of a Fund which may be used for such efficient portfolio management purposes, but the ACD will only enter into the transaction if it reasonably believes the transaction to be economically appropriate.

The aim of any derivative or forward use for such reasons is not to increase materially the risk profile of the Fund; rather, their use is to assist the ACD in meeting the investment objectives of each Fund.

A Fund may use various Financial Derivative Instruments to reduce risks or costs or to generate additional capital or income in order to meet the investment objectives of that Fund. Certain Funds may use derivatives extensively and/or for more complex strategies (i.e. have extended derivative powers) as referred to in their investment objective and policy. In this section and others that refer to derivatives, privately negotiated or non-exchange traded derivatives are referred to as being "Over The Counter", or "OTC".

Investors may wish to consult their financial adviser about the suitability of a particular Fund for their investment needs bearing in mind its powers with regard to the use of derivatives.

While the judicious use of derivative instruments by experienced investment managers can be beneficial, derivative instruments also involve risks different from, and, in certain cases, greater than, the risks associated with more traditional investments. The use of derivatives may give rise to a form of leverage, which may cause the Net Asset Values of these Funds to be more volatile and/or change by greater amounts than if they had not been leveraged. This is because leverage tends to exaggerate the effect of any increase or decrease in the value of the respective Funds' portfolio of securities and other instruments.

The following types of risks are amongst those relevant in relation to the use of derivatives and forwards by the Funds:

- Market Risk – which is the general risk applicable to all investments that the value of a particular investment may fluctuate. Where the value of the underlying asset (either security or reference benchmark) of a derivative instrument changes, the value of the instrument will become positive or negative, depending on the performance of the underlying asset. For non-option derivatives the absolute size of the fluctuation in value of a derivative will be very similar to the fluctuation in value of the underlying security or reference benchmark. In the case of options, the absolute change in value of an option will not necessarily be similar to the change in value of the underlying because, as explained further below, changes in options values are dependent on a number of other variables.

- Liquidity Risk – Liquidity risk exists when a particular instrument is difficult to purchase or sell. If a derivative instrument transaction is particularly large or if the relevant market is illiquid (as can be the case with OTC derivative instruments), it may not be possible to initiate a transaction or liquidate a position at an advantageous price.

- Counterparty Credit Risk – which is the risk that a loss may be sustained by a Fund as a result of the failure of the other party to a derivative instrument (usually referred to as a 'counterparty') to comply with the terms of the derivative instrument contract. The counterparty credit risk for an exchange-traded derivative instrument is generally less than for an OTC derivative instrument, since the clearing firm, which is the issuer or counterparty to each exchange-traded derivative instrument, provides a guarantee of clearing. This guarantee is supported by a daily payment system (i.e. margin requirements) operated by the clearing firm in order to reduce overall counterparty credit risk. Assets deposited as margin with the brokers and/or exchanges may not be held in segregated accounts by these counterparties and may therefore become available to the creditors of such counterparties in the event of default by them. For privately negotiated OTC derivative instruments, there is no similar clearing firm guarantee. Therefore, the investment manager adopts a counterparty risk management framework which measures, monitors and manages counterparty credit risk, taking into account both current and potential future credit exposure, through the use of internal credit assessments and external credit agency ratings. Privately negotiated OTC derivative instruments are not standardised. They are an agreement between two parties and can therefore be tailored to the requirements of the parties involved. The documentation risk is reduced by adhering to standard ISDA documentation.

  A Fund's exposure to an individual counterparty may not exceed 10% of the relevant Fund's net assets. Counterparty credit risk may be further mitigated through the use of collateral agreements. However, collateral arrangements are still subject to the insolvency risk and credit risk of the issuers or depository of the collateral. Further, collateral thresholds exist below which collateral is not called for and timing differences between calculating the need for collateral and its receipt by the Fund from the counterparty will both mean that not all the current exposure will be collateralised.

- Settlement risk – Settlement risk exists when futures, forwards, contracts for differences, options and swaps (of any type) are not settled in a timely manner, thereby increasing counterparty credit risk prior to settlement and potentially incurring Funding costs that would otherwise not be experienced. If settlement never occurs the loss incurred by the Fund will be the same as it is for any other such situation involving a security namely the difference between the price of the original contract and the price of the replacement contract, or, in the case where the contract is not replaced the absolute value of the contract at the time it is voided.

- Fund Management Risk – Derivative products are highly specialised instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. The use of a derivative instrument requires an understanding not only of the underlying asset but also of the derivative instrument itself, without necessarily the benefit of observing the performance of the derivative instrument under all possible market conditions. Further, the price of an OTC derivative might not move in line with the price of the underlying instrument in some market conditions.

- Other Risks – Other risks in using derivative instruments include the risk of mispricing or improper valuation. Some derivative instruments, in particular privately negotiated OTC derivative instruments, do not have prices observable on an exchange and so involve the use of formulae, with prices of underlying securities or reference benchmarks obtained from other sources of market price data. OTC options involve the use of models, with assumptions, which increases the risk of pricing errors. Improper valuations could result in increased cash payment requirements to counterparties or a loss of value to the Funds. Derivative instruments do not always perfectly or even highly correlate with or track the value of the assets, rates or indices they are designed to track. Consequently, a Fund's use of derivative instruments may not always be an effective means of, and sometimes could be counterproductive to, furthering that Fund's investment objective.

<u>Immovables</u>

(a) A Fund may invest in land or a building ("immovable") provided the criteria in (b) to (i) below are satisfied.

(b) The immovable may be situated in any country or territory.

(c) If the Fund invests in an immovable situated in England and Wales or Northern Ireland, the immovable must be a freehold or leasehold interest, or if the Fund invests in an immovable situated in Scotland, the immovable must be any interest or estate in or over land or heritable right including a long lease. If the immovable is not situated in these jurisdictions then it must be of an equivalent interest.

(d) The ACD must have taken reasonable care to determine that the title to the immovable has a good marketable title.

(e) The ACD must:

    (i) have received a report from an appropriate valuer containing a valuation of the immovable (with or without any relevant subsisting mortgage) and stating that in the appropriate valuer's opinion the immovable would, if acquired by the scheme, be capable of being disposed of reasonably quickly at that valuation; or

    (ii) have received a report from an appropriate valuer as required by (e)(i) stating that the immovable is adjacent to or in the vicinity of another immovable included in the scheme property, or is another interest as defined in (c) in an immovable which is already included in the scheme property and, in the opinion of the appropriate valuer, the total value of both immovables would at least equal the sum of the price payable for the immovable and the existing value of the other immovable.

(f) The Fund will not invest in an immovable which is not bought or agreed by an enforceable contract within six months after receipt of the report of the appropriate valuer under (e) above.

(g) To purchase an immovable the ACD must ensure that that report in (e) can be reasonably relied upon, and that the immovable is not bought at more than 105% of its valuation in the report in (e).

(h) Any furniture, fittings or other contents of any building may be regarded as part of the relevant immovable.

(i) An appropriate valuer must be a person who:

  (i) has knowledge of and experience in the valuation of immovables of the relevant kind in the relevant area;

  (ii) is qualified to be a standing independent valuer of a non-UCITS retail scheme or is considered by the scheme's standing independent valuer to hold an equivalent qualification;

  (iii) is independent of the ICVC, the depositary and the ACD; and

  (iv) has not engaged himself or any of their associates in relation to the finding of the immovable for the scheme or the finding of the scheme for the immovable.

Investment limits for immovables

(a) The following limits apply in respect of immovables held as part of scheme property of a Fund:

  (i) not more than 15% in value of the Fund's property is to consist of any one immovable and for the purposes of (a)(i) immovables within "Immovables" (e)(ii) above must be regarded as one immovable;

  (ii) the figure of 15% in (a)(i) may be increased to 25% once the immovable has been included in the Fund's property in compliance with (a)(i);

  (iii) the income receivable from any one "group" (as defined in the FCA Handbook) in any accounting period must not be attributable to immovables comprising more than 25%, or in the case of a government or public body more than 35% of the value of the Fund's property;

  (iv) not more than 20% in value of the Fund's property is to consist of immovables that are subject to a mortgage and any mortgage must not secure more than 100% of the valuation given by the valuer (on the assumption the immovable is not mortgaged);

  (v) the aggregate value of mortgages secured on immovables under (iv) above, borrowing of the Fund under the borrowing limits set out at Appendix 2 – "Borrowing" and any transferable securities that are not approved securities must not, in combination, at any time exceed 20% of the value of the Fund's property;

  (vi) not more than 50% in value of the Fund's property is to consist of immovables which are unoccupied and non-income producing or in the course of substantial development, redevelopment or refurbishment; and

  (vii) no option may be granted to a third party to buy any immovable comprised in the Fund's property unless the value of the relevant immovable does not exceed 20% of the value of that Fund's property together with, where appropriate, the value of investments in unregulated collective investment schemes and any transferable securities which are not approved securities.

Standing Independent valuer

The ACD must appoint a standing independent valuer to value immovables in the scheme property of any Fund. This appointment must be made at the outset with the approval of the Depositary and upon any vacancy.

The standing independent valuer must be independent from the Company, the ACD, and the Depositary.

The following requirements apply to the functions of the standing independent valuer:

(a) the ACD must ensure that the standing independent valuer values all the immovables held within the scheme property, on the basis of a full valuation with physical inspection (including where the immovable is or includes a building, internal inspection) at least once a year;

(b) in (a) any inspection in relation to adjacent properties of a similar nature may be limited to that of only one such representative property;

(c) the ACD must ensure that the standing independent valuer values the immovables, on the basis of a review of the last full valuation, at least once a month;

(d) if either the ACD or Depositary becomes aware of any matters that appear likely to:

  (i) affect the outcome of the valuation of an immovable; or

  (ii) cause the valuer to value under (a) instead of (c);

it must immediately inform the standing independent valuer of that matter;

(e) the ACD must use its best endeavours to ensure that any other affected person (as defined in the FCA Handbook) reports to the standing independent valuer immediately upon that person becoming aware of any matter within (d); and

(f) any valuation by the standing independent valuer must be on the basis of an Open Market value as defined in Practice Statement 3 in the Royal Institute of Chartered Surveyors' Appraisal and Valuation Manual (first edition published September 1995) but subject to COLL 6.3.

