

Value Assessment Report

2021

Prepared by FIL Investment
Services (UK) Limited

Covering the following fund ranges:
Fidelity Investment Funds III
Fidelity Institutional Funds
Fidelity UK Real Estate Fund



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Introduction

Each year, Fund Managers in the UK must assess if their funds represent 'value for money' and report results to their investors in a value assessment report. These requirements were set by the Financial Conduct Authority (FCA).

This is our Value Assessment report for Investors and their advisers. Reading it should help you to understand how we carried out the Assessment, so we have included details of our approach and the information we used. The reference date of the Assessment was 30 June 2021 and the conclusions we have reached for each fund are shown on the fund pages.

The Report also includes a message from the Chair of the Board of FIL Investment Services (UK) Limited explaining how the Board has overseen the Value Assessment.

This Value Assessment Report is an important addition to other fund documents that are available to investors, including the Key Investor Information Document (KIID) and fund factsheet. A full list of funds covered in the Assessment is included in the Fund Pages section of this report. Other funds provided by the Management Company are featured in separate value assessment reports dedicated to those fund ranges.

How we have assessed value



QUALITY OF SERVICE

What is the range and quality of services we provide



PERFORMANCE

How our funds have performed, in line with their objectives and strategies



AUTHORISED FUND MANAGER COSTS

How we control costs relating to the services we provide



ECONOMIES OF SCALE

Where we are able to reduce costs for to the benefit our investors



COMPARABLE MARKET RATES

How our fund charges compare with those of other managers



COMPARABLE SERVICES

How our fund charges compare with similar Fidelity products and services across all client types



CLASSES OF UNITS

Whether fees for particular share classes are appropriate, based on the services included.

We have looked at the value provided in seven areas, described above. We reviewed information from multiple sources to assess each fund against the above criteria and evaluate the overall value for money. The review included:

- Comparing performance and fees against those of similar funds, using independent information
- Using specific and objective information, such as service level measures and rating criteria which were set beforehand, client complaints and reports from our Risk team
- Using third-party consultants to challenge our assessment approach; and
- Listening to feedback from investors and financial intermediaries

The Board

Introducing the Board

An independent perspective

Two of the five Board members of FIL Investment Services (UK) Limited (FISL) are Independent Non-Executive Directors. This helps make sure we act in the best interests of investors, and is why they have been actively involved in the Value Assessment process, including contributing to and challenging our methodology and reviewing the information we have used to carry out the fund assessments

Detailed oversight

As well as carrying out the yearly Value Assessment itself, the Board monitors fund performance, costs, pricing and service levels on an ongoing basis. Members use a range of reports and forums to support them with this, including reports on fund performance and reports from our Finance, Risk and Compliance teams and the funds' depositary and custodian.

David Weymouth

Chairman and Independent non-executive director of the Management Company since April 2019. Also a non-executive director of FIL Holdings (UK) Limited since November 2015 and a member of its Audit and Risk Committee. David retired as Group Chief Risk Officer at RSA Insurance Group plc in 2015 having joined in 2007 as Group Operations and Risk Director. His earlier career included 27 years at Barclays, ultimately holding the role of Group Chief Information Officer. David has a Finance MBA and has completed the INSEAD Senior Executive Programme.



John Clougherty

Head of Wholesale, Fidelity International, and executive director of the Management Company since October 2012. Also an executive director of FIL Pensions Management since June 2017. John joined Fidelity as Head of Wholesale in June 2012 and is responsible for the Fidelity-branded fund business. John has over 20 years' experience at all levels of the UK Fund management market with a number of leading firms, most recently at Aviva Investors UK Funds (2005 - 2012) where he held the role of Chief Executive Officer. John holds a BA (Hons) Degree in Business Studies with Marketing Honours.



The Board

Introducing the Board

Dr Teresa Robson-Capps

Independent non-executive director of the Management Company since March 2019. Also a non-executive director of FIL Holdings (UK) Limited since April 2018 and a member of its Audit and Risk Committee. Teresa's career has spanned several industries including banking, insurance, retail, communications and professional services, in roles ranging from customer services to strategic business leadership. Latterly, Teresa's roles included HSBC (2006 - 2011) where she became Deputy Head of Direct Bank and First Direct, and Accenture (2003 - 2006) where she was an Associate Partner in Transformational Outsourcing. Teresa has a doctorate in Management Control and Accounting, and is a Chartered Management Accountant.



Malcolm Palmer

Chief Operating Officer, Investment Solutions and Services ("ISS"), and executive director of the Management Company since February 2021. Also an executive director of FIL Pensions Management, FIL Investment Advisors (UK) Limited and FIL Investments International. Malcolm joined Fidelity in July 2020 and is responsible for the operational and change activities of ISS supporting FIL's investment and distribution businesses. Malcolm trained as an economist but has spent the majority of his career in Operations, Change Management and Client Delivery, with previous roles including Global Head of Securities Operations at Northern Trust and Managing Director at JP Morgan. Malcolm holds a Bachelor's Honours degree in Economics.



