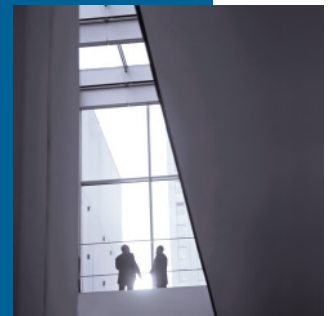


Annual Report and Financial Statements

For the year ended
30 September 2023



Fidelity Investment Funds 2 Annual Report and Financial Statements for the year ended 30 September 2023

Contents

Director's Report*	2
Statement of Authorised Corporate Director's Responsibilities	3
Certification of the Annual Report and Financial Statements by Directors	3
Statement of the Depositary's Responsibilities and Report of the Depositary	3
Independent Auditor's report	4

Authorised Corporate Director's Report*, including the financial highlights and financial statements

Accounting Policies of Fidelity Investment Funds 2 and its sub-fund	6
Risk Management policies of Fidelity Investment Funds 2 and its sub-fund	8
Fidelity UK Opportunities Fund	10
Portfolio Statement (unaudited)*	19
Further Information*	21

* These collectively comprise the Authorised Corporate Director's (ACD) Report

Fidelity Investment Funds 2 Annual Report and Financial Statements for the year ended 30 September 2023

Director's Report

We are pleased to present the annual report and financial statements for Fidelity Investment Funds 2 (the 'Company'), covering the year to 30 September 2023.

Reference in this document to specific securities should not be construed as a recommendation to buy or sell these securities; but is included for the purpose of illustration only. Investors should also note that the views expressed may no longer be current and may already have been acted upon by Fidelity.

Company and Status

The Company is an open-ended investment company with variable capital incorporated in England and Wales under number IC000993 and authorised by the Financial Conduct Authority (FCA) on 4 December 2013.

The Company is structured as an umbrella company, currently comprising of one sub-fund, Fidelity UK Opportunities Fund.

In the future additional sub-funds or new classes of shares within the existing fund may be launched by the Authorised Corporate Director (ACD).

The sub-fund ceased to be recognised as UCITS under EU regulation after 31 January 2020 and as a result is classified as an Alternative Investment Fund (AIF) outside of the UK. The UK regulator categorises former UCITS as UK UCITS instead.

Shareholders are not liable for the debts of the Company. A shareholder is not liable to make any further payment to the Company after they have paid the price on purchase of the shares.

The Company is governed by the requirements of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (OEIC Regulations) and the FCA's Handbook of rules and guidance, specifically the Collective Investment Schemes sourcebook (COLL). As permitted by the COLL, the Company does not hold Annual General Meetings.

The Company has segregated liability status between funds. This means that 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.

Remuneration Disclosure

The Fidelity International Remuneration Committee has established a Global Remuneration Policy to ensure the requirements of the UK UCITS Directive are met at global level for all its UK UCITS management companies. The Remuneration Committee reviews the remuneration policy at least annually. The Directors of relevant management companies are responsible for the adoption of the Global Remuneration Policy, for reviewing its general principles at least annually, for overseeing its implementation and for ensuring compliance with relevant local legislation and regulation. The Global Remuneration Policy is consistent with and promotes sound and effective risk management and is designed not to encourage risk-taking which is inconsistent with the risk profile of the funds. The Global Remuneration Policy is in line with the business strategy, objectives, values and interests of the ACD and the funds and includes measures to avoid conflicts of interest.

During 2017 the Global Remuneration Policy was reviewed, and changes were made to ensure compliance with the applicable European remuneration requirements. The Global Remuneration Policy applies to all employees, with particular focus on the staff whose professional activities have a material impact on the risk profile of the ACD or the funds (the Material Risk Takers). The UK UCITS Material Risk Takers (UK UCITS MRTs) are individuals whose roles can materially affect the risk of the management company or any UK UCITS fund that it manages. These roles are identified in line with the requirements of the UK UCITS Directive and guidance issued by the European Securities and Markets Authority.

The aggregate total remuneration paid to the UK UCITS MRTs related to FISL, considering all the existing delegation arrangements, in respect of the performance period started 1 July 2022 and ended 30 June 2023, is EUR 11.65 million (GBP 10.02 million). This figure includes the amounts attributed either to the FISL entity or to the UK UCITS funds that it manages. For any additional on remuneration policy, a copy of the summary Remuneration Policy is available at <https://www.fil.com>.

Holdings in other sub-funds within the same Company

There were no such holdings as at 30 September 2023 (2022: none).

Objectives

The broad aim of the Company is to provide access to the global research resources and stock picking skills of Fidelity's Investment management teams throughout the world.

The investment objective and a review of the investment activities of the sub-fund during the year under review are included within the Fund Manager Review.

Ukraine Conflict

While there appears to be no imminent end to the Russia-Ukraine conflict in sight, global markets appear to have priced in the implications war to an extent, although several uncertainties remain. Volatility is likely to continue in the financial and related commodity markets, with implications for the outlook for inflation, interest rates and currency exchange rates.

These continue as of the date of finalisation of these financial statements. The Directors of the ACD and support functions across Fidelity International, continue to monitor the situation closely, considering the needs and requirements of our clients and stakeholders. This includes ongoing monitoring of market volatility, funds and fund liquidity, business continuity planning, cyber risk assessment, operational resilience and scenario planning, as well as other operational and emerging risks that may arise.

The EU, UK, US and other governmental and regulatory bodies have issued sanctions against Russia and related regions targeting individuals, companies, and sectors. In consultation with our key stakeholders, we continue to review and comply with any economic sanctions imposed where required. Fidelity International has systems in place to evaluate counterparties and vendors in line with our policies and sanctions-related obligations.

Changes to the Prospectus

For the year ended 30 September 2023 no changes were made to the Prospectus and Instrument of Incorporation.

**Statement of Authorised Corporate Director's (ACD)
Responsibilities in relation to the Annual Report and
Financial Statements of the Company**

The Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) and Collective Investment Schemes sourcebook (COLL) require the ACD to prepare financial statements for each annual and half-yearly accounting period which give a true and fair view of the financial position of the Company and of its net revenue and net capital gains or losses on the property of the Company for the year. In preparing the financial statements the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the requirements of the UK Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice for UK Authorised Funds issued by The Investment Association (IA) in May 2014, as amended in June 2017, the COLL, the Prospectus and the Instrument of Incorporation;
- follow generally accepted accounting principles and applicable accounting standards;
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the Company will continue in operation;
- take reasonable steps for the prevention and detection of fraud or other irregularities.

**Certification of the Annual Report and Financial
Statements by Directors of the ACD**

In accordance with the requirements of the COLL as issued and amended by the Financial Conduct Authority, the report and financial statements are approved on behalf of the Directors of FIL Investment Services (UK) Limited, the ACD.