Any valuation under COLL 6.3 has effect, until the next valuation under that rule, for the purposes of the value of immovables.

An agreement to transfer an immovable or an interest in an immovable is to be disregarded for the purposes of the valuation of the scheme property unless it reasonably appears to the ACD to be legally enforceable.

Spread Requirements

There are limitations on the proportion of the value of a Fund which may be held in certain forms of investment. The general spread requirements are as set out below.

(a) Not more than 35% in value of a Fund may consist of units in any one collective investment scheme.

(b) Not more than 10% in value of a Fund's property may consist of transferable securities or money market instruments issued by a single body, and in applying this limit, certificates representing certain securities are treated as equivalent to the underlying security. This limit is raised to 20% in respect of transferable securities where a Fund has an investment policy as stated in this prospectus to replicate to replicate the performance or composition of an index which has the characteristics in (i) to (iii):

    (i) it must have a sufficiently diversified composition;

    (ii) it must be a representative benchmark for the market to which it refers; and

    (iii) it must be published in an appropriate manner.

    The limit of 20% above in respect of transferable securities may be raised to 35% for one body only for a particular Fund and only where justified by exceptional market conditions for that Fund.

(c) Not more than 20% in value of a Fund's property may consist of deposits with a single body.

(d) The exposure to any one counterparty in an over-the-counter (OTC) derivative transaction must not exceed 10% in value of a Fund's property.

(e) For the purpose of calculating the limits in (d) above, the exposure in respect of an OTC derivative may be reduced to the extent that collateral is held in respect of it if the collateral meets each of the following conditions:

    - it is marked-to-market on a daily basis and exceeds the value of the amount at risk;
    - it is exposed only to negligible risks (e.g. government bonds of first credit rating or cash) and is liquid;
    - it is held by a third party custodian not related to the provider or is legally secured from the consequences of a failure of a related party; and
    - it can be fully enforced by the Fund at any time.

(f) For the purpose of calculating the limits in (d) above, OTC derivative positions with the same counterparty may be netted provided that the netting procedures comply with the conditions set out in section 3 of annex III to the Banking Consolidation Directive and are based on legally binding agreements.

(g) In applying these spread requirements, all derivatives transactions are deemed to be free of counterparty risk if they are performed on an exchange where the clearing house is backed by an appropriate performance guarantee and is characterised by a daily mark-to-market valuation of the derivatives positions and at least daily margining.

(h) The above restrictions do not apply to government and public securities. Government and public securities are, essentially, securities issued by certain governments, local authorities and public international bodies. No more than 35% of a Fund's property will be invested in government and public securities issued by any one body. Apart from this restriction, there is no limit on the amount which may be invested in such securities or in such securities issued by any one body or of any one issue.

The spread requirements above do not apply during any period in which it is not reasonably practical to comply although the ACD must ensure that a Fund's property aims to provide a prudent spread of risk taking into account its investment objectives and policy.

Warrants and Nil-Paid and Partly-Paid Securities

A warrant is an instrument giving entitlements to investments (a warrant or other instrument entitling the holder to subscribe for a share, debenture or government and public security) and any other transferable security (not being a nil-paid or partly-paid security) which is listed on an eligible securities market; and akin to an investment which is an instrument giving entitlements to investments, in that it involves a down payment by the then holder and a right later to surrender the instrument and pay more money in return for a further transferable security.

Where a Fund invests in a warrant, the exposure created by the exercise of the right conferred by that warrant must not exceed the limits in the spread requirements set out above.

A warrant falls within any power of investment if it is reasonably foreseeable that the right conferred by the proposed warrant could be exercised without contravening the investment restrictions in the COLL Sourcebook (assuming that there is no change in a Fund's property between the acquisition of the proposed warrant and its exercise and that the rights conferred by the proposed warrant and all other warrants forming part of the Fund's property at the time of acquisition of the proposed warrant will be exercised, whether or not it is intended that they will be).

A transferable security or a money market instrument on which any sum is unpaid falls within a power of investment only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Fund, at the time when payment is required, without contravening the COLL Sourcebook rules as they are applicable to the Fund.

Stocklending

Stocklending involves a lender transferring securities to a borrower otherwise than by way of sale and the borrower is to transfer those securities, or securities of the same type and amount, back to the lender at a later date. In accordance with good market practice, a separate transaction by way of transfer of assets is also involved for the purposes of providing collateral to the "lender", to cover it against the risk that the future transfer back of the securities may not be satisfactorily completed.

Stocklending may be entered into in respect of a Fund when it is appropriate with a view to generating additional income with an acceptable degree of risk. The Depositary, at the ACD's request, may enter into stocklending transactions in respect of a Fund of a kind described in section 263B of the Taxation of Chargeable Gains Act 1992 (without extension by section 263C) on certain terms specified in the COLL Sourcebook. There is no limit on the value of the property of a Fund which may be the subject of stocklending transactions.

Repurchase Agreement Transactions

A Fund may, on an ancillary basis, enter into repurchase agreement transactions which consist of the purchase and sale of securities with a clause reserving the seller the right or the obligation to repurchase from the acquirer the securities sold at a price and on terms specified by the two parties in their contractual arrangement. A Fund can act either as purchaser or seller in such transactions, but its involvement in such transactions is subject to the following rules:

(a) A Fund may not buy or sell securities using a repurchase agreement transaction unless the counterparty in such transaction is a first class financial institution specialising in this type of transaction.

(b) During the life of a repurchase agreement contract, a Fund cannot sell the securities which are the object of the contract, either before the right to repurchase the securities has been exercised by the counterparty or before the repurchase term has expired.

(c) If a Fund is exposed to redemptions of its own Shares, it must ensure that the level of its exposure to repurchase agreement transactions is such that it is able, at all times, to meet its redemptions.

Power to Underwrite or Accept Placings

Underwriting and sub-underwriting contracts and placings may be entered into for the account of the Company, subject to certain conditions set out in the COLL Sourcebook.

Neither the Company (nor the Depositary on account of the Company) must provide any guarantee or indemnity in respect of the obligation of any person. None of the property of a Fund may be used to discharge any obligation arising under any guarantee or indemnity with respect to the obligation of any person. This is subject to exceptions in the case of an indemnity or guarantee given for margin requirements where derivatives or forward transactions are being used in accordance with the COLL Sourcebook provisions (summarised above) and an indemnity of an officer, auditor or depositary of the Company from liability as permitted by the OEIC Regulations or an indemnity given to a person winding-up the scheme.

EU Securities Financing Transaction Regulations

The Regulations require further transparency including in the Prospectus to address perceived risks in the use of securities financing transactions.

As described above, the Investment Manager in relation to each Fund may for the purpose of Efficient Portfolio Management (a) enter, either as purchaser or seller, into repurchase transactions and reverse repurchase and repurchase agreements transactions and (b) engage in securities lending transactions (these are not currently undertaken by any of the Funds).

The following type of assets can be subject to repurchase and reverse repurchase agreements: cash and bonds. The following type of assets can be subject to securities lending transactions: equity stocks.

As described above, a Fund may use Total Return Swaps or other financial derivative instruments with similar characteristics to meet the investment objective of a Fund and in accordance with the provisions on the use of financial derivative instruments set forth in their investment policy.

The following type of assets can be subject to Total Return Swaps or other financial derivative instruments with similar characteristics: equity stocks, equity indices, commodity indices and credit indices.

Counterparties to such transactions must be subject to prudential supervision rules considered by the FCA as equivalent to those prescribed by EU law and specialised in these types of transactions.

The counterparties to such transactions will generally be financial institutions based in an OECD member state and have an investment grade credit rating.

The table below shows the maximum and the expected use of securities financing transactions for the Funds. At present only contracts for difference (CFDs) and total return swaps (TRS) are used in relation to the Funds.

TRS/CFD Transactions		
Fund Name	**Maximum % of NAV per Fund**	**Expected % of NAV per Fund**
Fidelity Diversified Markets Fund	100	20
Fidelity Institutional Diversified Income Fund	100	20

Borrowing

The Company (on the instruction of the ACD) may borrow money from an Eligible Institution or an Approved Bank (for example, a bank or building society) for the use of a Fund on terms that the borrowing is to be repayable out of the property of the Fund. The ACD must ensure that any such borrowings comply with the COLL Sourcebook.

The ACD must ensure that borrowing does not exceed 10% of the value of the property of a Fund on any business day.

These borrowing restrictions do not apply to “back to back” borrowing for currency hedging purposes (i.e. borrowing permitted in order to reduce or eliminate risk arising by reason of fluctuations in exchange rates).

Cash and Near Cash

The ACD's investment policy may mean that at times it is appropriate for the property of a Fund not to be fully invested and for cash or "near cash" (meaning, essentially, certain types of deposits) to be held. A Fund may hold cash or near cash where this may reasonably be regarded as necessary in order to enable:

(a) the pursuit of the Fund's investment objectives; or

(b) redemption of Shares; or

(c) efficient management of the Fund in accordance with its investment objectives; or

(d) other purposes which may reasonably be regarded as ancillary to the investment objectives of the Fund.

During the initial offer period for any new Fund, the Scheme Property of that Fund may consist of cash and near cash without limitation.