Peter Brookman

Head of UK Fund Accounting and executive director of the Management Company since December 2020. Peter joined Fidelity in April 2020 and is responsible for operations in terms of global cash and reconciliations and fund accounting in the UK. Peter has over 30 years' experience in fund administration, with previous roles including Global Fund Services UK COO at Northern Trust, and Head of UK Collective Funds Accounting at BNP Paribas Fund Services. His experience includes strategic leadership, client servicing, product development, operations, investment processing, transfer agency and fund accounting. Peter is an Associate Member of the Chartered Institute for Securities & Investment where he sits as a panel member for syllabus and question bank reviews.



Message from the Chair

At Fidelity International, the needs of our customers have always steered our decisions, which is why I am very pleased to present our second annual Value Assessment report.

As the Chair of the Board, I am responsible for ensuring that Fidelity's funds are not only meeting their investment objectives but also providing good value for money to our investors. In order to help you assess the value our funds offer, we have measured our performance against the seven key criteria set out last year by the UK's financial regulator, the Financial Conduct Authority (FCA). This year, we have made several improvements to the report to ensure that you are more informed than ever about whether our charges are justified in the context of the overall service we deliver to you.

How we deliver value for clients

We take the entire concept of providing value for money very seriously and firmly at our core is the belief that every penny of the money invested with us is to help people and their families to achieve their goals.

When we assess value, we look at the costs and charges relating to the entire customer experience and range of services that we provide for our clients. For all funds covered in this assessment, the Board is committed to:

- Delivering a quality and range of services which meets the high expectations of our clients, while maintaining competitive fees.
- Fully deploying Fidelity's investment management expertise, processes and technology to deliver fund performance which is consistent with the fund's objectives and benchmarks.

A Word on the ongoing Covid-19 situation

This report assesses funds as at 30 June 2021. The on-going Covid-19 situation is still affecting the lives of everyone in the country. We appreciate that it remains an uncertain time for investors and therefore want to reassure you that, at Fidelity, our clients and their investments remain at the forefront of any decisions we have made.

Despite the challenges of the past 18 months, neither the investment management nor administration of your funds have been affected, and our operational and client servicing activities continue to function effectively.

We have a comprehensive Business Continuity Programme in place, which supports remote working and provides hardware, applications and network support to allow this. Our Portfolio Managers and supporting investment functions (trading, portfolio monitoring, compliance) are fully set up to work at home with full visibility of the portfolios and portfolio management systems.

Further to the market turbulence of 2020, the good news is that equity markets have recovered strongly over the past year. Our global investment research network, acclaimed portfolio management expertise and strong risk management, means that our funds have been able to benefit from this recovery without exposing your portfolios to excessive risk-taking.

Message from the Chair

continued

How We Deliver Value for Clients

When you invest in our funds, you are investing in the very nature of Fidelity itself as both a brand, investment manager and trusted partner.

We seek to provide world-class investment solutions across a broad range of asset classes, including fundamental active, index and factor-based equities, fixed income, multi asset strategies and bespoke investment solutions.

As investors into our funds, either directly or through an intermediary, you benefit from a world-class global infrastructure that includes well-resourced investment teams and well-tested risk management and governance processes - we are the safe custodians of your investments.

We have simple and transparent share class structures and fee models. Alongside educational materials and a wealth of other investor information, fund manager insights and factual information, we hope this allows you to make informed choices on the best investment for you and your needs.

Our commitment to sustainable investing

Every investment decision has potential long-term financial and societal consequences. Fidelity's size and scale provides a level of corporate access that very few of our peers enjoy and we are committed to using our position to steer companies towards the right business decisions. Environmental, Social and Governance (ESG) factors, particularly employee welfare, will become increasingly important to ensure the long-term resilience of businesses. We have been a signatory to the Principles for Responsible Investment (PRI) since 2012 and are proud of our ratings - in 2020 we scored A+ in all the categories assessed by PRI. Our ESG strategy forms a central pillar of our research and investment processes to ensure we are investing both for you and generations to come.

Message from the Chair

continued

Our Purpose and Values

WE BELIEVE THAT INVESTING IS THE KEY TO WEALTH CREATION AND SECURING A BETTER FINANCIAL FUTURE:

especially with governments around the globe retrenching fiscally and people having to become more self-sufficient to provide for their future financial security.

CLIENTS ARE AT THE HEART OF OUR BUSINESS:

Investing clients' money is why we exist. Our purpose is to provide choices and optimal financial outcomes to clients, whether they are individuals, employers, financial advisers or institutions.

WE ACT WITH INTEGRITY:

Our clients expect us to apply responsible and sensible stewardship standards when we invest for them. We behave ethically, with fairness and equality. And we recognise that, as a responsible allocator of capital, asset management companies like ourselves play a key role in sustainable economic growth and job creation.



David Weymouth

Chair and Independent Non-Executive Director of the Board
FIL Investment Services (UK) Limited.

Quality of service

Do clients get a high-quality service for the charges they pay?