Dennis Pellerito
Director



Malcolm Palmer
Director

FIL Investment Services (UK) Limited
29 November 2023

**Statement of the Depositary's Responsibilities in Respect
of the Scheme and Report of the Depositary to the
Shareholders of the Fidelity Investment Funds 2**

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored, and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and the instructions of the Authorised Corporate Director ("the ACD"), which is the UK UCITS Management Company, are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the ACD:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

J.P. Morgan Europe Limited
London
2023

Independent Auditor's report to the Shareholders of Fidelity Investment Funds 2

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion the financial statements of Fidelity Investment Funds 2 (the 'Company'):

- give a true and fair view of the financial position of the Company and the sub fund as at 30 September 2023 and of the net revenue and the net capital gains on the property of the Company and the sub fund for the year ended 30 September 2023; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Statement of Recommended Practice "Financial Statements of UK Authorised Funds", the rules in the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

We have audited the financial statements which comprise for each sub-fund:

- the statement of total return;
- the statement of change in net assets attributable to shareholders;
- the balance sheet;
- the accounting policies, risk management policies and individual notes 1 to 17; and
- the distribution tables.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association in May 2014, as amended in June 2017, the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the authorised corporate director's (ACD's) use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the ACD with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The ACD is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise

appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of depositary and ACD

As explained more fully in the depositary's responsibilities statement and the ACD's responsibilities statement, the depositary is responsible for the safeguarding the property of the Company and the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the ACD determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the ACD is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the ACD either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the ACD about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Collective Investment Schemes Sourcebook and relevant tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included The Open-Ended Investment Companies Regulations 2001.

We discussed among the audit engagement team including relevant internal specialists such as valuations and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the valuation and existence of investments. In response we have: involved our financial instruments specialists to assess the applied valuation methodologies; agreed investment holdings to independent confirmations; and agreed investment valuations to reliable independent sources.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative

of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- proper accounting records for the Company and the sub-funds have been kept and the financial statements are in agreement with those records;
- we have received all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit; and
- the information disclosed in the annual report for the year ended 30 September 2023 for the purpose of complying with Paragraph 4.5.9R of the Collective Investment Schemes Sourcebook is consistent with the financial statements.

Use of our report

This report is made solely to the company's shareholders, as a body, in accordance with Paragraph 4.5.12R of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.



Deloitte LLP
Statutory Auditor
Glasgow, United Kingdom

29 November 2023

Accounting Policies of Fidelity Investment Funds 2 and its sub-fund

Accounting policies

- a) Basis of preparation - The financial statements of the Company have been prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss. The financial statements are also prepared in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice (SORP) for UK Authorised Funds issued by the Investment Association (IA) in May 2014, as amended in June 2017.
- b) Recognition of revenue:
- Income from quoted equities is recognised when the security is quoted ex-dividend. Overseas dividends are accounted for gross of any tax deducted at source.
 - Income from a debt security comprises the coupon interest and the difference between the purchase price and the expected maturity price. The total income recognised on a debt security is spread over its expected remaining life at a constant rate or an amount having regard to the IA SORP. When a distressed security is purchased and the Authorised Corporate Director (ACD) expects future cash flows to be uncertain, the discount or premium is not recognised as income. Where the fund invests predominately into Index Linked securities, COLL 6.8.3 R permits funds whose policy is to invest predominantly in index-linked securities to make transfers in respect of index-linked gilt-edged securities in order to exclude from the distribution. The distributions are determined disregarding the effect of amortisation, provided that the resultant distribution is not less than if those transfers had not been made.
 - Stock dividends - Where the fund manager has elected to receive a dividend in the form of shares rather than cash, the dividend is treated as revenue but does not form part of the distribution.
 - Underwriting commission is recognised when the issue takes place, except where the fund is required to take up all or some of the shares underwritten, in which case an appropriate proportion of the commission received should be deducted from the cost of those shares.
 - Special dividends may be treated as revenue or capital depending on the facts of each particular case.
 - Income from collective investment schemes is treated as revenue in nature. Any equalisation element is treated as capital and deducted from the cost of the investment.
 - Where a fund invests in a transparent entity, the revenue earned by the entity should be recognised as revenue by the fund.
 - All other income is accounted for on an accruals basis.
- c) Treatment of expenses:
- All expenses are accounted for on an accruals basis.
 - All expenses are chargeable against revenue for distribution purposes other than those relating to purchases and sales of investments which are treated as capital. In accordance with the COLL and agreed by the Depositary, charges and expenses may be treated as income or capital for the purpose of the distribution. When expenses are charged to capital, it will enhance income returns but may constrain capital growth. Expenses incurred by the master fund are recognized as expenses by the feeder fund.
 - Where a fund invests in a transparent entity, the expenses incurred by the entity will be recognised as expenses by the fund.
 - 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).
 - If there is more than one class within a fund, charges and expenses which are directly attributable to the fund (but not 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 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 the discretion to allocate such charges and expenses in a different manner which it considers fair to shareholders generally.
- d) Distribution policy - The distribution policy of the individual funds is to distribute or accumulate all available revenue after deduction of expenses properly chargeable against revenue.
- e) Taxation:
- Provision is made for corporation tax at the current rate on the excess of taxable revenue over allowable expenses, with relief for overseas tax taken where appropriate.
 - UK dividend income is disclosed net of any related tax credit.
 - Deferred taxation is recognised in respect of temporary timing differences that have originated but not reversed by the balance sheet date. Any liability to deferred taxation is provided for on the average rate of taxation expected to apply in the period. Deferred tax assets are recognised to the extent that they are considered recoverable.
- f) Basis of valuation of investments:
- Investments in securities and underlying funds have been valued using the market price at the noon valuation point on the last business day of the accounting period. Market value is defined by the SORP as fair value which in an active market is the value of long positions at the quoted bid price and fair value of short positions is the quoted offer price.
 - Holdings in collective investment schemes are valued at bid price for dual priced funds and at single price for single priced funds.
 - The Fair Value Committee (FVC) ensures pricing sources and methodologies used to value securities are appropriate as delegated by the ACD. Where there is no price source from an active market for an investment, the FVC will assess information available from internal and external sources in order to arrive at a fair value. In seeking to value such securities, the FVC will gather valuation related information from multiple internal and external sources and may apply judgement in determining the fair value. These sources include historic trading and pricing information (including grey market trades), the views of internal security analysts, company specific news and fundamental data as well as information relating to comparable companies within related industries and sectors. The FVC policies and procedures remain under continuous review by the ACD.