Breaches of the Investment and Borrowing Powers and Limits

Generally the ACD must, at its own expense, take action to rectify a breach of the investment and borrowing powers and limits as soon as it becomes aware of it. However,

(a) if the reason for the breach is beyond the control of the ACD and the Depositary, the ACD must take the steps necessary to rectify a breach as soon as it is reasonably practicable, having regard to the interests of Shareholders, and, in any event, within six months or, if it is a transaction in derivatives or a forward transaction, generally within five business days; and

(b) if the exercise of rights conferred by investments held by a Fund would involve a breach, the ACD may still exercise those rights if the prior written consent of the Depositary is obtained and the ACD must then take the steps necessary to rectify the breach as soon as is reasonably practicable, having regard to the interests of Shareholders, and, in any event, within six months or, if it is a transaction in derivatives or a forward transaction, generally within five business days.

Immediately upon the Depositary becoming aware of any breach of any of the investment and borrowing powers and limits, it must ensure that the ACD takes such appropriate action.

APPENDIX 3: MANAGEMENT, DISTRIBUTION, INVESTMENT MANAGEMENT AND ADMINISTRATION

Authorised Corporate Director (AIFM)

The authorised corporate director of the Company is FIL Investment Services (UK) Limited, a private limited liability company incorporated in England and Wales on 2 May 1986. The ultimate holding company of the ACD is FIL Limited, a company incorporated in Bermuda on 6 January 1969. The ACD is the sole director of the Company.

The registered office of the ACD is Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP.

The Directors of the ACD are:

Anthony Lanser

Patrick Olson

Dennis Pellerito

Teresa Robson-Capps

Sera Sadrettin

Share Capital

The authorised and issued share capital of the ACD is £100,000 made up of 100,000 ordinary fully paid £1 shares.

Terms of Appointment

The ACD was appointed under a Management and Administration Agreement between the Company and the ACD and a separate Investment Management Agreement between the Company and the ACD, both dated 22 May 2007. These agreements are governed under English Law and subject to the jurisdiction of the English Courts.

The ACD is responsible for managing and administering the Company's affairs in compliance with the COLL Sourcebook. Under the terms of the Agreements, the ACD is to provide investment management services, administrative, accounting and secretarial services, and registrar services to the Company. The ACD may delegate all or some of its powers and duties, subject to conditions set out in the COLL Sourcebook. As more particularly outlined below, the ACD has delegated investment management of the Funds of the Company to FIL Investments International and has outsourced certain aspects of the administration of the Funds to FIL India Business Services Private Limited, FIL Fund Management (Ireland) Limited, FIL Transaction Services Ireland Limited, FIL Investment Management (Luxembourg) S.A and SS&C Financial Services Limited which are associates of the ACD. The ACD has appointed J.P. Morgan Chase Bank, National Association to provide fund accounting services (N.B. this entity does not act as an external valuer),

The ACD may provide similar services for other clients, but will endeavour to ensure fair treatment as between the Company and other customers whose funds are managed or advised by the ACD.

The Agreements provide that the ACD's appointment is for an initial period of three years and thereafter may be terminated upon 12 months' written notice by either the ACD or the Company, although in certain circumstances the Agreements may be terminated forthwith by written notice. Termination cannot take effect until the FCA has approved the change of director. The Agreements terminate automatically if the ACD ceases to be the authorised corporate director of the Company or, in relation to any Fund, if that Fund is wound up.

Each Agreement includes an indemnity from the ACD to the Company in respect of liabilities incurred by the Company by reason of the acts or omissions of the ACD. The Company indemnifies the ACD in respect of liabilities incurred by the ACD by reason of the ACD's performance of its duties in accordance with the terms of the Agreements.

The ACD (AIFM) maintains sufficient additional Own Funds to cover potential professional negligence liability in accordance with the AIFM Directive.

The Investment Manager

The ACD has delegated investment management in respect of all the Funds established in the Company to FIL Investments International (the "Investment Manager"). The Investment Manager was incorporated in the United Kingdom and FIL Limited is its ultimate parent company. The Investment Manager is authorised and regulated in the United Kingdom by the Financial Conduct Authority. The Investment Manager acts as investment manager or investment adviser to a range of UK UCITS and AIFs.

Under the terms of the Investment Management Agreement entered into by the ACD and the Investment Manager dated 1 July 2016 (the "Investment Management Agreement"), the Investment Manager provides day to day investment management of the Funds under the supervision and subject to the control of the ACD. The Investment Manager may delegate certain of its investment management responsibilities but the Investment Manager remains responsible for the proper performance by any such company of those responsibilities, including the authority to trade in the underlying assets of the Funds. Any delegation by the Investment Manager will be made in accordance with the requirements of the AIFMD and the FCA.

The Investment Manager (and any of its duly appointed delegates) is authorised to enter into transactions on behalf of the Company and the Funds and to select agents, brokers and dealers through whom it can execute transactions in respect of the Funds provided that the selection of any OTC counterparties are within a list of OTC counterparties that meet the selection criteria of the Manager in accordance with all applicable laws.

The Investment Management Agreement provides that the Investment Manager's appointment may be terminated upon 12 months' written notice and in certain circumstances may be terminated immediately and further provides that the Investment Manager will not be liable for any losses in the performance of its duties under the terms of the Investment Management Agreement except to the extent that such loss is as a direct result of the fraud, negligence, wilful default or breach of duty or breach of trust on the part of the Investment Manager.

Distribution

By a General Distributor's Agreement dated 22 May 2007, the Company has appointed the ACD to assist in the promotion of Shares. The ACD, as general distributor, is authorised to appoint other companies in the FIL Limited group to distribute the Shares as sub-distributors. The ACD acts as principal in the purchase and sale of Shares via sub-distributors, and Shares are issued to and redeemed by the Company to the ACD on the terms of this Prospectus. A sub-distributor acts as agent for the ACD. By a Sub-Distribution Agreement dated 22 May 2007, the ACD has appointed FIL Pensions Management to distribute Shares. 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.

Other Schemes Managed or Operated by the ACD

The ACD is also the authorised corporate director of Fidelity Investment Funds, Fidelity Investment Funds 2, Fidelity Investment Funds IV, Fidelity Investment Funds V, Fidelity Investment Funds VI, Fidelity Investment Funds VII and Fidelity Investment Funds VIII and Fidelity Investment Funds IX each of which is an investment company with variable capital comprising a number of sub-funds.

The Depositary

The Depositary is J.P.Morgan Europe Limited, a company limited by shares, incorporated in England and Wales on 18 September 1968. Its registered office is at 25 Bank Street, Canary Wharf, London E14 5JP and its principal place of business is at Chaseside, Bournemouth, BH7 7DA.

Its ultimate holding company is J.P. Morgan Chase & Co. which is incorporated in Delaware, USA.

The principal business activity of the Depositary is acting as depositary and trustee of collective investment schemes. The Depositary is authorised and regulated by the Financial Conduct Authority.

The appointment of the Depositary has been made under an Agreement dated 22 May 2007 (as amended) between the Company, the ACD and the Depositary ("the Depositary Agreement").

Registered Office:	25 Bank Street, Canary Wharf' London, E14 5JP
Head Office:	Chaseside, Bournemouth, Dorset BH7 7DB

The Depositary is required to ensure that:

a) the issue, redemption and cancellation of Shares is carried out in accordance with applicable laws;

b) the price per Share is calculated in accordance with applicable laws;

c) where applicable, cause any sub-custodian or other custodial delegate carries out the instructions of the Manager unless they conflict with applicable laws;

d) in transactions involving the assets of the Funds, the consideration is remitted to it within the usual time limits; and

e) the income of the Funds is applied in accordance with the Instrument of Incorporation and COLL.

The Depositary's appointment may be terminated by either party on 90 days' notice in writing. Subject to applicable law, the appointment may also be terminated by the Depositary on 30 days' notice in writing if (i) it is unable to ensure the required level of protection of the investments of the Funds under applicable laws because of the investment decisions of the ACD or its duly appointed delegate; or (ii) the ACD, wishes to invest or to continue to invest in any jurisdiction notwithstanding the fact that (a) such investment may expose a Fund to material country risk or (b) the Depositary is not able to obtain satisfactory legal advice confirming, among other things, that in the event of an insolvency of a sub-custodian or other relevant entity in such jurisdiction, the assets of a Fund held locally in custody are unavailable for distribution among, or realisation for the benefit of, creditors of such sub-custodian or other relevant entity.

Before expiration of any such notice period, the ACD shall propose a new depositary which fulfils UK UCITS requirements and to which the assets of the Funds shall be transferred. The ACD will use best endeavours to find a suitable replacement depositary, and until such replacement is appointed the Depositary shall continue to perform its services pursuant to its appointment under the Depositary Agreement.

The Depositary will be responsible for the safekeeping and ownership verification of the assets of the Funds, cash flow monitoring and oversight in accordance with applicable laws. In carrying out its role, the Depositary shall act independently from the ACD and solely in the interest of the Funds and their investors.

The Depositary is liable for the loss of a financial instrument held in custody by the Custodian or a Delegate. The Custodian shall, in accordance with applicable laws, not be liable if it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depositary is also liable for losses caused as a result of its negligent or intentional failure to fulfil its obligations in accordance with applicable laws.

The Depositary Agreement contains indemnities by the Company in favour of the Depositary against (other than in certain circumstances and subject to applicable law) any liability incurred by the Depositary as a consequence of its safekeeping of any of the Scheme Property.

Delegation of safekeeping duties by the Depositary

Subject to the COLL Sourcebook, the Depositary has full power under the Depositary Agreement to delegate (and authorise its sub-delegates to sub-delegate) all or any part of its duties as Depositary.

Except as provided in applicable laws, the Depositary's liability shall not be affected by the fact that it has entrusted all or part of the assets in its care to any affiliated sub-custodian or third party delegates. When selecting and appointing a J.P. Morgan affiliated sub-custodian and other third party delegates (each a "Delegate", together the "Delegates"), the Depositary shall exercise all due skill, care and diligence as required by applicable laws to ensure that it entrusts assets of the Funds only to a Delegate who may provide an adequate standard of protection in accordance with applicable laws.