To assess this question, we have reviewed over 30 activities supporting the services we provide across each segment of the value chain, including the following:

INVESTMENT MANAGEMENT SERVICES

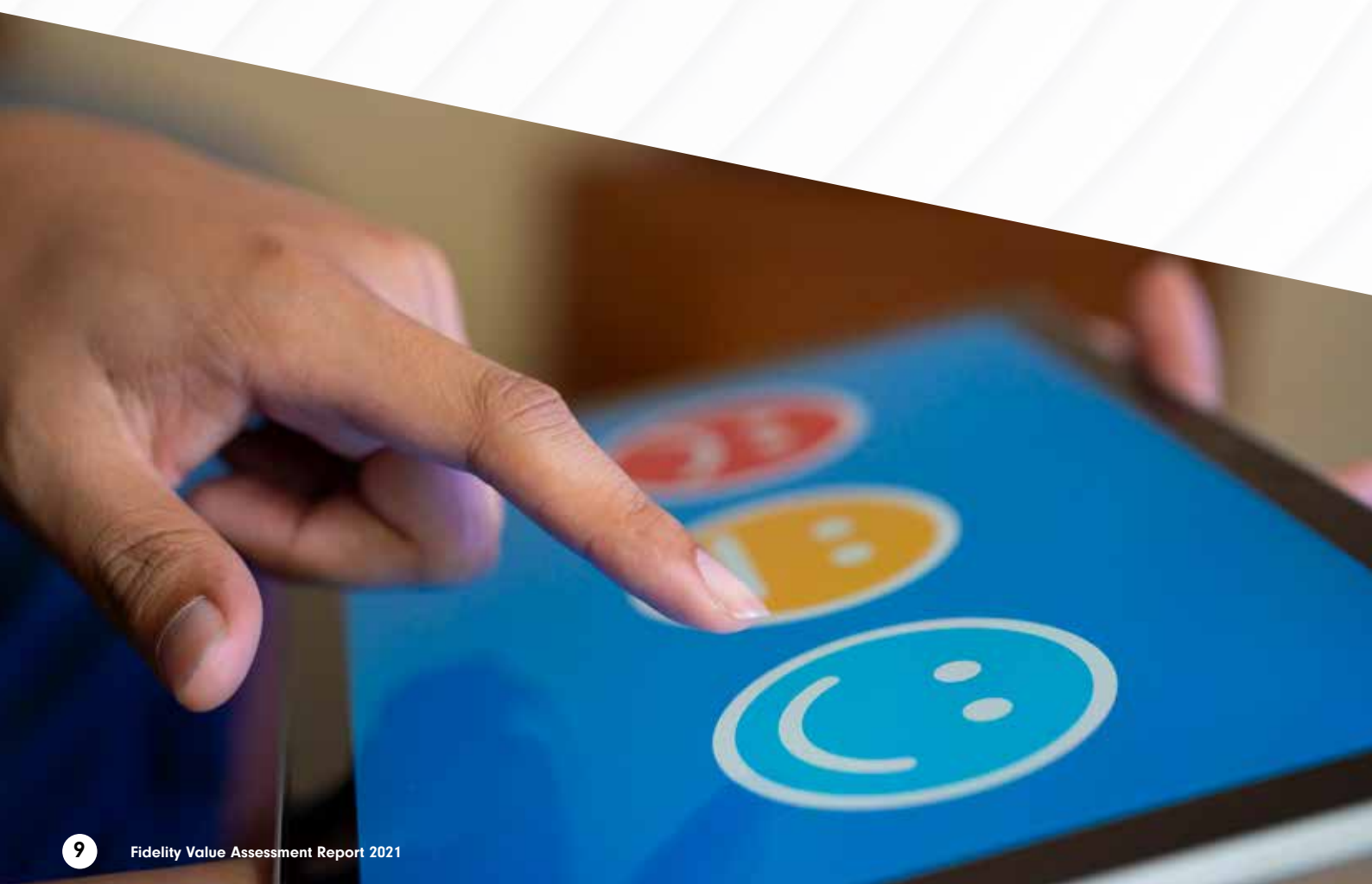
These include carrying out investment research, managing portfolios, sustainable investing, trade execution, risk management and compliance.

OPERATIONAL SERVICES

These support the administration of the funds, including fund accounting, custody, transfer agency, technology, third-party oversight and governance.

DISTRIBUTION SERVICES

These support our clients and distributors, including issuing fund documents digital information and managing complaints



How did we do?

Investment Management

Our investors benefit from the management company's investment management expertise and its global infrastructure and scale.

Our portfolio management and research professionals have the advantage of our global reach and local positioning. The team of trading specialists provide valuable insights into the markets and we operate within established risk management and governance practices.

We believe that investing in companies with high standards of corporate responsibility can help protect and increase investment returns for our clients. As part of our commitment to integrating Environmental, social and governance (ESG) considerations in our investment process, we have continued to build out both a range of sustainable funds based on an engagement and exclusion model and we use a proprietary ESG scoring system which is based on fundamental research and a structured and thematic approach to engagement with companies we invest in. We have been a signatory to the Principles for Responsible Investment (PRI) since 2012 and have been awarded A+ in all the categories assessed by PRI for the last four years.

In the UK, after winning the prestigious Investment Week Fund Manager of the Year Award – Global Group of the Year 2020. We were again listed as a finalist in the same award in 2021. We have also received numerous awards in individual areas, including: Investment Week Fund Manager of the Year Awards 2021 - Asia Pacific ex Japan for the Fidelity Asia Pacific Opportunities Fund, Investment Week Fund Manager of the Year Awards 2021 - Global Income, for the Fidelity Global Dividend Fund.

Operational services

Investors enjoy a seamless experience when investing in our funds as transfer agency and fund accounting processes are managed in-house, unlike those of many other fund managers. This means we have more control over the way these services are managed, so we can make sure they are more efficient and resilient.