Accounting Policies of Fidelity Investment Funds 2 and its sub-fund

- Fair value adjustments may be implemented to protect the interests of the Shareholder Funds against market timing practices. Accordingly, if a fund invests in markets that are closed for business at the time the fund is valued, the ACD may, by derogation from the provisions above, allow for the securities included in a particular portfolio to be adjusted to reflect more accurately the fair value of the fund's investments at the point of valuation.
 - There were no fair value market adjustments applied to investments as at 30 September 2023 (2022: none).
 - The market value disclosed alongside each investment in the Portfolio Statement represents the fair value. Each derivative position is shown as a separate investment. The Portfolio Statement includes for each investment the percentage of the net assets. This may result in the geographical or sector allocations being different to the comparative index. The largest holdings disclosure is consistent with this basis, and therefore derivative positions may not appear in the list of largest holdings. A copy of the Fund Factsheet report disclosing the sector/industry exposure, country exposure and top holdings including derivatives exposures may be obtained upon request from the ACD alternatively, please go to <http://www.fidelity.co.uk>.
- g) Derivatives:
- Where appropriate, certain permitted transactions such as derivatives are used. Where such transactions are used to protect or enhance revenue, the revenue and expenses derived from them are included in the Revenue or Expenses in the Statement of Total Return. Where such transactions are used to protect or enhance capital, the gains or losses are included in Net capital gains/(losses) in the Statement of Total Return. Any positions on such transactions open at the year end are reflected in the Balance Sheet at their market value. All gains and losses in the value of futures contracts, interest rates swaps, credit default swaps, equity forwards, contracts for difference, equity linked notes and options are disclosed in the Statement of Total Return under Net capital gains/(losses).
 - Futures, equity forwards and contracts for difference, the dividend element is included in revenue along with the associated finance costs of these contracts. Ongoing premia on credit default swaps are charged or credited to revenue/expenses on an accruals basis, depending on whether protection is bought or sold. Revenue receivable/payable on interest rate swaps is included in revenue on an accruals basis. The premium received on covered call options is taken to revenue over the life of the contract provided the strike price of the option is greater than the price of the underlying security at the time of trade.
 - Where forward foreign exchange contracts have been entered into to hedge the underlying funds and securities against currency exchange rate movements, any subsequent hedge gain or loss is taken to capital.
- h) Cash and bank balances - These may comprise cash at bank. Amounts held at futures clearing houses and/or brokers are where amounts are held in segregated accounts as collateral on behalf of brokers.
- i) Cash and cash equivalents - These may comprise money market funds which are short term, highly liquid and are readily convertible to a known amount of cash. These are subject to an insignificant risk of change in value.
- j) Exchange rates - Assets and liabilities denominated in foreign currencies have been translated into sterling at the rate of exchange ruling at the noon valuation point on the last business day of the accounting period. Revenue items denominated in foreign currency are translated into sterling at exchange rates ruling at the date of the transaction. Differences on exchange are included within the Statement of Total Return.
- k) Dilution levy:
- In certain circumstances, the value of the property of a Fund may be reduced as a result of costs incurred in dealings in the Fund's investments or through dealing in those investments at prices other than the mid-market price. In order to prevent this effect, known as 'dilution', and the consequent potential adverse effect on remaining Shareholders, the ACD has the power to charge a 'dilution levy' when Shares are bought or sold.
 - In the year to 30 September 2023 no dilution levy was paid to the Company (2022: none) .
- l) Price adjustment policy:
- The Board of Directors of the Company may implement a price adjustment policy in order to protect the interests of the Company's shareholders. The purpose of the price adjustment policy is to allocate the costs associated with large inflows and outflows to investors transacting that day, thereby protecting the long-term shareholder from the worst effects of dilution. It achieves this purpose by adjusting all share class prices at which deals in a sub-fund are transacted. In other words, share class prices may be adjusted up or down depending on the level and type of investor transactions on a particular day within a sub-fund. In this way the existing and remaining shareholders do not suffer an inappropriate level of dilution. The Company will only trigger an adjustment in the price when there are significant net flows that are likely to have a material impact on existing and remaining shareholders. The adjustment will be based on the expected dealing costs for the particular assets in which a sub-fund is invested, or will invest in. Once an adjustment is made to a sub-fund's share class price, those are the official prices for all deals that day.
 - As at 30 September 2023 no funds were adjusted (2022: none).

Risk Management policies of Fidelity Investment Funds 2 and its sub-fund

Risk framework

The Board of Directors of FIL Limited, the ultimate parent company of the ACD, has established a Risk Policy, a Risk Appetite statement and a number of other risk related policies for adoption throughout the Fidelity International group of companies, including the ACD. There is a clearly defined structure operating within a corporate governance and management framework that is designed to address the related business risks, including those arising from financial instruments. Risk management policies and procedures are established by the Board and updated according to market, industry and government initiatives and regulatory developments. The Board monitors that a robust system of internal control exists to ensure compliance with rules, regulations and policies. It is the Board of Directors of the ACD that is ultimately responsible for monitoring risk but day to day management of the risk process has been delegated to other areas as appropriate.

Fidelity operates a 'multiple lines of defence' approach to risk management; also the risk control processes are comprehensive, multi-layered, both quantitative and qualitative and do not rely on any one risk measure or system. The primary responsibility for financial instrument risk management rests with the portfolio manager of the fund who is overseen by the relevant Chief Investment Officer (CIO). On a regular basis the fund is formally reviewed in a meeting involving the portfolio manager, the relevant CIO, Investment Management Portfolio Analytics and others; the review covers multiple aspects of the fund's profile including trading activity, turnover, performance, structure, style profile, the use of derivatives and other relevant subjects such, as yield curve exposure and sector and credit rating positioning in the case of Fixed Income fund. In addition to this review there is a formal Investment Risk Oversight Committee (IROC), chaired by the head of the Investment Management Risk function, whose remit includes review of various risk and performance measures, liquidity and other investment risks.

Furthermore, there is a Derivative and Counterparty Risk Committee that focuses on all aspects of risk arising from the use of derivative instruments. The global exposure relating to derivatives held in a fund may not exceed the net value of that fund. Global exposure calculations for all funds - unless otherwise indicated - use the commitment approach as part of their risk management process, measure and limits. The fund in this umbrella OEIC is governed by UK UCITS rules. The rules and prospectus limits are monitored and reported on by an independent Investment Compliance function.

Risk factors

The main risks arising from financial instruments are market price, foreign currency, interest rate, liquidity, counterparty and credit risks. There are policies in place to ensure each of these risks are managed in an appropriate manner.