The current list of Delegates is available in Appendix 5, and the latest version of such list may be obtained by Shareholders from the Manager upon request.

The Depositary has appointed J.P. Morgan Chase Bank (London Branch) to assist the Depositary in performing its functions of custodian of the documents of title or documents evidencing title to the property of the Company. The relevant arrangements prohibit J.P. Morgan Chase Bank as such custodian from releasing the documents into the possession of a third party without the consent of the Depositary. The Depositary has appointed FIL Investment Services (UK) Limited in its capacity as registrar to assist the Depositary in performing its functions in relation to the distribution of income.

Conflicts of Interest

As part of the normal course of global custody business, the Depositary may from time to time enter into arrangements with other clients, funds or other third parties for the provision of safekeeping and related services. Within a multi-service banking group such as JPMorgan Chase Group, from time to time conflicts may arise between the Depositary and its safekeeping delegates, for example, where an appointed delegate is an affiliated group company and is providing a product or service to a fund and has a financial or business interest in such product or service or where an appointed delegate is an affiliated group company which receives remuneration for other related custodial products or services it provides to the funds, for instance foreign exchange, securities lending, pricing or valuation services. In the event of any potential conflict of interest which may arise during the normal course of business, the Depositary will at all times have regard to its obligations under applicable laws.

Up-to-date information regarding the description of the Depositary's duties and conflicts of interest that may arise therefrom as well as from the delegation of any safekeeping functions by the Depositary will be made available to investors on request.

The Auditors

The auditors of the Company are Deloitte LLP, 1 New Street Square, London EC4 3HQ, United Kingdom.

General

The Company, the ACD, and the Depositary must each comply with the relevant requirements of the COLL Sourcebook in a timely manner unless delay is lawful and also in the interests of the Company.

The ACD may retain the services of third parties to assist it in the performance of its duties. Subject to the OEIC Regulations the ACD remains responsible for any function delegated.

A mandate to manage investments in the scheme property:

(a) must not be given to the Depositary or to any party whose interests may conflict with those of the ACD or the Shareholders;

(b) may only be given to a party authorised or registered to manage investments, provided that, if such a party is outside the UK there should be a cooperation agreement in place between the FCA and the relevant overseas regulator;

(c) must be such that the ACD ensures it can effectively monitor the delegate's activities at all times;

(d) must permit the ACD to give further instructions to the delegate and enable the mandate to be withdrawn immediately when in the best interests of Shareholders; and

(e) must not prevent effective supervision of the ACD and it must not prevent the ACD from acting in or the Company from being managed in the best interests of Shareholders.

The Depositary must not delegate:

(a) to the Company or the ACD any function of oversight of the Company or the ACD;

(b) to the Company or the ACD any function of custody or control of scheme property;

(c) to an associate of the Company or the ACD to assist the Depositary to perform any function of oversight of the Company or the ACD; or

(d) to any party to assist it in being custodian of documents evidencing title to scheme property unless the arrangements prohibit release of those documents into possession of a third party without consent of the Depositary.

The Depositary remains responsible under the rules in the COLL Sourcebook for any act or omission of a delegate retained by it but will not be responsible where it can show:

(a) that it was reasonable for it to obtain assistance to perform that function;

(b) that the delegate was and remained competent to provide that function; and

(c) that the Depositary took reasonable care to ensure that the function was provided in a competent manner.

The COLL Sourcebook contains various requirements relating to transactions entered into between the Company and the ACD, any investment adviser or any associate of them which may involve a conflict of interest. These are designed to protect the interests of the Company. Certain transactions between the Company and the ACD, or an associate of the ACD, may be voidable at the instance of the Company in certain circumstances.

The ACD and other companies within the FIL Limited group and the affiliated FMR LLC group based in the United States may, from time to time, act as investment managers or advisers to other funds which follow similar investment objectives to those of the Funds of the Company. It is therefore possible that the ACD and/or such other companies may in the course of their business have potential conflicts of interest with the Company or a particular Fund. The ACD will, however, have regard in such event to its obligations under its investment management agreement with the Company and, in particular, to its obligation to act in the best interests of the Company so far as practicable, having regard to its obligations to other clients when undertaking any investment where potential conflicts of interest may arise. Fidelity's conflicts of interest policy shall be available on request.

The ACD may aggregate orders for Funds of the Company with orders for other funds or accounts of other clients, other companies within the FIL Limited group and the affiliated FMR LLC group or its or their employees. Such transactions will be allocated on a fair and reasonable basis in accordance with the requirements of the FCA Handbook as applicable. The overall effect of such aggregation is advantageous for the Funds of the Company over time but individual aggregated transactions may on some occasions operate to their disadvantage.

For some Funds, as part of providing investment management and advisory services, certain duly appointed delegates of the ACD, based outside the European Economic Area, may from time to time enter into commission sharing arrangements with brokers, under which the broker will provide or procure services or other benefits (at present these relate to investment research) which can be reasonably expected to assist in the provision of investment services.

The Company and each of the Funds from time to time may place orders for the purchase or sale of securities in which the Funds may invest with affiliates of FIL Fund Management Limited and other affiliates of FMR LLC, Boston, Massachusetts, provided that, among other conditions, they can reasonably be expected to execute the transaction on terms as favourable as could be expected to be obtained from other brokers qualified to execute the transaction and at commission rates comparable to those which would have been charged by such other brokers.

The Depositary may, from time to time, act as the depositary of other investment companies with variable capital.

APPENDIX 4: GENERAL INFORMATION

Register of Shareholders

The register of Shareholders is maintained by the ACD at Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP, United Kingdom. It may be inspected by any Shareholder or their duly authorised agent during normal business hours at that address, without charge.

Copies of the entries in the register relating to a Shareholder are available on request by that Shareholder without charge. The Company has the power to close the register for any period or periods not exceeding 30 days in any one year.

Calculation of Net Asset Value

The value of the Scheme Property (or Scheme Property attributable to a particular Fund or Class, as the case may be) shall be the value of the relevant assets less the value of the relevant liabilities determined in accordance with the Company's Instrument of Incorporation. A summary of the provisions follows.

1. All the Scheme Property (including receivables) is to be included, subject to the following provisions.
2. Property which is not a contingent liability transaction shall be valued as follows:
    (a) units or shares in a collective investment scheme:
        (i) if a single price for buying and selling units or shares is quoted, at the most recent such price; or
        (ii) if separate buying and selling prices are quoted, at the average of the two prices (provided the buying price has been reduced by any initial charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto); or
        (iii) if, in the opinion of the ACD, the price obtained is unreliable or if no recent traded price is available or if no price exists, at a value which in the opinion of the ACD is fair and reasonable;
    (b) any other transferable security:
        (i) if a single price for buying and selling the security is quoted, at that price; or
        (ii) if separate buying and selling prices are quoted, at the average of those two prices; or
        (iii) if, in the opinion of the ACD, the price obtained is unreliable or if no recent traded price is available or if no price exists, at a value which in the opinion of the ACD is fair and reasonable;
    (c) property other than that described in (a) and (b) above: at a value which, in the opinion of the ACD, is fair and reasonable.
3. Cash and amounts held in current and deposit accounts and in other time-related deposits shall be valued at their nominal values.
4. Property which is a contingent liability transaction shall be valued as follows:
    (a) if it is a written option (and the premium for writing the option has become part of the Scheme Property), the amount of the net valuation of premium receivable shall be deducted;
    (b) if the property is an off-exchange derivative, the method of valuation shall be agreed between the ACD and the Depositary;
    (c) if it is an off-exchange future, it will be included at the net value of closing out in accordance with a valuation method agreed between the ACD and the Depositary;
    (d) if it is any other form of contingent liability transaction, it will be included at the net value of margin on closing out (whether as a positive or negative value).
5. In determining the value of the Scheme Property, all instructions given to issue or cancel Shares shall be assumed to have been carried out (and any cash paid or received) whether or not this is the case.

6. Subject to paragraphs 7 and 8 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the ACD, their omission will not materially affect the final net asset amount.
7. Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 6.
8. All agreements are to be included under paragraph 6 which are, or ought reasonably to have been, known to the person valuing the property.
9. An estimated amount for anticipated tax liabilities at that point in time, including (as applicable and without limitation) capital gains tax, income tax, corporation tax, value added tax, stamp duty and any foreign taxes or duties, will be deducted.
10. An estimated amount for any liabilities payable out of the Scheme Property and any tax thereon will be deducted, treating periodic items as accruing from day to day.
11. The principal amount of any outstanding borrowings (whenever repayable) and any accrued but unpaid interest on borrowings will be deducted.
12. An estimated amount for accrued claims for tax of whatever nature which may be recoverable will be added.
13. Any other credits or amounts received or receivable will be added.
14. Currencies or values in currencies other than sterling shall be converted at the relevant valuation point at a rate of exchange that is not likely to result in any material prejudice to the interest of the Shareholders or potential Shareholders.
15. A sum representing any interest or any income accrued due or deemed to have accrued but not received will be added.

Transfers

Shareholders are entitled to transfer their Shares to another person or body. All transfers must be in writing in the form of an instrument of transfer approved by the ACD for this purpose. Completed instruments of transfer must be returned to the ACD in order for the transfer to be registered by the ACD.

Restrictions and Compulsory Transfer and Redemption of Shares

The ACD may from time to time impose such restrictions as it may think necessary to ensure that no Shares are acquired or held by any person in breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory. In this connection, the ACD may reject in its discretion any application for the purchase, sale or switching of Shares.