We also have dedicated teams and policies for overseeing services provided by third parties, such as the funds' custodian, information providers and technology companies, so they provide a high level of service at a competitive cost.

Distribution services

We believe fund information should always be clear and easy to access, and we work hard to make sure you understand what you are buying, what the fund should be doing and what services you should receive for the fees paid.

We also have a range of services to educate and inform distributors, so we can provide a better service for investors. In industry surveys, our distribution services rank highly among our competitors, including website services and client engagement.

In summary

Overall, the quality and range of services provide significant value across all stages of the customer journey.

Where we will do more.

We aim to develop and improve services and respond to ever-changing market and client expectations.

We will continue to monitor the quality and range of services it offers and consult our network of distributors on where services can be improved.

Performance

Are funds achieving their performance objectives?

The Assessment looked at how the funds are performing. We looked at each fund's returns after charges to see if they are consistent with its objective, policy and strategy – as well as comparing them with its benchmark or a target objective if it has one. Normally, we do this over one, three and five years, but different time periods may apply based on a fund's objective or if it is less than five years old.

We also looked at how the funds performed compared with similar funds in their Investment Association (IA) sectors.

How did we do?

The funds performed well compared with those of our competitors. Across our range, 60% of actively managed funds were ahead of the median performance of similar companies in their IA sectors (where they have one) over the recommended holding period. And 78% of the active funds outperformed their benchmark or target over the same period.

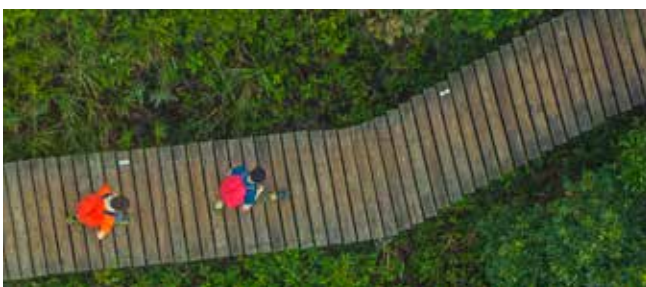
We have reviewed each case where funds underperformed their benchmark and are confident the investment team has sound investment convictions and robust investment processes.

Where we have found funds are not performing as well as we would expect, we have taken action as described in the Fund Pages of this report. Additionally, where a fund has performed exceptionally well against its benchmark, we have examined the reasons for this as well to ensure that the fund is not taking excessive risk in search of the strong performance.

The figures above do not include funds which have not existed for the full term of their recommended holding period. We provide Information on the performance to date for these funds in the fund pages of this report (if the information is available).

In summary

We are delivering competitive fund returns for clients on a wide range of investment solutions. You can be confident that we are managing your funds to deliver the outcomes you expect..



Where we will do more.

In the rare cases where we have found sustained underperformance to be an issue, the Board and relevant heads of investment and portfolio managers have looked closely at the funds and identified actions we need to take.

AFM costs

How are costs controlled to improve value for investors?

When considering this question, we looked at costs relating to services we provide and those provided by third parties, such as the depositary and the external auditors.

Services for which costs were reviewed include the following:

Investment management, including managing portfolios, Sustainable Investing, trade execution, risk management, compliance and distribution	Fund administration (pricing the funds correctly)	Client service, such as maintaining your accounts, making sure you have the correct number of units, answering your enquiries, providing you with factsheets
	Asset safekeeping	
	Oversight and audit services	

How did we do?

We have tight controls around cost management, including a budgeting process that monitors all of the Management Company's costs. We aim to improve the efficiency of processes through regular review and, where possible, increasing our use of automation. We also maintain a work environment that attracts, motivates and keeps employees over the longer term, and reviews employment costs against the market.

We follow a global procurement and supplier management policy and engages productively with service providers to achieve a high level of service and cost control and make the most of our global scale. This often includes comparing our service costs and capabilities against those of other service providers.

The Board has reviewed the costs of managing the Funds and the measures in place to control these costs and is satisfied that we are achieving good value.

In summary

We have extensive and effective cost controls, which allow us to price funds competitively without compromising on the high-quality services you expect from us.

Where we will do more.

Managing costs effectively is incredibly important, so we will continue managing costs to allow us to maintain competitively priced services.

Economies of scale

Do the funds provide economies of scale?

We reviewed the range of services and considered how costs change with the size of the fund. We also looked at how the assets managed by the Management Company have grown over time and considered where investors benefit from the 'buying power' we have as a large-scale firm.

Finally, we considered how the Management Company is able to provide a better service as a result of being part of Fidelity International, a global investment group.

How did we do?

Over the past five years, during a time when most funds have grown in size, fees on the majority of our funds have reduced.

Our global scale and buying power allows our pricing to be competitive. Across all our Open-Ended Investment Companies (OEICs), on average the funds are priced lower than other funds in their sector as has been shown by our regular fee reviews against competitors.

Being part of a large global investment group means that as well as the funds benefitting from the better rates we negotiate with our service providers, the portfolio managers are supported by our investment in robust global infrastructure and research.

The Investment Management Charge is the largest component of the Ongoing Charges Figure (OCF) and for most share classes, these fees are applied as a fixed percentage of the assets in the share class.

You benefit from economies of scale in relation to other charges included in the OCF, but these can be relatively small benefits. For example, audit fees and custody fees become proportionately smaller as the size of a fund increases.