Market price risk

Market price risk arises from the uncertainty about future price movements on financial instruments held. It represents the potential loss the fund might suffer through holding market positions in the face of adverse price movements. The value of investments (including derivatives) is not fixed and may go down as well as up. This may be as a result of a specific factor affecting the value of an individual investment, or may be caused by general market factors. Some of the funds may invest in securities of countries experiencing rapid economic growth. Investors should appreciate that these securities may be more volatile than securities in more developed markets with the result that there may be greater risk of price fluctuation and the suspension of redemptions in such funds compared with funds in more mature markets. This volatility may stem from political and economic factors, and be exacerbated by legal, trading liquidity, settlement, currency and other factors. Some emerging market countries may have relatively prosperous economies but may be sensitive to world commodity prices or other factors. Where derivatives are used for either efficient management of the fund or for investment purposes, market price risk will exist as for any other non-derivative investments. The volatility of option prices could be greater than for other derivatives.

Foreign currency risk

The fund's total returns and balance sheets can be significantly affected by foreign exchange movements if the fund's assets and revenue are denominated in currencies other than the fund's base currency. Three principal areas where foreign currency risk could impact the fund have been identified as:

- movements in rates affecting the value of investments;
- movements in rates affecting short term timing differences;
- movements in rates affecting the revenue received.

The fund may hold forward foreign exchange contracts to hedge the fund's base currency. The fund may be exposed to short term exchange rate movements, for example between the date when an investment is bought or sold and the date when settlement of the transaction occurs. The ACD may seek to manage exposure to currency movements by using forward and spot foreign exchange contracts. Revenue received in other currencies is converted into base currency on or near the date of receipt.

Interest rate risk

Debt securities have varying levels of sensitivity to changes in interest rates. In general, the price of a fixed rate debt security can fall when interest rates rise and can rise when interest rates fall. Securities with longer maturities can be more sensitive to interest rate changes. The fixed rate component of an interest rate swap will have a similar interest rate risk profile to that of a fixed rate debt security where the currency, fixed rate and maturity are the same.

Liquidity risk

The fund's assets comprise mainly realisable securities which can be readily sold or redeemed in normal market conditions. The fund's main liability is the redemption of any shares that investors wish to sell. In general, the ACD manages the cash to ensure it can meet its liabilities. Assets from a fund may need to be sold if insufficient cash is available to finance such redemptions. The fund's holdings are reviewed on a regular basis, with particular emphasis on the market capitalisation of the issuer (securities issued by larger capitalised companies generally have greater liquidity) and the number of days it would take to trade out of a given security position or percentage of the fund as a whole (determined by reference to available market trading volumes). Where investments cannot be realised in time to meet any potential liability, the fund may borrow up to 10% of its value to ensure settlement.

Risk Management policies of Fidelity Investment Funds 2 and its sub-fund

Counterparty risk

All security transactions and derivatives are transacted with brokers and carry the risk that the counterparty to a transaction may not meet their financial obligations. All counterparties for any type of trading are assessed by an independent Credit Research and Analysis function and approved for use by any Fidelity company, including the ACD. Exposures to counterparties are monitored and reported frequently. Margin on exchange-traded derivatives mitigates counterparty risk exposure and in the case of over-the-counter derivatives, collateral is transferred to reduce counterparty risk exposure in accordance with the terms outlined in market standard (ISDA) derivative legal contracts.

Credit risk

Investments may be adversely affected if any of the institutions with which money is deposited suffers insolvency or other financial difficulties. The process outlined above under 'Counterparty risk' is used to review, approve and report on exposures to institutions with which money is deposited.

Credit risk also arises from the uncertainty about the payment of interest and the repayment of principal bond investments. Default risk is based on the issuer's ability to make interest payments and to repay the loan at maturity. Due to the higher possibility of default, an investment in corporate bonds is generally less secure than an investment in government bonds. Default risk may therefore vary between different government issuers as well as between different corporate issuers. In certain cases, government bonds may have higher probability of default than specific corporate issuers. The funds may hold credit default swaps to manage their credit risk profile. Credit default swaps are transacted to take advantage of expected movements in credit spreads on either individual securities or baskets of securities.

Fair values of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value. The numerical information in respect of financial instruments disclosure is provided in the financial statements for the individual funds.

Fund Manager's Review

Investment Objective and Policy

The fund aims to increase the value of your investment over a period of 5 years or more.

The fund will invest at least 70% in equities (and their related securities) of UK companies (those domiciled, incorporated or having significant business in the UK). The fund may also invest a proportion of its assets in global companies listed in the UK. The Investment Manager will actively select companies based on their potential to generate capital growth. It is not restricted in terms of industry and size.

The fund is actively managed without reference to a benchmark.

The fund may also invest in other transferable securities, collective investment schemes, money market instruments, cash and deposits and is also able to use derivatives for efficient portfolio management. There is no policy to restrict investment to any particular economic or industrial sector.

Market Review

UK equities rose over the 12-month period, despite a slew of challenges including persistent recessionary fears, monetary policy tightening and China's sluggish post pandemic economic woes. The UK was also faced with a sell-off in equities caused by a failed mini-budget by the then-government led by Mary Elizabeth Truss in late September, but subsequently recovered after new chancellor Jeremy Hunt carried out a near-complete policy U-turn in October. The positive momentum continued in early November, as tentative signs of cooling inflationary pressures in the US bolstered expectations of a slowdown in the US Federal Reserve's monetary policy tightening cycle. However, a series of strong economic reports showed that many Western economies performed better than anticipated, which led to concerns that central banks may keep interest rates elevated for longer than expected. March saw volatility make a return as a result of concerns around the stability of the financial system following the collapse of US-based lenders Silicon Valley Bank and Signature Bank, and the subsequent issues at Credit Suisse, though policymakers acted swiftly to manage contagion risks. The US debt ceiling negotiation in May also kept investors cautious, though it was ultimately resolved to avoid a default on federal government debt. The UK struggled with some of the highest inflation in developed markets, prompting the Bank of England to aggressively raise rates to 5.25% in August, pushing borrowing costs to levels last seen in 2008. However, subsequent signs of slowing inflation allowed the central bank to keep rates unchanged in September after 14 successive rate hikes, resulting in investors increasingly believing that we are nearing the peak of interest rate rises.

Performance and Portfolio Activity

The fund experienced a tough period but posted positive returns over the year under review. This is primarily due to its structural bias towards mid/small caps, at a time when large-cap stocks dominated the market. The rise in interest rate expectations led to a marked de-rating of growth stocks, which also proved to be a significant headwind. Oil stocks Tullow Oil and Serica were under pressure, while Mobico and Saietta continued to see weaker trading. Conversely, holdings such as Jet2, Computacenter and XP Power added value, with reassuring earnings upgrades following strong share price movements.

A new position was bought in oil and gas producer Harbour Energy in an attempt to reduce the oil underweight. I sold holdings in emerging market specialist Ashmore and Gresham House (into the agreed bid for the group) and re-invested some of the proceeds in Mercia Asset Management and sustainable investing firm Impax Asset Management. Elsewhere, the holding in XP Power was sold to focus on Spectris, IMI and Severfield in the sector.