If it comes to the notice of the ACD that any Shares ("affected Shares") are owned directly or beneficially in breach of any law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory or by virtue of which the Shareholder in question is not qualified to hold such Shares, or if it reasonably believes this to be the case, the ACD may give notice to the holder(s) of the affected Shares requiring either the transfer of such Shares to a person who is qualified or entitled to own them or a request in writing for the redemption of such Shares in accordance with the COLL Sourcebook. If any person upon whom such a notice is served does not within 30 days after the date of such notice transfer the affected Shares to a person qualified to own them or establish to the satisfaction of the ACD (whose judgement is final and binding) that he or the beneficial owner is qualified and entitled to own the affected Shares, he shall be deemed upon the expiration of that 30 day period to have given a request in writing for the redemption of all the affected Shares pursuant to the COLL Sourcebook.

A person who becomes aware that he has acquired or holds affected Shares in breach of any law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory or by virtue of which he is not qualified to hold such Shares, shall forthwith, unless he has already received a notice from the ACD as above, either transfer all their affected Shares to a person qualified to own them or give a request in writing for the redemption of such Shares pursuant to the COLL Sourcebook.

US Persons

The Shares have not been and will not be registered under the United States Securities Act of 1933 as amended ("Securities Act") and, subject to certain exceptions, may not be offered or sold in the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia ("United States of America") or offered or sold to US Persons (as defined below). The Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended. The ACD has not been and will not be registered under the United States Investment Advisers Act of 1940.

"US Person" means:

(a) a citizen or resident of the United States of America;

(b) a partnership, limited liability company, corporation or similar entity organised or incorporated under the laws of the United States of America, or an entity taxed as such or required to file a tax return as such under the United States federal income tax laws;

(c) any estate or trust the executor, administrator or trustee of which is a US Person unless, in the case of trusts of which any professional fiduciary acting as trustee is a US Person, a trustee who is not a US Person has sole or shared investment discretion with respect to trust assets and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person;

(d) any estate or trust whose income from sources outside the United States of America is includable in gross income for purposes of computing United States income tax payable by it;

(e) any agency or branch of a foreign entity located in the United States of America;

(f) any discretionary or non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary located within or outside the United States of America for the benefit or account of a US Person;

(g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the United States of America, except that any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organised, incorporated or (if an individual) resident in the United States of America shall not be deemed a US Person;

(h) any firm, corporation or other entity, regardless of citizenship, domicile, situs or residence if, under the income tax laws of the United States of America from time to time in effect, any portion of the income thereof would be taxable to a US Person even if not distributed other than as a passive foreign investment company;

(i) any partnership, corporation or other entity if (A) organised or incorporated under the laws of any foreign jurisdiction and (B) owned or formed by a US Person or Persons principally for the purpose of investing in securities not registered under the Securities Act (including but not limited to Shares of the Company);

(j) any employee benefit plan unless such employee benefit plan is established and administered in accordance with the laws of a country other than the United States of America and the customary practices and documentation of such country and is maintained primarily for the benefit of persons substantially all of whom are non-resident aliens with respect to the United States of America; or

(k) any other person or entity whose ownership of Shares or solicitation for ownership of Shares the ACD through its officers or directors shall determine may violate any securities law of the United States of America or any state or other jurisdiction thereof.

(Except that "US Person" shall not include any eligible investor or any person or entity, notwithstanding the fact that such person or entity may come within any of the categories referred to above, as to whom the ACD or the Company shall determine that ownership of Shares or solicitation for ownership of Shares shall not violate any securities law of the United States of America or any state or other jurisdiction thereof.)

Issue of Shares in Exchange for In Specie Assets

The ACD may arrange for the Company to issue Shares in exchange for assets other than money, but will only do so where the Depositary is satisfied that the Company's acquiring those assets in exchange for the Shares concerned is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.

The ACD will ensure that the beneficial interest in the assets is transferred to the Company with effect from the issue of the Shares.

The ACD will not issue Shares in any Fund in exchange for assets the holding of which would be inconsistent with the investment objective of that Fund.

In Specie Redemptions

If a Shareholder requests the redemption or cancellation of Shares, the ACD may, if it considers the deal substantial in relation to the total size of the Fund concerned, arrange for the Company to cancel the Shares and transfer Scheme Property to the Shareholder instead of paying the price of the shares in cash, or, if required by the Shareholder, pay the net proceeds of sale of the relevant Scheme Property to the Shareholder. A deal involving Shares representing 5% or more in value of a Fund will normally be considered substantial, although the ACD may in its discretion agree an *in specie* redemption with a Shareholder whose Shares represent less than 5% in value of the Fund concerned.

Before the proceeds of cancellation of the Shares become payable, the ACD will give written notice to the Shareholder that Scheme Property (or the proceeds of sale of that Scheme Property) will be transferred to that Shareholder.

The ACD will select the property to be transferred (or sold) in consultation with the Depositary. They must ensure that the selection is made with a view to achieving no greater advantage or disadvantage to the redeeming Shareholder than to continuing Shareholders.

Suspension of Dealings in Shares

The ACD may, with the agreement of the Depositary, or must if the Depositary so requires, suspend the issue, cancellation, sale and redemption of Shares in any or all of the Funds for a period of up to 28 days or longer in accordance with FCA rules, if the ACD or the Depositary is of the opinion that, due to exceptional circumstances, there is good and sufficient reason to do so having regard to the interests of Shareholders or potential Shareholders.

The ACD will comply with as much of COLL 6.3 (Valuation and Pricing) as is practicable in the light of the suspension.

Deferred Redemption of Shares

If requested redemptions of Shares on a particular dealing day exceed 10% of a Fund’s value, redemptions of Shares of that Fund may be deferred to the next valuation point. Any such deferral would only be undertaken in such manner as to ensure consistent treatment of all Shareholders who had sought to redeem Shares at the valuation point at which redemptions were deferred, and so that all deals relating to the earlier valuation point were completed before those relating to a later valuation point were considered. The intention of the deferred redemption power is to reduce the impact of dilution on the scheme. In times of high levels of redemption, deferred redemption provisions would enable the ACD to protect the interests of continuing Shareholders by allowing it to match the sale of property of a Fund to the level of redemptions of Shares in that Fund.

Reports

In accordance with the COLL Sourcebook, annual reports of the Company containing the required information in respect of each Fund will be published on or before the last day of February and half-yearly reports will be published on or before 30 June. Copies of reports may be obtained from the ACD or inspected at the ACD’s offices at Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP, United Kingdom.

Shareholder Meetings and Voting Rights

General Meetings

The Company does not hold an annual general meeting. General meetings of Shareholders may be held from time to time as necessary. Notice of the date, place and time of general meetings will be given to Shareholders.

The convening and conduct of Shareholders' meetings and the voting rights of Shareholders at those meetings are governed by the Company's Instrument of Incorporation and the COLL Sourcebook, which are summarised below.

Requisitions of Meetings

The ACD may convene a general meeting at any time.

Shareholders may also requisition a general meeting. A requisition by Shareholders must state the objects of the meeting, be dated and be signed by Shareholders who, at the date of the requisition, are registered as holding not less than one-tenth in value of all Shares then in issue. The ACD must convene a general meeting no later than eight weeks after receipt of such a requisition at the head office of the Company.

Notice and Quorum

Shareholders will receive at least 14 days' notice of a general meeting. They are entitled to be counted in the quorum and to vote at a meeting either in person or by proxy. The quorum for a meeting is two Shareholders, present in person or by proxy. If a meeting is adjourned, the quorum at the adjourned meeting is one Shareholder present in person or by proxy.

Voting Rights

At a meeting of Shareholders, on a show of hands every Shareholder who (being an individual) is present in person or (being a corporation) is present by its properly authorised representative shall have one vote.

On a poll vote, a Shareholder may vote in person or by proxy or in any other manner permitted by the Company's Instrument of Incorporation. The voting rights attaching to each Share are such proportion of the voting rights attached to all the Shares in issue that the price of the Share bears to the aggregate price(s) of all the Shares in issue on the date seven days before the notice of meeting is deemed to have been served. A Shareholder entitled to more than one vote need not, if he votes, use all their votes or cast all the votes he uses in the same way.

Except where the COLL Sourcebook, the Open-Ended Investment Companies Regulations 2001 or the Instrument of Incorporation of the Company require an extraordinary resolution (which needs 75% of the votes cast at the meeting to be in favour if the resolution is to be passed), any resolution required by the COLL Sourcebook will be passed by a simple majority of the votes validly cast for and against the resolution (an ordinary resolution).

The ACD may not be counted in the quorum for a general meeting, and neither the ACD nor any associate of the ACD is entitled to vote at any meeting except in respect of Shares which the ACD or associate holds on behalf of or jointly with a person who, if the registered Shareholder, would be entitled to vote and from whom the ACD or associate has received voting instructions.

"Shareholders" in this context means Shareholders on the date seven days before the notice of the relevant meeting was sent out, but excluding persons who are known to the ACD not to be Shareholders at the time of the meeting.

Class Meetings

The above provisions apply to meetings of Shareholders of a Fund or Class as they apply to general meetings of Shareholders, but by reference to the Fund or Class concerned.

Variation of Class Rights

The rights attached to a Class of Share may not be varied without the sanction of an ordinary resolution passed at a meeting of the Shareholders of that Class.

Winding Up of the Company or a Fund

The Company may not be wound up except as an unregistered company under part V of the Insolvency Act 1986 or, if the Company is solvent, under Chapter 7 of the COLL Sourcebook. A Fund may only be wound up under the COLL Sourcebook.

Where the Company or a Fund is to be wound up under the COLL Sourcebook, such winding up may only be commenced following approval by the FCA. The FCA will only give such approval if the ACD provides a statement (following an investigation into the affairs of the Company) either that the Company will be able to meet its liabilities within 12 months of the date of the statement or that the Company will be unable to do so. The Company may not be wound up under the COLL Sourcebook if there is a vacancy in the position of authorised corporate director at the relevant time.