In summary

The Management Company and the majority of individual funds have achieved Partial Economies of Scale. You have benefitted from more competitive fees and improvements in the quality and range of services offered

Where we will do more.

We will continue to review fees, services and costs, as the size of the funds and the Management Company changes, so you can benefit from the savings and breadth of resources that are generated by the scale of our business.

Comparable market rates

How do the fees compare with competitors?

To review our fees against those of our competitors, we compared the Ongoing Charges Figure (OCF), as this is a consistent measure set by the Regulator and is the figure used in our factsheets and Key Investor Information Documents (KIIDs). The OCF includes the following components:

- The **Registrar Fee** which relates to maintaining the shareholder register and acting as the transfer agent. It is a fixed percentage of the assets in a share class.
- The **Service Fee** which covers administration services, such as fund accounting and auditing.
- The **Investment Management Charge** which covers the cost of providing services such as managing portfolios, research, trade execution and related operational and risk services.

We looked at all our actively managed funds and compared our OCFs with the OCFs of other actively managed funds in the same IA Sector. If the fund was not represented in an IA sector, we used the Morningstar equivalent, where possible. We used the equivalent approach for index (also known as passive) funds. So, both active and index funds are compared against those of our competitors on a like-for-like basis.

We recognise that cost should not be considered in isolation but should be reviewed alongside the services and performance objectives of the funds (which are assessed after fees have been taken out).

How did we do?

On average, Fidelity's funds are priced lower than the average of peers in their sectors. Each fund's charges are reviewed in the respective Fund Pages later in this Report.

In summary

Across all our OEICs, 67% of funds are priced the same or lower than the average price of similar funds in their sectors (where they have one). Other funds are close to the sector median pricing or provide particular benefits and extra value for investors.

Where we will do more.

We will continue to be very active in reviewing our pricing against that of our competitors based on the level of services provided. Where funds are higher than the median price of their respective sectors, they have been further examined, taking into account the costs of running the funds, the range and quality of services and their investment objectives and performance.

Comparable services

How do charges compare with those on similar Fidelity funds or mandates?

We think it is essential that we act in the best interests of all investors without unfairly benefitting one investor type to the detriment of another. We compared fund pricing between similar Fidelity funds domiciled in the UK and similar non-UK funds. We also compared funds against comparable investment mandates we manage for institutional clients (“segregated mandates”).

How did we do?

We follow a global pricing policy and governance process when setting fees for funds and segregated mandates. This approach aims to make sure clients are treated fairly and fees for similar services are consistent for all our clients.

The Value Assessment confirmed that, where we provide similar services to other funds and clients, these services are comparably priced. In short, the fee levels are consistent and provide good value for money.

In summary

We offer funds that are priced both competitively and fairly. There is strong governance over pricing to make sure all our clients are charged consistently for similar services.

Where we will do more

If we find inconsistencies in fees, we will carry out a pricing review on the affected funds.



Classes of units

Are there cheaper share classes available than the one you are in?

To consider this question, we reviewed the share classes we offer within our funds. Each has specific eligibility criteria and minimum investment amounts, so the benefits you receive are matched to your needs.

How did we do?

Fidelity has demonstrated its commitment to ensuring you are in the right share class for the services you receive and to maintaining a straightforward share class offering across the fund range.

In summary

For years we have been working hard to make sure that clients are in the cheapest class available to them and that the available share classes remain suitable for clients and represent good value for money.

Where we will do more

We will continue working hard to make sure you are paying the most suitable rates for you. We will give you regular updates on how best to achieve this. We would also urge you to contact your financial intermediary or your usual Fidelity contact if you believe that there may be a more suitable share class available to you.

Glossary

Absolute return

Absolute return is the return that a Fund or asset achieves over a specified period. Absolute return differs from relative return (the return compared to the benchmark) because it is concerned with the return of a particular asset and does not compare it with the return against the benchmark.

Active fund

See 'Active management'.

Active management

Active management is when a manager uses analytical research, forecasts and their own judgement and experience to make investment decisions to achieve a specific result.

Annualised return

Unless we tell you otherwise, annualised returns in this Report are calculated "arithmetically" and do not consider the effect of compounding returns. In certain cases, where stated, a "geometrically" calculated annualised return may be shown, which takes compounding into account.

Asset class

An asset class is a group of investments with similar characteristics (such as equities), which are governed by similar or the same laws and regulations.

Assets under management (AUM)

The total value of investments held within a portfolio.

Authorised Fund Manager (AFM)

The Authorised Fund Manager is responsible for the overall management of the Fund. The AFM must act in the best interests of the client and make sure the Scheme is run well.

Basis points (BPS)

Basis points are a way of expressing the fractions of a percentage as a whole number. For example, 0.25% is 25 basis points (25bps) and 1.0% is 100 basis points (100 bps).

Benchmark

A suitable reference, such as a market index, that can be used to measure the performance of a fund or the risks relating to it.

Board

The Board of FIL Investment Services (UK) Limited.

Chief Investment Officer (CIO)

Chief Investment Officer is the most senior person on Fidelity's equity and fixed income investment teams and is responsible for overseeing how we manage portfolios. The CIO is involved in regular reviews of investment strategies,

including performance and risk. For the Solutions and Multi Asset funds, given the team's broader investment universe and remit, this function is carried out by the Global Head of Solutions and Multi Asset, supported by Heads of Multi Asset Investment Management in Europe and Asia respectively. To keep things simple, in this document, we refer to, the head of the CIO function for an asset class is the CIO for the asset class.