Outlook

While inflation is likely to remain elevated, UK equities appear to be following the lead of US markets and nudging themselves back to looking for earnings growth. This should push markets back towards mid and small caps and nimble businesses.

Leigh Himsworth
Fund Manager
30 September 2023

Risk and Reward Indicator

	SRRI
A Income Shares	6
W Accumulation Shares	6
W Income Shares	6



1	2	3	4	5	6	7
---	---	---	---	---	---	---

The risk category was calculated using historical volatility data, based upon the methods set by European Union rules. Volatility is influenced by changes in the stock market prices, currencies and interest rates which can be affected unpredictably by diverse factors including political and economic events.

- Historical data may not be a reliable indication for the future.
- The risk category shown is not guaranteed and may change over time.
- The lowest category does not mean a "risk free" investment.
- The risk and reward profile is classified by the level of historical fluctuation of the Net Asset Values of the share class, and within this classification, categories 1-2 indicate a low level of historical fluctuations, 3-5 a medium level and 6-7 a high level.
- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- The fund may invest in instruments denominated in currencies other than the fund base currency. Changes in currency exchange rates can therefore affect the value of your investment.

Comparative Performance Table

	A Income Shares			W Accumulation Shares		
	2023	2022	2021	2023	2022	2021
Change in net assets (pence per share)						
Opening net asset value per share	95.74	135.66	95.63	224.07	308.38	212.22
Return before operating charges*	5.63	(35.65)	43.98	13.08	(82.41)	98.09
Operating charges	(1.21)	(1.46)	(1.46)	(1.64)	(1.90)	(1.93)
Return after operating charges*	4.42	(37.11)	42.52	11.44	(84.31)	96.16
Distributions	(2.48)	(2.81)	(2.49)	(7.12)	(7.87)	(6.96)
Retained distributions on accumulation shares	-	-	-	7.12	7.87	6.96
Closing net asset value per share	97.68	95.74	135.66	235.51	224.07	308.38
*after direct transaction costs of	0.58	0.92	0.70	0.58	0.92	0.70
Performance						
Return after charges	4.6%	(27.4%)	44.5%	5.1%	(27.3%)	45.3%
Other information						
Closing net asset value (£'000)	28,961	34,753	54,672	68,194	96,968	101,674
Closing number of shares	29,649,851	36,298,375	40,300,103	28,956,472	43,275,710	32,970,574
Operating charges	1.17%	1.17%	1.17%	0.67%	0.67%	0.67%
Direct transaction costs	0.43%	0.57%	0.45%	0.43%	0.57%	0.45%
Prices (pence per share)						
Highest share price	113.60	137.90	143.50	266.80	314.40	323.40
Lowest share price	92.75	96.37	93.56	217.50	225.10	207.70
W Income Shares						
	2023	2022	2021			
Change in net assets (pence per share)						
Opening net asset value per share	113.03	160.21	112.90			
Return before operating charges*	6.65	(42.15)	51.97			
Operating charges	(0.82)	(0.98)	(0.99)			
Return after operating charges*	5.83	(43.13)	50.98			
Distributions	(3.55)	(4.05)	(3.67)			
Retained distributions on accumulation shares	-	-	-			
Closing net asset value per share	115.31	113.03	160.21			
*after direct transaction costs of	0.58	0.92	0.70			
Performance						
Return after charges	5.2%	(26.9%)	45.2%			
Other information						
Closing net asset value (£'000)	285,825	308,032	425,906			
Closing number of shares	247,877,962	272,533,340	265,848,412			
Operating charges	0.67%	0.67%	0.67%			
Direct transaction costs	0.43%	0.57%	0.45%			
Prices (pence per share)						
Highest share price	134.20	162.80	169.70			
Lowest share price	109.50	113.90	110.50			

Statement of Total Return

for the year ended 30 September 2023

	Note	30/09/23		30/09/22	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	4		11,717		(182,737)
Revenue	5	15,385		19,447	
Expenses	6	(3,097)		(4,020)	
Interest payable and similar charges	8	(2)		(1)	
Net revenue/(expense) before taxation		12,286		15,426	
Taxation	7	3		(19)	
Net revenue/(expense) after taxation			12,289		15,407
Total return before distributions			24,006		(167,330)
Distributions	8		(12,289)		(15,408)
Change in net assets attributable to shareholders from investment activities			11,717		(182,738)

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 September 2023

	Note	30/09/23		30/09/22	
		£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders			439,753		582,252
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		13,836		74,211	
Amounts payable on cancellation of shares		(84,753)		(37,494)	
			(70,917)		36,717
Swing price adjustment			70		175
Change in net assets attributable to shareholders from investment activities (see above)			11,717		(182,738)
Retained distribution on accumulation shares	8		2,358		3,347
Closing net assets attributable to shareholders			382,981		439,753

Balance Sheet

as at 30 September 2023

	Note	30/09/23		30/09/22	
		£'000	£'000	£'000	£'000
Assets					
Investments			385,703		442,506
Current assets:					
Debtors	9	2,312		1,289	
Cash and bank balances		-		-	
Total other assets			2,312		1,289
Total assets			388,015		443,795
Liabilities:					
Creditors					
Bank overdrafts			-	(729)	
Distribution payable		(3,319)		(1,089)	
Other creditors	10	(1,715)		(2,224)	
Total other liabilities			(5,034)		(4,042)
Total liabilities			(5,034)		(4,042)
Net assets attributable to shareholders			382,981		439,753

Notes to the Financial Statements

1 Accounting policies

The fund's financial statements have been prepared in accordance with the Company Accounting Policies and Risk Management sections.

2 Equalisation

Equalisation applies only to shares purchased during the distribution year (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is credited to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for Capital Gains Tax purposes.

3 Contingent liabilities

At the year end there are no contingent liabilities or commitments (2022: nil).

4 Net capital gains/(losses)

	30/09/23 £'000	30/09/22 £'000
Gains/(losses) on non-derivative securities	11,704	(182,791)
Other currency gains/(losses)	21	39
Transaction charges	(8)	15
Net capital gains/(losses)	<u>11,717</u>	<u>(182,737)</u>

5 Revenue

	30/09/23 £'000	30/09/22 £'000
Interest on securities	495	97
UK dividends	13,226	16,428
UK property income distributions	1,101	1,480
Overseas dividends	561	1,441
Bank interest	2	1
Total revenue	<u>15,385</u>	<u>19,447</u>

6 Expenses

	30/09/23 £'000	30/09/22 £'000
Fixed expenses	743	955
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	2,354	3,065
Total expenses*	<u>3,097</u>	<u>4,020</u>

*The ACD is responsible for payment of all charges and expenses of the fund out of its investment management fees including audit fees amounting to £10,000 (including VAT) (2022: £10,000).