The Company may be wound up or a Fund terminated under the COLL Sourcebook if:

(a) an extraordinary resolution to that effect is passed by Shareholders; or

(b) the period (if any) fixed for the duration of the Company or the Fund by the Instrument of Incorporation of the Company expires, or an event (if any) occurs on the occurrence of which the Instrument of Incorporation provides that the Company or Fund is to be wound up (for example, if the share capital of the Company is below its prescribed minimum or (in relation to any Fund) if the Net Asset Value of the Fund is less than £30 million or the equivalent in the currency of denomination, or if in the ACD's opinion, it is desirable to terminate the Fund); or

(c) on the effective date of an agreement by the FCA to a request by the ACD for the revocation of the authorisation order in respect of the Company or for the termination of the Fund.

A Fund may also be terminated in accordance with the terms of a scheme of arrangement or reconstruction, in which case Shareholders in the Fund will become entitled to receive shares or units in another regulated collective investment scheme in exchange for their Shares in the Fund.

On the occurrence of any of the events in paragraphs (a) to (c) above:

(a) COLL 5 (relating to investment and borrowing powers) and COLL 6.2 and 6.3 (relating to pricing and dealing) will cease to apply to the Company or the relevant Fund;

(b) the Company will cease to issue and cancel Shares in the Company or the Fund, and the ACD shall cease to sell or redeem Shares or arrange for the Company to issue or cancel them for the Company or the Fund;

(c) no transfer of a Share shall be registered and no other change to the register shall be made without the sanction of the ACD;

(d) where the Company is being wound-up, the Company shall cease to carry on its business except in so far as it is beneficial for the winding up of the Company; and

(e) the corporate status and powers of the Company and, subject to the provisions of paragraphs (a) and (d) above, the powers of the ACD shall remain until the Company is dissolved.

The ACD shall, as soon as practicable after the Company or a Fund falls to be wound up, realise the assets and meet the liabilities of the Company or those attributable to the particular Fund and, after paying out or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of winding up, arrange for the Depositary to make one or more interim distributions out of the proceeds to Shareholders proportionately to their rights to participate in the property of the Company or the Fund. If the ACD has not previously notified Shareholders of the proposals for winding up the Company or terminate the Fund, the ACD shall, as soon as practicable, after the commencement of winding up of the Company or the termination of the Fund, give written notice of the commencement to Shareholders. When the ACD has caused all of the Scheme Property to be realised and all of the liabilities of the Company or the particular Fund to be realised, the ACD shall arrange for the Depositary to make a final distribution to Shareholders, on or prior to the date on which the final account is sent to Shareholders, of any balance remaining in proportion to their holdings in the Company or the particular Fund. Any further balances, as distinct from amounts retained for the settlement of the final expenses and preparation of the final accounts, attributable to a Fund or the Company after the final distribution has been made will be assessed by the ACD, and if deemed to be material, relative to the costs of distribution, will be apportioned and paid based on the shareholding of each investor at the closure date, if it is not deemed material it will be donated to charity. This decision will be made in conjunction with the Depositary. On completion of a winding up of the Company, the Company will be dissolved and any money (including unclaimed distributions) standing to the account of the Company will be paid into court within one month of dissolution.

Following the completion of the winding up of the Company or of a Fund, the ACD shall notify the FCA and the ACD must prepare a final account showing how the winding up took place and how the Scheme Property was distributed. The auditors of the Company shall make a report in respect of the final account, stating their opinion as to whether the final account has been properly prepared. Within four months of the termination of the winding up the Company or a Fund the final account and the auditors' report must be sent to the FCA and to each relevant Shareholder and, in the case of the winding up of the Company, to the Registrar of Companies.

As the Company is an umbrella company with segregated liability between Funds, any liabilities attributable or allocated to a particular Fund under the COLL Sourcebook shall be met out of the

Scheme Property attributable or allocated to that Fund. If the liabilities of a Fund are greater than the proceeds of the realisation of the Scheme Property attributable or allocated to the Fund, the ACD shall pay to the Company, for the account of the Fund the amount of the deficit, unless and to the extent that the ACD can show that the deficit did not arise as a result of any failure by the ACD to comply with the rules in the COLL Sourcebook.

Documents of the Company and Material Contracts

The following documents may be inspected free of charge between 9.00 a.m. and 5.00 p.m. on every business day at the offices of the ACD at Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP, United Kingdom:

(a) the most recent annual and half-yearly reports of the Company; and

(b) the Instrument of Incorporation of the Company.

Shareholders may obtain copies of the above documents (and of this Prospectus) from the same address.

Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company and are, or may be, material:

(a) the Management and Administration Agreement dated 22 May 2007 between the Company and the ACD;

(b) the Investment Management Agreement dated 22 May 2007 between the Company and the ACD;

(c) the General Distribution Agreement dated 22 May 2007 between the Company and the ACD; and

(d) the Depositary Agreement dated 22 May 2007 between the Company, the ACD and the Depositary (as amended).

Details of the above contracts are given in Appendix 3 ("Management, Distribution, Investment Management and Administration").

Copies of the contracts between the Company and the ACD will be provided to a Shareholder on request to the ACD.

Updated disclosure

Updated disclosure as required by the FCA Handbook and the AIFM Directive will be through a revision of this Prospectus and information may additionally be contained in the Report and Accounts for the Company and an additional investor information document.

Complaints

Complaints concerning the operation or marketing of the Company may be referred to the Compliance Officer of the ACD at Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP, United Kingdom. If an investor is not satisfied with the response received, complaints may also be made direct to The Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR.

APPENDIX 5: LIST OF DELEGATES AND SUB-DELEGATES TO WHOM THE DEPOSITARY HAS DELEGATED ITS SAFEKEEPING DUTIES

Market	Subcustodian	Cash Correspondent Bank
ARGENTINA	HSBC Bank Argentina S.A. Avenida Martin Garcia 464, 5th Floor C1268ABN Buenos Aires ARGENTINA	HSBC Bank Argentina S.A. Buenos Aires
AUSTRALIA	JPMorgan Chase Bank, N.A.** Level 19, 55 Collins Street Melbourne 3000 AUSTRALIA	Australia and New Zealand Banking Group Ltd. Melbourne
AUSTRIA	UniCredit Bank Austria AG Julius Tandler Platz - 3 A-1090 Vienna AUSTRIA	J.P. Morgan AG** Frankfurt am Main
BAHRAIN	HSBC Bank Middle East Limited 1st Floor, Building No 2505, Road No 2832 Al Seef 428 BAHRAIN	HSBC Bank Middle East Limited Al Seef
BANGLADESH	Standard Chartered Bank Portlink Tower Level-6, 67 Gulshan Avenue Gulshan Dhaka -1212 BANGLADESH	Standard Chartered Bank Dhaka
BELGIUM	BNP Paribas Securities Services Belgium Branch Central Plaza Building Rue de Loxum, 25 7th Floor 1000 Brussels BELGIUM	J.P. Morgan A.G.** Frankfurt am Main
BERMUDA	HSBC Bank Bermuda Limited 6 Front Street Hamilton HM 11 BERMUDA	HSBC Bank Bermuda Limited Hamilton
BOTSWANA	Standard Chartered Bank Botswana Limited 5th Floor, Standard House P.O. Box 496 Queens Road, The Mall Gaborone BOTSWANA	Standard Chartered Bank Botswana Limited Gaborone
BRAZIL	J.P. Morgan S.A. DTVM** Av. Brigadeiro Faria Lima, 3729, Floor 06 Sao Paulo SP 04538-905 BRAZIL	J.P. Morgan S.A. DTVM** Sao Paulo
BULGARIA	Citibank Europe plc Serdika Offices 10th Floor 48 Sitnyakovo Blvd Sofia 1505 BULGARIA	ING Bank N.V. Sofia

Market	Subcustodian	Cash Correspondent Bank
CANADA	Canadian Imperial Bank of Commerce Commerce Court West Security Level Toronto Ontario M5L 1G9 CANADA Royal Bank of Canada 155 Wellington Street West, 2nd Floor Toronto Ontario M5V 3L3 CANADA	Royal Bank of Canada Toronto
CHILE	Banco Santander Chile Bandera 140, Piso 4 Santiago CHILE	Banco Santander Chile Santiago
CHINA A-SHARE	HSBC Bank (China) Company Limited 33/F, HSBC Building, Shanghai ifc 8 Century Avenue, Pudong Shanghai 200120 THE PEOPLE'S REPUBLIC OF CHINA	HSBC Bank (China) Company Limited Shanghai
CHINA B-SHARE	HSBC Bank (China) Company Limited 33/F, HSBC Building, Shanghai ifc 8 Century Avenue, Pudong Shanghai 200120 THE PEOPLE'S REPUBLIC OF CHINA	JPMorgan Chase Bank, N.A.** New York JPMorgan Chase Bank, N.A.** Hong Kong
CHINA CONNECT	JPMorgan Chase Bank, N.A.** 48th Floor, One Island East 18 Westlands Road, Quarry Bay HONG KONG	JPMorgan Chase Bank, N.A.** Hong Kong
COLOMBIA	Cititrust Colombia S.A. Carrera 9 A # 99-02, 3rd floor Bogota COLOMBIA	Cititrust Colombia S.A. Bogotá
COSTA RICA	Banco BCT, S.A. 150 Metros Norte de la Catedral Metropolitana Edificio BCT San Jose COSTA RICA	Banco BCT, S.A. San Jose
CROATIA	Privredna banka Zagreb d.d. Radnicka cesta 50 10000 Zagreb CROATIA	Zagrebacka banka d.d. Zagreb
CYPRUS	HSBC Bank plc 109-111, Messogian Ave. 115 26 Athens GREECE	J.P. Morgan AG** Frankfurt am Main
CZECH REPUBLIC	UniCredit Bank Czech Republic and Slovakia, a.s. BB Centrum - FILADELFIE Zeletavska 1525-1 140 92 Prague 1 CZECH REPUBLIC	Ceskoslovenska obchodni banka, a.s. Prague
DENMARK	Nordea Bank Danmark A/S Christiansbro Strandgade 3 P.O. Box 850 DK-0900 Copenhagen DENMARK	Nordea Bank Danmark A/S Copenhagen