Credit

The credit market refers to the market through which companies and governments issue debt securities to investors, such as investment-grade bonds and corporate bonds. Issuing debt securities is how governments and companies raise capital. A bond is a debt instrument where a company borrows money now while paying the lender (investor) interest (coupon) until they pay back the debt principal (the amount borrowed) at maturity

Domicile

The domicile is the country in which a fund is legally based. A fund's domicile also determines the fund's primary primary regulator. For UK-domiciled funds, this is the Financial Conduct Authority (FCA).

Drawdowns

This is the measure of the decline in performance of the Fund from the historical peak of performance.

Financial Conduct Authority (FCA) The Financial Conduct Authority is the UK's Financial Regulator.

Funds

For the purpose of this document, the funds are those listed in the fund pages of this report, managed by FIL Investment Services (UK) Ltd.

Independent non-executive directors (INEDs)

An independent non-executive director is an external director who is part of the Board but is not a member of the Management Company's executive management team. INEDs are not employees of the Management Company or connected to it in any other way.

Investment Association

The Investment Association is the trade body and industry voice for UK investment managers.

Investment Association Sector (IA Sector)

Funds are often categorised according to their Investment Association sector. This is a useful way to find and compare funds, for instance when comparing performance and fund charges of similar funds. Which sector a fund is placed in, mostly depends on the fund's assets, such as equities and fixed income, but may also depend on the country it invests in.

Key Investor Information Document (KIID)

The Key Investor Information Document provides investors with important information about a fund, including details about the fund's different share classes and the risks of investing in it.

Management Company

The Management Company is FIL Investment Services (UK) Limited, who is also the AFM of the funds.

Ongoing Charges Figure (OCF)

The OCF represents the charges taken from a fund over a year. It is calculated at the end of the fund's financial year and may vary from year to year. For classes of funds with fixed ongoing charges, this may not vary from year to year. For new classes of funds or classes which are undergoing corporate actions (for example, changes to the annual management charge), the OCF is estimated until the criteria are met for an actual OCF to be published.

The types of charges included in the OCF are management fees, administration fees, custodian and depositary fees and transaction charges, shareholder reporting costs, regulatory registration fees, Directors fees (where these apply) and bank charges.

The OCF does not include: portfolio transaction costs, except in the case of an entry or exit charge paid by the fund when buying or selling units in another collective investment scheme.

The OCFs given in the fund pages of this Report relate to the lowest cost retail share class (where available) or otherwise to the share class that is available to the largest group of investors.

For more information about charges (including details of the fund's financial year end), please see the charges section in the most recent prospectus.

Open-Ended Investment Company (OEIC)

Open-Ended Investment Companies are professionally managed collective investment schemes that pool your money with other investors' money.

Overweight Positions

An overweight portfolio holds a larger amount of a particular security (or holds a larger amount of a particular sector) when compared with the weight of that security (sector) held in the benchmark portfolio.

Passive fund

A passive fund (also known as an index fund) is one that tries to copy the performance of an index.

Peer Group Quartile Ranking

The peer group quartile ranking categorises similar funds into four equal bands based on their performance in specified criteria. The first quartile contains the top 25% of funds and the fourth quartile contains the bottom 25% of funds.

Percentile

A percentile refers to each of the 100 equal groups into which a population can be divided. This report includes details on what percentile a fund's OCF is compared with those of similar funds in its sector. For example, a percentile of 80 shows that a fund's OCF is lower than 80 percent of those similar funds in the sector.

Portfolio Manager

A portfolio manager is a person (or team) who is responsible for investing a fund's assets in-line with the investment strategy.

Segregated mandate

A segregated mandate is an investment portfolio that is managed on behalf of an institutional investor.

Share class

Share classes are different categories of shares in the same fund. They share the same investment objective and policies, but the fees and investment minimums may be different, and they may be restricted to particular types of investor, such as institutions.

Short Dated Sterling Credit

Bonds with a short period left to repayment. Generally five years or less

Underweight Portfolio

An underweight portfolio holds a smaller value of a particular security (or holds a smaller value of a particular sector) when compared with the weight of that security (sector) held in the benchmark portfolio.

Value Investing

Value investing is an investment strategy that involves picking stocks that appear to be trading for less than their true or reasonable value. Value investors actively research stocks they think the stock market is underestimating in terms of their future potential and so should have a price that is higher than the price they are currently trading at.

Yield

The income from an investment, usually stated as a percentage of the value of the investment.

Fund pages and ratings

Ratings dashboard

We have used a simple rating system to summarise the results for each fund in the seven areas covered by the Value Assessment. These results are explained in more detail in the respective Fund Pages, as are any actions being taken to improve value.

- Green Demonstrating good value.
- Amber Demonstrating satisfactory value. We are making improvements where we can.
- Red Value has not been consistently demonstrated.