7 Taxation

	30/09/23 £'000	30/09/22 £'000
a) Analysis of charge/(credit) for the year		
Overseas taxation	(3)	19
Total current taxation	<u>(3)</u>	<u>19</u>
b) Factors affecting tax charge/(credit) for the year		
Net revenue/(expense) before taxation	<u>12,286</u>	<u>15,426</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2022: 20%).	2,457	3,085
Effects of:		
Increase/(decrease) in unutilised management expenses	300	489
Overseas taxation	(3)	19
Revenue not included for tax purposes	(2,757)	(3,574)
Current tax charge/(credit)	<u>(3)</u>	<u>19</u>

Open ended investment companies are exempt from UK tax on capital gains.

The fund has unrelieved excess management expenses resulting in a potential deferred tax asset of £3,057,000 (2022: £2,757,000). It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these and therefore no deferred tax asset has been recognised.

Notes to the Financial Statements

8 Finance costs

	30/09/23 £'000	30/09/22 £'000
Distributions		
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
A Income Shares		
Final	271	65
Interim	490	1,115
W Accumulation Shares		
Final	720	321
Interim	1,638	3,026
W Income Shares		
Final	3,048	1,024
Interim	5,963	9,865
	<u>12,130</u>	<u>15,416</u>
Add: Revenue deducted on cancellation of shares	216	147
Deduct: Revenue received on issue of shares	(57)	(155)
Net distributions for the year	<u>12,289</u>	<u>15,408</u>
Interest/other		
Interest	2	1
	<u>12,291</u>	<u>15,409</u>
Reconciliation of Net revenue after taxation to Net distribution for the year:		
Net revenue after taxation for the year, per the Statement of Total Return	12,289	15,407
Add back (revenue)/expenses transferred to capital:		
Equalisation on conversions	-	1
Revenue b/f	(1)	(1)
Revenue c/f	1	1
	<u>12,289</u>	<u>15,408</u>

Details of the distributions per share are set out in the Distribution Statement.

9 Debtors

	30/09/23 £'000	30/09/22 £'000
Amounts receivable for issue of shares	2	149
Sales awaiting settlement	470	61
Accrued revenue	1,825	1,064
UK income tax recoverable	15	15
	<u>2,312</u>	<u>1,289</u>

10 Other creditors

	30/09/23 £'000	30/09/22 £'000
Amounts payable for cancellation of shares	697	298
Purchases awaiting settlement	787	1,639
Accrued expenses	231	287
	<u>1,715</u>	<u>2,224</u>

11 Financial instruments exposure

Currency exposure

A portion of the financial assets of the fund are denominated in currencies other than UK Pound, which is the fund's base currency, with the effect that the Balance Sheet and total return can be affected by currency movements.

Notes to the Financial Statements

The currency exposure of the fund was:

Currency	Non-monetary exposures		Monetary exposures		Monetary exposures		Total exposure
	Investments	Cash balances	Cash balances	Debtors/(Creditors)			
30/09/23	£'000	£'000	£'000	£'000	£'000	£'000	£'000
UK Pound	385,703	-	-	(2,722)			382,981
Total	385,703	-	-	(2,722)			382,981
30/09/22	£'000	£'000	£'000	£'000	£'000	£'000	£'000
UK Pound	442,506	(729)	(729)	(2,024)			439,753
Total	442,506	(729)	(729)	(2,024)			439,753

The currency disclosure provided is based on the trading currency of the investments and foreign currency contracts. For further information on risk disclosures refer to the Risk management policies section.

Interest rate risk profile

The only interest bearing financial instruments in the fund are its bank balances and/or amounts held at futures clearing houses and brokers.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

Market value sensitivity analysis

Currency risk

A rise or fall of 1% in non UK Pound currencies is likely to result in a 0.00% rise or fall in the fund's market value (2022: 0.00%).

Other price risk

Fluctuations in securities and underlying funds prices will directly be reflected in the fund's market value.

12 Portfolio transaction costs

30/09/23	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	374,795	202	0.05	1,427	0.38
Total	374,795	202		1,427	
Total including transaction costs	376,424				
Analysis of total sales costs	£'000	£'000	%	£'000	%
Equity	441,468	249	0.06	1	-
Corporate actions	5	-	-	-	-
Total	441,473	249		1	
Total including transaction costs	441,223				
Total as a percentage of average net assets*		0.10 %		0.33 %	
30/09/22	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	652,974	320	0.05	2,574	0.39
Corporate actions	11	-	-	-	-
Total	652,985	320		2,574	
Total including transaction costs	655,879				
Analysis of total sales costs	£'000	£'000	%	£'000	%
Equity	610,649	326	0.05	1	-
Corporate actions	7,012	-	-	-	-
Total	617,661	326		1	
Total including transaction costs	617,334				
Total as a percentage of average net assets		0.12 %		0.46 %	

Notes to the Financial Statements

*During the year dealing spread costs may be applicable to purchases and sales (the difference between bid and offer prices of all investments expressed as a percentage of the offer price value), which are not separately identifiable and do not form part of the analysis above. Dealing spread costs suffered by the fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment. At the Balance Sheet date the average portfolio dealing spread was 0.46% (2022: 0.60%).

13 Basis of valuation

	30/09/23 £'000	30/09/23 £'000	30/09/22 £'000	30/09/22 £'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	374,321	-	429,296	-
Level 2: Observable market data*	11,382	-	13,210	-
Level 3: Unobservable data	-	-	-	-
	<u>385,703</u>	<u>-</u>	<u>442,506</u>	<u>-</u>

*Where fair value market adjustments have been applied on the fund midday prices, the adjustment is reflected as observable market data.

14 Shares in issue reconciliation

	Shares in issue as at 30/09/22	Issued shares	Cancelled shares	Conversion shares	Shares in issue as at 30/09/23
A Income Shares	36,298,375	1,159,000	(7,608,776)	(198,748)	29,649,851
W Accumulation Shares	43,275,710	1,061,722	(15,380,960)	-	28,956,472
W Income Shares	272,533,340	8,311,939	(33,135,596)	168,279	247,877,962

15 Related parties

The ACD, FIL Investment Services (UK) Limited, is regarded as a related party under FRS 102 because it provides key management personnel services to the authorised fund.

The ACD acts as principal on all transactions of shares in the fund. The aggregate monies received through issues and paid through cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, and the amounts due to, and from, the ACD in respect of share transactions at the year end are disclosed in Notes 9 and 10.

Amounts paid to the ACD in respect of services provided are disclosed in Note 6. Amounts due at the year end of £174,000 (2022: £216,000) are included within accrued expenses in Note 10.

16 Shareholders' funds

The fund has three share classes; A Income Shares, W Accumulation Shares and W Income Shares. The annual management charge on each share class is as follows:

A Income Shares : 1.00%

W Accumulation Shares : 0.50%

W Income Shares : 0.50%

The distributions per share class are given in the Distribution Statement. All classes have the same rights on winding up.