Market	Subcustodian	Cash Correspondent Bank
EGYPT	Citibank, N.A. 4 Ahmed Pasha Street Garden City Cairo EGYPT	Citibank, N.A. Cairo
ESTONIA	Swedbank AS Liivalaia 8 15040 Tallinn ESTONIA	J.P. Morgan AG** Frankfurt am Main
FINLAND	Nordea Bank Finland Plc Aleksis Kiven katu 3-5 FIN-00020 NORDEA Helsinki FINLAND	J.P. Morgan AG** Frankfurt am Main
FRANCE	BNP Paribas Securities Services France Branch 3, rue d'Antin 75002 Paris FRANCE	J.P. Morgan AG** Frankfurt am Main
GERMANY	Deutsche Bank AG Alfred-Herrhausen-Allee 16-24 D-65760 Eschborn GERMANY J.P. Morgan AG#** Taunustor 1 (TaunusTurm) 60310 Frankfurt am Main GERMANY # Custodian for local German custody clients only.	J.P. Morgan AG** Frankfurt am Main
GHANA	Standard Chartered Bank Ghana Limited Accra High Street P.O. Box 768 Accra GHANA	Standard Chartered Bank Ghana Limited Accra
GREECE	HSBC Bank plc Messogion 109-111 11526 Athens GREECE	J.P. Morgan AG** Frankfurt am Main
HONG KONG	JPMorgan Chase Bank, N.A.** 48th Floor, One Island East 18 Westlands Road, Quarry Bay HONG KONG	JPMorgan Chase Bank, N.A.** Hong Kong
HUNGARY	Deutsche Bank AG Hold utca 27 H-1054 Budapest HUNGARY	ING Bank N.V. Budapest
ICELAND	Islandsbanki hf. Kirkjusandur 2 IS-155 Reykjavik ICELAND	Islandsbanki hf. Reykjavik
INDIA	JPMorgan Chase Bank, N.A.** 6th Floor, Paradigm ‘B’ Wing Mindspace, Malad (West) Mumbai 400 064 INDIA	JPMorgan Chase Bank, N.A.** Mumbai
INDONESIA	Deutsche Bank AG Deutsche Bank Building 80 Jl. Inman Bonjol Jakarta 10310 INDONESIA	Deutsche Bank AG Jakarta

Market	Subcustodian	Cash Correspondent Bank
IRELAND	JPMorgan Chase Bank, N.A.** 25 Bank Street, Canary Wharf London E14 5JP UNITED KINGDOM	J.P. Morgan AG** Frankfurt am Main
ISRAEL	Bank Leumi le-Israel B.M. 35, Yehuda Halevi Street 65136 Tel Aviv ISRAEL	Bank Leumi le-Israel B.M. Tel Aviv
ITALY	BNP Paribas Securities Services S.C.A. Via Asperto, 5 20123 Milan ITALY	J.P. Morgan AG** Frankfurt am Main
JAPAN	Mizuho Bank, Ltd. 2-15-1, Konan Minato-ku Tokyo 108-6009 JAPAN The Bank of Tokyo-Mitsubishi UFJ, Ltd. 1-3-2 Nihombashi Hongoku-cho Chuo-ku Tokyo 103-0021 JAPAN	JPMorgan Chase Bank, N.A.** Tokyo
JORDAN	Standard Chartered Bank Shmeissani Branch Al-Thaqafa Street Building # 2 P.O. BOX 926190 Amman JORDAN	Standard Chartered Bank Amman
KAZAKHSTAN	JSC Citibank Kazakhstan Park Palace, Building A, Floor 2 41 Kazybek Bi Almaty 050010 KAZAKHSTAN	JSC Citibank Kazakhstan Almaty
KENYA	Standard Chartered Bank Kenya Limited Chiromo 48 Westlands Road Nairobi 00100 KENYA	Standard Chartered Bank Kenya Limited Nairobi
KUWAIT	HSBC Bank Middle East Limited Kuwait City, Qibla Area Hamad Al-Saqr Street, Kharafi Tower G/1/2 Floors Safat 13017 KUWAIT	HSBC Bank Middle East Limited Safat
LATVIA	Swedbank AS Balasta dambis 1a Riga LV-1048 LATVIA	J.P. Morgan AG** Frankfurt am Main
LEBANON	HSBC Bank Middle East Limited HSBC Main Building Riad El Solh, P.O. Box 11-1380 1107-2080 Beirut LEBANON	JPMorgan Chase Bank, N.A.** New York

Market	Subcustodian	Cash Correspondent Bank
LITHUANIA	AB SEB Bankas 12 Gedimino pr. LT 2600 Vilnius LITHUANIA	AB SEB Bankas Vilnius J.P. Morgan AG** Frankfurt am Main
LUXEMBOURG	BNP Paribas Securities Services S.C.A. 33, Rue de Gasperich L-5826 Hesperange LUXEMBOURG	J.P. Morgan AG** Frankfurt am Main
MALAWI	Standard Bank Limited, Malawi 1st Floor Kaomba House Cnr Glyn Jones Road & Victoria Avenue Blantyre MALAWI	Standard Bank Limited, Malawi Blantyre
MALAYSIA	HSBC Bank Malaysia Berhad 2 Leboh Ampang 12th Floor, South Tower 50100 Kuala Lumpur MALAYSIA	HSBC Bank Malaysia Berhad Kuala Lumpur
MAURITIUS	The Hongkong and Shanghai Banking Corporation Limited HSBC Centre 18 Cybercity Ebene MAURITIUS	The Hongkong and Shanghai Banking Corporation Limited Ebene
MEXICO	Banco Nacional de Mexico, S.A. Act. Roberto Medellin No. 800 3er Piso Norte Colonia Santa Fe 01210 Mexico, D.F. MEXICO	Banco Santander (Mexico), S.A. Mexico, D.F.
MOROCCO	Société Générale Marocaine de Banques 55 Boulevard Abdelmoumen Casablanca 20100 MOROCCO	Attijariwafa Bank S.A. Casablanca
NAMIBIA	Standard Bank Namibia Limited Mutual Platz 2nd Floor, Standard Bank Centre Cnr. Stroebel and Post Streets P.O. Box 3327 Windhoek NAMIBIA	The Standard Bank of South Africa Limited Johannesburg
NETHERLANDS	BNP Paribas Securities Services Netherlands Branch Herengracht 595 1017 CE Amsterdam NETHERLANDS	J.P. Morgan AG** Frankfurt am Main
NEW ZEALAND	JPMorgan Chase Bank, N.A.** Level 13, 2 Hunter Street Wellington 6011 NEW ZEALAND	Westpac Banking Corporation Wellington
NIGERIA	Stanbic IBTC Bank Plc Plot 1712 Idejo Street Victoria Island Lagos NIGERIA	Stanbic IBTC Bank Plc Lagos

Market	Subcustodian	Cash Correspondent Bank
NORWAY	Nordea Bank Norge ASA Essendropsgate 7 PO Box 1166 NO-0107 Oslo NORWAY	Nordea Bank Norge ASA Oslo
OMAN	HSBC Bank Oman S.A.O.G. 2nd Floor Al Khuwair PO Box 1727 PC 111 Seeb OMAN	HSBC Bank Oman S.A.O.G. Seeb
PAKISTAN	Standard Chartered Bank (Pakistan) Limited P.O. Box 4896 Ismail Ibrahim Chundrigar Road Karachi 74000 PAKISTAN	Standard Chartered Bank (Pakistan) Limited Karachi
PERU	Citibank del Perú S.A. Av. Canaval y Moreryra 480 Piso 4 San Isidro Lima 27 PERU	Citibank del Perú S.A. Lima
PHILIPPINES	The Hongkong and Shanghai Banking Corporation Limited 7/F HSBC Centre 3058 Fifth Avenue West Bonifacio Global City 1634 Taguig City PHILIPPINES	The Hongkong and Shanghai Banking Corporation Limited Taguig City
POLAND	Bank Handlowy w. Warszawie S.A. ul. Senatorska 16 00-923 Warsaw POLAND	mBank S.A. Warsaw
PORTUGAL	BNP Paribas Securities Services S.C.A. Avenida D. João II, Lote 1.18.01, Bloco B, 7º andar 1998-028 Lisbon PORTUGAL	J.P. Morgan AG** Frankfurt am Main
QATAR	HSBC Bank Middle East Limited 2nd Floor, Ali Bin Ali Tower Building 150 (Airport Road) PO Box 57 Doha QATAR	HSBC Bank Middle East Limited Doha
ROMANIA	Citibank Europe plc 145 Calea Victoriei 1st District 010072 Bucharest ROMANIA	ING Bank N.V. Bucharest
RUSSIA	J.P. Morgan Bank International (Limited Liability Company)** 10, Butyrsky Val White Square Business Centre Floor 12 Moscow 125047 RUSSIA	JPMorgan Chase Bank, N.A.** New York
SAUDI ARABIA	HSBC Saudi Arabia Limited 2/F HSBC Building Olaya Road, Al-Murooj Riyadh 11413 SAUDI ARABIA	HSBC Saudi Arabia Limited Riyadh