Fund	Page	Quality of Service	Performance	AFM Costs	Economies of Scale	Comparable Market Rates	Comparable Services	Classes of Units	Overall Assessment
Fidelity Investment Funds III									
Fidelity Diversified Growth Fund	21	●	●	●	●	●	N/A	●	Good Value
Fidelity Diversified Markets Fund	22	●	●	●	●	N/A	N/A	●	Good value, however areas of improvement have been identified
Fidelity Institutional Diversified Income Fund	23	●	N/A	●	●	●	●	●	Good Value
Fidelity Institutional Funds									
Fidelity America Fund	25	●	●	●	●	●	N/A	●	Value not Demonstrated
Fidelity Sterling Core Plus Bond Fund	26	●	●	●	●	●	N/A	●	Good Value
Fidelity Emerging Markets Fund	27	●	●	●	●	●	●	●	Good Value
Fidelity Europe (ex-UK) Fund	28	●	●	●	●	●	●	●	Good Value
Fidelity Global Focus Fund	29	●	●	●	●	●	●	●	Good Value
Fidelity Index-Linked Bond Fund	30	●	●	●	●	●	N/A	●	Good Value
Fidelity Japan Fund	31	●	●	●	●	●	N/A	●	Good Value
Fidelity Long Bond Fund	32	●	●	●	●	●	N/A	●	Good Value
Fidelity Pacific (ex-Japan) Fund	33	●	●	●	●	●	N/A	●	Value not Demonstrated
Fidelity Select Emerging Markets Equities Fund	34	●	●	●	●	●	●	●	Good value, however areas of improvement have been identified
Fidelity South East Asia Fund	35	●	●	●	●	●	N/A	●	Good value, however areas of improvement have been identified
Fidelity UK Fund	36	●	●	●	●	●	N/A	●	Good Value
Fidelity UK Aggregate Bond Fund	37	●	●	●	●	●	N/A	●	Good Value
Fidelity Sterling Corporate Bond Fund	38	●	●	●	●	●	N/A	●	Good Value
Fidelity UK Gilt Fund	39	●	●	●	●	●	N/A	●	Good Value
Fidelity Long Dated Sterling Corporate Bond Fund	40	●	●	●	●	●	●	●	Good Value
Fidelity Pre-Retirement Bond Fund	41	●	●	●	●	●	N/A	●	Good Value
Fidelity UK Real Estate Fund									
Fidelity UK Real Estate Fund	43	●	●	●	●	●	N/A	●	Good Value

Improving value for money

Where we have identified areas where value for money can be improved, the actions we are taking are detailed in the respective Fund Pages of the Report.

Where can I find out more?

If you would like to find out more about this Report or anything we cover in it, please contact your financial intermediary or your usual Fidelity contact.



Fidelity Investment Funds III

Fidelity Diversified Growth Fund

Our Assessment: The fund represents good value for investors.

Quality of Services

Across all stages of the customer journey, Fidelity provides the quality and range of services you expect from a highly regarded global provider of investment solutions.

Performance

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%pa.

	1 year	3 Years	5 Years	5 Year Volatility
Fidelity Diversified Growth Fund	8.95	3.22	4.60	7.85
Benchmark	–	–	–	

Benchmark: SONIA (Sterling Overnight Index Average) Index ('the SONIA Index') +5%

The value of the fund has increased over its recommended holding period. The fund did this with lower volatility than its objective.

AFM Costs

The costs of administering the fund are appropriately monitored and controlled to help keep charges down, while maintaining a high level of service.

Economies of Scale

The fund's assets under management have fallen over the past five years so we have not been able to realise further economies of scale during this time. However, the fund's fees are already competitive compared with those of its peers.

Comparable Market Rates

We compared fees against those on similar funds offered by competitors and confirmed the fund is priced lower than the sector average.

	Sector	Peer group percentile	OCF		Difference
			Fund	Sector Median	
Fidelity Diversified Growth Fund	GBP Flexible Allocation	80	0.69%	1.01%	-0.32%

N/A Comparable Services

At the time of the assessment there were no comparable Fidelity funds or segregated mandates for individual clients.

Classes of Units

There are no cheaper share classes, with similar rights and services, to the one you are in.

Fidelity Diversified Markets Fund

Our Assessment: The fund represents good value for investors. However, areas of improvement have been identified.

Quality of Services

Across all stages of the customer journey, Fidelity provides the quality and range of services you expect from a highly regarded global provider of investment solutions.

Performance

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%pa.

	1 year	3 Years	5 Years	5 Year Volatility
Fidelity Diversified Markets Fund	9.08	3.12	4.72	8.14
Benchmark	3.05	3.42	3.37	

Benchmark: SONIA (Sterling Overnight Index Average) Index ('the SONIA Index') +3%

The fund's volatility has been higher than its annualised target but this is a result of increased market volatility caused by the pandemic related market correction. Until the market correction, the Fund's volatility was significantly lower than the upper band of the objective. We remain confident in the investment strategy and the Portfolio Manager's investment convictions.

AFM Costs

The costs of administering the fund are appropriately monitored and controlled to help keep charges down, while maintaining a high level of service.

Economies of Scale

We have not been able to realise Economies of Scale over this period.

N/A Comparable Market Rates

This fund is not categorised within an IA Sector or a Morningstar peer group, so we are unable to make a fee comparison.

N/A Comparable Services

At the time of the assessment there were no comparable Fidelity funds or segregated mandates for individual clients.

Classes of Units

There are no cheaper share classes, with similar rights and services, to the one you are in.