17 Post balance sheet event

The net asset value in pence per share at the Balance Sheet date and the latest practicable date prior to the publication of this report have been recorded below.

	NAV as at 30/09/23	NAV as at 27/11/23	Increase/(decrease)%
A Income Shares	97.68	97.05	(0.64)
W Accumulation Shares	235.51	234.19	(0.56)
W Income Shares	115.31	114.66	(0.56)

Distribution Statement

for the year ended 30 September 2023

A Income Shares - final distribution No. 18 in pence per share

Group 1 - Shares purchased on or before 30 June 2023.

Group 2 - Shares purchased from 1 July 2023 to 30 September 2023.

	Net revenue	Equalisation (Note 2)	Amount distributed 30/11/23	Amount distributed 30/11/22
Group 1	0.9148	-	0.9148	0.1787
Group 2	0.7266	0.1882	0.9148	0.1787

A Income Shares - interim distributions in pence per share

Group 1 - Distribution No. 15 Shares purchased on or before 30 September 2022.

Group 1 - Distribution No. 16 Shares purchased on or before 31 December 2022.

Group 1 - Distribution No. 17 Shares purchased on or before 31 March 2023.

Group 2 - Distribution No. 15 Shares purchased from 1 October 2022 to 31 December 2022.

Group 2 - Distribution No. 16 Shares purchased from 1 January 2023 to 31 March 2023.

Group 2 - Distribution No. 17 Shares purchased from 1 April 2023 to 30 June 2023.

	Net revenue	Equalisation (Note 2)	Amount distributed 2022/2023	Amount distributed 2021/2022
Group 1				
Distribution No. 15	0.1275	-	0.1275	0.2542
Distribution No. 16	0.7151	-	0.7151	0.8564
Distribution No. 17	0.7250	-	0.7250	1.5172
Group 2				
Distribution No. 15	0.1128	0.0147	0.1275	0.2542
Distribution No. 16	0.5252	0.1899	0.7151	0.8564
Distribution No. 17	0.5168	0.2082	0.7250	1.5172

W Accumulation Shares - final distribution No. 34 in pence per share

Group 1 - Shares purchased on or before 30 June 2023.

Group 2 - Shares purchased from 1 July 2023 to 30 September 2023.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/11/23	Amount accumulated 30/11/22
Group 1	2.4848	-	2.4848	0.7419
Group 2	1.4141	1.0707	2.4848	0.7419

W Accumulation Shares - interim distributions in pence per share

Group 1 - Distribution No. 31 Shares purchased on or before 30 September 2022.

Group 1 - Distribution No. 32 Shares purchased on or before 31 December 2022.

Group 1 - Distribution No. 33 Shares purchased on or before 31 March 2023.

Group 2 - Distribution No. 31 Shares purchased from 1 October 2022 to 31 December 2022.

Group 2 - Distribution No. 32 Shares purchased from 1 January 2023 to 31 March 2023.

Group 2 - Distribution No. 33 Shares purchased from 1 April 2023 to 30 June 2023.

	Net revenue	Equalisation (Note 2)	Amount accumulated 2022/2023	Amount accumulated 2021/2022
Group 1				
Distribution No. 31	0.6150	-	0.6150	0.9624
Distribution No. 32	1.9940	-	1.9940	2.3186
Distribution No. 33	2.0230	-	2.0230	3.8450
Group 2				
Distribution No. 31	0.5112	0.1038	0.6150	0.9624
Distribution No. 32	1.3646	0.6294	1.9940	2.3186
Distribution No. 33	1.2127	0.8103	2.0230	3.8450

Distribution Statement

W Income Shares - final distribution No. 34 in pence per share

Group 1 - Shares purchased on or before 30 June 2023.

Group 2 - Shares purchased from 1 July 2023 to 30 September 2023.

	Net revenue	Equalisation (Note 2)	Amount distributed 30/11/23	Amount distributed 30/11/22
Group 1	1.2295	-	1.2295	0.3756
Group 2	0.4366	0.7929	1.2295	0.3756

W Income Shares - interim distributions in pence per share

Group 1 - Distribution No. 31 Shares purchased on or before 30 September 2022.

Group 1 - Distribution No. 32 Shares purchased on or before 31 December 2022.

Group 1 - Distribution No. 33 Shares purchased on or before 31 March 2023.

Group 2 - Distribution No. 31 Shares purchased from 1 October 2022 to 31 December 2022.

Group 2 - Distribution No. 32 Shares purchased from 1 January 2023 to 31 March 2023.

Group 2 - Distribution No. 33 Shares purchased from 1 April 2023 to 30 June 2023.

	Net revenue	Equalisation (Note 2)	Amount distributed 2022/2023	Amount distributed 2021/2022
Group 1				
Distribution No. 31	0.3049	-	0.3049	0.5002
Distribution No. 32	1.0032	-	1.0032	1.2008
Distribution No. 33	1.0095	-	1.0095	1.9756
Group 2				
Distribution No. 31	0.2707	0.0342	0.3049	0.5002
Distribution No. 32	0.4136	0.5896	1.0032	1.2008
Distribution No. 33	0.5062	0.5033	1.0095	1.9756

Fidelity UK Opportunities Fund

Portfolio Statement

as at 30 September 2023

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	Financials - (24.17%)		
1,925,000	HSBC Holdings	12,501	3.26
518	Fidelity Institutional Liquidity Fund - Sterling A Accumulation	11,381	2.97
2,500,000	Aviva	9,812	2.56
16,500,000	IP Group	8,711	2.27
950,000	Standard Chartered	7,215	1.88
3,000,000	Man Group	6,687	1.75
1,070,000	Lancashire Holdings	6,211	1.62
1,025,000	Mattioli Woods	5,843	1.53
2,200,000	Cab Payments Holdings	5,181	1.35
1,100,000	Impax Asset Management Group	5,033	1.31
1,909,895	Integratin Holdings	4,454	1.16
12,500,000	Mercia Asset Management	3,000	0.78
		86,029	22.46
	Industrials - (13.79%)		
315,000	Spectris	10,701	2.79
1,700,000	Smart Metering Systems	10,336	2.70
635,000	IMI	10,103	2.64
2,825,000	QinetiQ Group	9,023	2.36
7,500,000	Severfield	4,575	1.19
135,000	Oxford Instruments Group	2,916	0.76
5,000,000	Invinity Energy Systems	2,100	0.55
		49,754	12.99
	Basic Materials - (11.58%)		
315,000	Rio Tinto	16,446	4.29
675,000	Anglo American	15,447	4.03
950,000	Treatt	4,817	1.26
1,125,000	Zotefoams	3,735	0.98
1,025,000	Atalaya Mining	3,352	0.88
		43,797	11.44
	Consumer Discretionary - (11.34%)		
750,000	WHSmith	10,170	2.66
1,500,000	TUI	6,864	1.79
520,000	Jet2	5,652	1.48
600,000	Entain	5,582	1.46
675,000	Informa	5,103	1.33
127,385	Bellway	2,915	0.76
375,000	MJ Gleeson	1,545	0.40
		37,831	9.88
	Consumer Staples - (6.29%)		
1,700,000	Tate & Lyle	11,764	3.07
310,000	Cranswick	10,900	2.85
2,400,000	Tesco	6,374	1.66
800,000	A.G.Barr	3,900	1.02
3,000,000	Premier Foods	3,558	0.93
		36,496	9.53
	Health Care - (7.55%)		
1,325,000	GSK plc	19,851	5.18
875,000	Smith & Nephew	8,934	2.33
2,100,000	Haleon	7,160	1.87
		35,945	9.39