Market	Subcustodian	Cash Correspondent Bank
SERBIA	Unicredit Bank Srbija a.d. Rajiceva 27-29 11000 Belgrade SERBIA	Unicredit Bank Srbija a.d. Belgrade
SINGAPORE	DBS Bank Ltd 10 Toh Guan Road DBS Asia Gateway, Level 04-11 (4B) 608838 SINGAPORE	Oversea-Chinese Banking Corporation Singapore
SLOVAK REPUBLIC	UniCredit Bank Czech Republic and Slovakia, a.s. Sancova 1/A SK-813 33 Bratislava SLOVAK REPUBLIC	J.P. Morgan AG** Frankfurt am Main
SLOVENIA	UniCredit Banka Slovenija d.d. Smartinska 140 SI-1000 Ljubljana SLOVENIA	J.P. Morgan AG** Frankfurt am Main
SOUTH AFRICA	FirstRand Bank Limited 1 Mezzanine Floor, 3 First Place, Bank City Cnr Simmonds and Jeppe Streets Johannesburg 2001 SOUTH AFRICA	The Standard Bank of South Africa Limited Johannesburg
SOUTH KOREA	Standard Chartered Bank Korea Limited 47 Jongro, Jongro-Gu Seoul 110-702 SOUTH KOREA Kookmin Bank Co., Ltd. 84, Namdaemun-ro, Jung-gu Seoul 100-845 SOUTH KOREA	Standard Chartered Bank Korea Limited Seoul Kookmin Bank Co., Ltd. Seoul
SPAIN	Santander Securities Services, S.A. Ciudad Grupo Santander Avenida de Cantabria, s/n Edificio Ecinar, planta baja Boadilla del Monte 28660 Madrid SPAIN	J.P. Morgan AG** Frankfurt am Main
SRI LANKA	The Hongkong and Shanghai Banking Corporation Limited 24 Sir Baron Jayatillaka Mawatha Colombo 1 SRI LANKA	The Hongkong and Shanghai Banking Corporation Limited Colombo
SWEDEN	Nordea Bank AB (publ) Hamngatan 10 SE-105 71 Stockholm SWEDEN	Svenska Handelsbanken Stockholm
SWITZERLAND	UBS Switzerland AG 45 Bahnhofstrasse 8021 Zurich SWITZERLAND	UBS Switzerland AG Zurich
TAIWAN	JPMorgan Chase Bank, N.A.** 8th Floor, Cathay Xin Yi Trading Building No. 108, Section 5, Xin Yi Road Taipei 11047 TAIWAN	JPMorgan Chase Bank, N.A.** Taipei

Market	Subcustodian	Cash Correspondent Bank
TANZANIA	Stanbic Bank Tanzania Limited Stanbic Centre Corner Kinondoni and A.H. Mwinyi Roads P.O. Box 72648 Dar es Salaam TANZANIA	Stanbic Bank Tanzania Limited Dar es Salaam
THAILAND	Standard Chartered Bank (Thai) Public Company Limited 14th Floor, Zone B Sathorn Nakorn Tower 90 North Sathorn Road Bangrak Silom, Bangrak Bangkok 10500 THAILAND	Standard Chartered Bank (Thai) Public Company Limited Bangkok
TRINIDAD AND TOBAGO	Republic Bank Limited 9-17 Park Street Port of Spain TRINIDAD AND TOBAGO	Republic Bank Limited Port of Spain
TUNISIA	Banque Internationale Arabe de Tunisie, S.A. 70-72 Avenue Habib Bourguiba P.O. Box 520 Tunis 1000 TUNISIA	Banque Internationale Arabe de Tunisie, S.A. Tunis
TURKEY	Citibank A.S. Inkilap Mah., Yilmaz Plaza O. Faik Atakan Caddesi No: 3 34768 Umraniye- Istanbul TURKEY	JPMorgan Chase Bank, N.A.** Istanbul
UGANDA	Standard Chartered Bank Uganda Limited 5 Speke Road P.O. Box 7111 Kampala UGANDA	Standard Chartered Bank Uganda Limited Kampala
UKRAINE	PJSC Citibank 16-G Dilova Street 03150 Kiev UKRAINE	PJSC Citibank Kiev JPMorgan Chase Bank, N.A.** New York
UNITED ARAB EMIRATES - ADX	HSBC Bank Middle East Limited Emaar Square, Level 4, Building No. 5 P.O. Box 502601 Dubai UNITED ARAB EMIRATES	The National Bank of Abu Dhabi Abu Dhabi
UNITED ARAB EMIRATES - DFM	HSBC Bank Middle East Limited Emaar Square, Level 4, Building No. 5 P.O. Box 502601 Dubai UNITED ARAB EMIRATES	The National Bank of Abu Dhabi Abu Dhabi
UNITED ARAB EMIRATES – NASDAQ DUBAI	HSBC Bank Middle East Limited Emaar Square, Level 4, Building No. 5 P.O. Box 502601 Dubai UNITED ARAB EMIRATES	JPMorgan Chase Bank, N.A.** New York

Market	Subcustodian	Cash Correspondent Bank
UNITED KINGDOM	JPMorgan Chase Bank, N.A.** 25 Bank Street, Canary Wharf London E14 5JP UNITED KINGDOM Deutsche Bank AG Depository and Clearing Centre 10 Bishops Square London E1 6EG UNITED KINGDOM	JPMorgan Chase Bank, N.A.** London Varies by currency
UNITED STATES	JPMorgan Chase Bank, N.A.** 4 New York Plaza New York NY 10004 UNITED STATES	JPMorgan Chase Bank, N.A.** New York
URUGUAY	Banco Itaú Uruguay S.A. Zabala 1463 11000 Montevideo URUGUAY	Banco Itaú Uruguay S.A. Montevideo
VENEZUELA	Citibank, N.A. Avenida Casanova Centro Comercial El Recreo Torre Norte, Piso 19 Caracas 1050 VENEZUELA	Citibank, N.A. Caracas
VIETNAM	HSBC Bank (Vietnam) Ltd. Centre Point 106 Nguyen Van Troi Street Phu Nhuan District Ho Chi Minh City VIETNAM	HSBC Bank (Vietnam) Ltd. Ho Chi Minh City
WAEMU - BENIN, BURKINA FASO, GUINEA-BISSAU, IVORY COAST, MALI, NIGER, SENEGAL, TOGO	Standard Chartered Bank Côte d'Ivoire SA 23 Boulevard de la Republique 1 01 B.P. 1141 Abidjan 17 IVORY COAST	Standard Chartered Bank Côte d'Ivoire SA Abidjan
ZAMBIA	Standard Chartered Bank Zambia Plc Standard Chartered House Cairo Road P.O. Box 32238 Lusaka 10101 ZAMBIA	Standard Chartered Bank Zambia Plc Lusaka
ZIMBABWE	Stanbic Bank Zimbabwe Limited Stanbic Centre, 3rd Floor 59 Samora Machel Avenue Harare ZIMBABWE	Stanbic Bank Zimbabwe Limited Harare

**** J.P. Morgan affiliate**

APPENDIX 6: LIST OF SHARE CLASSES AND ISIN CODES

Share Class Name	ISIN
FID FIFIII - Fidelity Diversified Markets Fund F-ACC-GBP	GB00BX1BD690
FID FIFIII - Fidelity Diversified Markets Fund Investment Pathway 1-ACC-GBP	GB00BN2BFD96
FID FIFIII - Fidelity Institutional Diversified Income Fund I-INC-GBP	GB00BF8DCC15

APPENDIX 7: RISK FACTORS

Full Legal name		Asset Class Specific Risks					Investment Focus/ Style-Related Risks								Specific Instrument Related Risks							Derivatives/ Counterparty Risk					
															China Related		Fixed Income Related										
	General	Equities	Bonds and other Debt Instruments	Commodities	Real Estate Related	Multi Asset	Stock/Issuer Concentration	Country Concentration	Sector Concentration	Investments in Small Companies	Below Investment Grade / Unrated Securities and High Yielding Debt Instruments	Emerging Markets	Russia	Eurozone Risk	General	Dim Sum Bonds	Hybrids	CoCos	Loans	Collateralised and/or Securitised Debt Instruments	Equity Linked Notes/Credit Linked Notes	General	Short Positions	High Leverage	Active Currency	Specific Derivative Instruments	Additional Prospectus Risk Factors*
Fidelity Diversified Markets Fund	X	X	X			X					X	X		X								X	X		X	X	3
Fidelity Institutional Diversified Income Fund	X	X	X			X					X	X		X			X	X	X	X		X	X		X	X	3,6

*Additional Prospectus Risk Factors: 1 Index Tracking; 2 Asset Allocation - Target Date; 3 Asset Allocation – Dynamic; 4 Cash Funds; 5 Ethical Investing; 6 Income-producing securities; 7 Securities Lending; 8 Repurchase and Reverse Repurchase Agreements

APPENDIX 8: APPLICATION OF DILUTION ADJUSTMENT

Further to the aforementioned Price Adjustment Policy (Swing Pricing), for illustrative purposes, the table below sets out the average number of times the ACD applied a price adjustment on the dealing price of each Fund over a three-year period as well as the estimates of the dilution adjustments for each fund (based on the information available at the end of the financial year). Please note that the swing factors disclosed are in place from the date listed below under Swing Factor Date Year End.

However, such historical information does not constitute a projection, and subsequent adjustment may be wider or smaller on a specific day as a result of the mechanics of the financial markets. As dilution is related to the inflows and outflows of money from the Fund it is not possible to accurately predict whether dilution will occur at any future point in time. Consequently, it is also not possible to accurately predict how frequently the ACD will need to make such a dilution adjustment. In the usual course of business, the application of a dilution adjustment will be triggered on a consistent basis.

Full Legal Name	Swing Factor - Buys (%)	Swing Factor - Sells (%)	Swing Factor Date Year End	Number of Swings 3YR Average*
Fidelity Diversified Markets Fund	0.09	0.19	31-Oct-22	14
Fidelity Institutional Diversified Income Fund	0.12	0.12	31-Oct-22	1

**Please note that where the sub-fund is less than 3 years old the average Number of Swings is from launch.*

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