Portfolio Statement

as at 30 September 2023

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	Energy - (7.93%)		
4,250,000	Harbour Energy	11,216	2.93
925,000	Energiean	10,684	2.79
11,681,882	Tullow Oil	4,089	1.07
1,125,000	Ceres Power	3,544	0.93
11,000,000	AFC Energy	1,683	0.44
		31,216	8.15
	Real Estate - (5.01%)		
14,036,521	Newriver (REIT)	11,201	2.92
6,750,000	Shaftesbury Capital	7,709	2.01
11,500,000	Hammerson	2,822	0.74
400,000	Workspace Group	1,951	0.51
		23,683	6.18
	Utilities - (4.46%)		
1,951,089	Drax Group	8,556	2.23
500,000	SSE	8,165	2.13
690,000	Pennon Group	3,971	1.04
		20,692	5.40
	Technology - (4.95%)		
412,500	Computacenter	10,445	2.73
650,000	Bytes Technology Group	3,250	0.85
		13,695	3.58
	Telecommunications - (3.55%)		
8,500,000	Vodafone Group	6,559	1.71
		6,559	1.71
	Warrants - (0.00%)		
2,847,806	Invinity Energy Systems (Warrants 15/09/2022)	3	0.00
2,847,806	Invinity Energy Systems (Warrants 16/12/2024)	3	0.00
		6	0.00
	Portfolio of investments	385,703	100.71
	Cash and other net assets/(liabilities)	(2,722)	(0.71)
	Net assets	382,981	100.00

The figures in brackets represent the sector distributions at 30 September 2022. Where securities are reclassified in the current period comparative percentages have been restated.

The percentage of net assets disclosed above is subject to rounding.

Unless otherwise stated, all holdings are on an official stock exchange listing or are permitted collective investment schemes.

Where the holdings/holdings equivalent value is reported to be nil this is due to a fractional share position.

Further Information

Fidelity Investment Funds 2

Registered Office:

Beech Gate
Millfield Lane
Lower Kingswood
Tadworth
Surrey KT20 6RP
United Kingdom

www.fidelity.co.uk

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

Authorised Corporate Director (ACD), Investment Manager, General Distributor, Administrator and Registrar

FIL Investment Services (UK) Limited

Beech Gate
Millfield Lane
Lower Kingswood
Tadworth
Surrey KT20 6RP
United Kingdom

The ACD is FIL Investment Services (UK) Limited and is the sole director.

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

Registered in England and Wales No 2016555.

Depositary

J.P. Morgan Europe Limited

Registered Office:

25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

Head Office:

Chaseside
Bournemouth
Dorset BH7 7DA
United Kingdom

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

Independent Auditors

Deloitte LLP
1 New Street Square
London EC4A 3HQ
United Kingdom

Further Information

- All Fidelity employees are subject to a Code of Ethics which, among other things, sets out procedures for personal account dealings in securities. These procedures, which are rigorously monitored, are designed to ensure that there is no conflict between personal account dealing by Fidelity staff and the interests of Fidelity's customers.

The two basics of the Code of Ethics require that deals have to be pre-authorised before an individual may undertake them, and they must afterwards be reported to the Compliance Department. Individuals are required to use specified brokers which enables this process to be checked on a continual basis.

In addition, there are specific provisions to ensure that any investment idea is first acted upon by the funds Fidelity manages, and that fund managers may not deal within a defined period either side of a fund (for which they are responsible) dealing in that stock.

- The Report and Financial Statements of the Company, the Instrument of Incorporation and the Value Assessment Report 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 Authorised Corporate Director (ACD) at Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP, United Kingdom.

Shareholders may obtain copies of the above documents, including long form accounts, free of charge, from the same address, or alternatively from our website www.fidelity.co.uk.

It is possible to receive information about the full holdings of the funds in which you invest. This is available on request, and may, at our discretion, be subject to you entering into an agreement with us to keep the information confidential. If you wish to receive full holdings information in accordance with the policy, please put your request in writing to: Data Policy Fund Holdings, Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP, United Kingdom quoting your name, address and account number or client reference number.

- The AFM is required to conduct a detailed assessment of whether its funds provide value to investors and publish an annual statement summarising the outcome of the review. The Value Assessment Report is available on our website www.fidelity.co.uk.
- Task Force on Climate-related Financial Disclosures (TCFD) - Product reports can be obtained from our website <https://www.fidelity.co.uk/tcfd-product-reports/>

FIL Limited and its respective subsidiaries form the global investment management organisation that is commonly referred to as Fidelity International. Fidelity International only gives information on its products and does not provide investment advice based on individual circumstances.

Any service, security, investment, fund or product outlined may not be available to or suitable for you and may not be available in your jurisdiction. It is your responsibility to ensure that any service, security, investment, fund or product outlined is available in your jurisdiction before any approach is made regarding that service, security, investment, fund or product. This document may not be reproduced or circulated without prior permission and must not be passed to private investors.

Past performance is not a reliable indicator of future results. The value of investments may go down as well as up and an investor may not get back the original amount invested. Unless otherwise stated all products are provided by Fidelity International, and all views expressed are those of Fidelity International.

In certain countries, and for certain types of investments, transaction costs are higher and liquidity is lower than elsewhere. There may also be limited opportunities to find alternative ways of managing cash flows especially where the focus of investment is on small and medium sized firms. For funds specialising in such countries and investment types, transactions, particularly those large in size, are likely to have a greater impact on the costs of running a fund than similar transactions in larger funds. Prospective investors should bear this in mind in selecting funds.

Issued by FIL Investment Services (UK) Limited (FCA registered number 121939) a firm authorised and regulated by the Financial Conduct Authority.

FIL Investment Services (UK) Limited is a member of the Fidelity International group of companies and is registered in England and Wales under the company number 2016555. The registered office of the company is Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey, KT20 6RP, United Kingdom. FIL Investment Management Limited VAT group identification number is 395 3090 35.



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