Fidelity Institutional Diversified Income Fund

Our Assessment: At the date of the assessment, the age of the fund was less than the recommended holding period. However, on the information to date, the fund has demonstrated good value for investors.

Quality of Services

Across all stages of the customer journey, Fidelity provides the quality and range of services you expect from a highly regarded global provider of investment solutions.

N/A Performance

Investment Objective: The fund aims to achieve an income yield that is above 4% per annum over a typical market cycle (5-7 years).

	1 year	3 Years	5 Years	12 Month Yield
Fidelity Institutional Diversified Income	9.55	n/a	n/a	4.04

Benchmark: This Fund has no benchmark for performance comparison.

At the date of this assessment, the age of the fund was less than its recommended holding period so we are unable to fully assess performance at this time. However, the Board regularly reviews performance to monitor that the fund remains on track against its objectives.

AFM Costs

The costs of administering the fund are appropriately monitored and controlled to help keep charges down, while maintaining a high level of service.

Economies of Scale

We have not been able to realise Economies of Scale over this period.

Comparable Market Rates

We compared fees against those on similar funds offered by competitors and confirmed the fund is priced lower than the sector average.

	Sector	Peer group percentile	OCF		Difference
			Fund	Sector Median	
Fidelity Diversified Income Fund	GBP Moderate Allocation	78	0.64%	0.96%	-0.32%

Comparable Services

Where Fidelity provides similar investment strategies for other UK domiciled and non-UK domiciled funds, or segregated mandates for individual clients, the services are comparably priced.

Classes of Units

There are no cheaper share classes, with similar rights and services, to the one you are in.

A man in a dark suit and white shirt is walking down a wide, modern concrete staircase. The staircase has a simple metal handrail. The background is a plain, light-colored wall. The overall tone is professional and minimalist.

Fidelity Institutional Funds

Fidelity America Fund

Our Assessment: The fund has not consistently demonstrated good value for investors. To improve this situation, the Board intends to investigate further the reasons for the Fund failing and recommend remedial actions.

Quality of Services

Across all stages of the customer journey, Fidelity provides the quality and range of services you expect from a highly regarded global provider of investment solutions.

Performance

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

	1 year	3 Years	5 Years	3 Year Volatility	3 Year Maximum Drawdown
Fidelity America Fund	23.64	12.99	13.33	14.94	-16.98
Benchmark	25.64	16.57	16.54	18.07	-23.79
Peer Group	4	3	4		

Benchmark: S&P 500 (NUK) Index

The fund has met its investment objective but underperformed its benchmark over the time periods shown.

The reasons for the underperformance have been examined by the Portfolio Manager, the Chief Investment Officer for the asset class and the Board and are as a result of the value / growth dynamic within the portfolio as well as some manager changes within the underlying strategies. The Board will be conducting additional oversight of the Portfolio Manager and performance in the future.

AFM Costs

The costs of administering the fund are appropriately monitored and controlled to help keep charges down, while maintaining a high level of service.

Economies of Scale

The fund's assets under management have fallen over the past five years so we have not been able to realise further economies of scale during this time. However, the fund's fees are already competitive compared with those of its peers.

Comparable Market Rates

We compared fees against those on similar funds offered by competitors and confirmed the fund is priced higher than the sector average which we think is reasonable for this fund.

	IA Sector	Peer group percentile	OCF		Difference
			Fund	Sector Median	
Fidelity America Fund	IA North America	41	0.89%	0.87%	0.02%

N/A Comparable Services

At the time of the assessment there were no comparable Fidelity funds or segregated mandates for individual clients.

Classes of Units

There are no cheaper share classes, with similar rights and services, to the one you are in.

Fidelity Sterling Core Plus Bond Fund

Our Assessment: The fund represents good value for investors.

Quality of Services

Across all stages of the customer journey, Fidelity provides the quality and range of services you expect from a highly regarded global provider of investment solutions.

Performance

Investment Objective: The fund aims to deliver an income with the potential to increase the value of your investment.

	1 year	3 Years	5 Years	3 Year Volatility	3 Year Maximum Drawdown
Fidelity Sterling Core Plus Fund	-2.54	6.68	5.28	11.21	-10.85
Benchmark	-5.41	6.09	4.64	13.60	-14.66

Benchmark: 50% ICE Bank of America Merrill Lynch 15+ Year UK Gilt Index and 50% ICE Bank of America Merrill Lynch 15+ Year Sterling Non-Gilt Index

The fund has met its investment objective and consistently outperformed its benchmark.

AFM Costs

The costs of administering the fund are appropriately monitored and controlled to help keep charges down, while maintaining a high level of service.

Economies of Scale

The fund's OCF has increased over the past five years, even though its assets under management have also risen. However, the fund's fees are already competitive compared with those of its peers.

Comparable Market Rates

We compared fees against those on similar funds offered by competitors and confirmed the fund is priced lower than the sector average.

	Sector	Peer group percentile	OCF		Difference
			Fund	Sector Median	
Fidelity Sterling Core Plus Bond Fund	Global Bond GBP Hedged	78	0.49%	0.60%	-0.11%

N/A Comparable Services

At the time of the assessment there were no comparable Fidelity funds or segregated mandates for individual clients.

Classes of Units

There are no cheaper share classes, with similar rights and services, to the one you are in.

Fidelity Emerging Markets Fund

Our Assessment: The fund represents good value for investors.

Quality of Services

Across all stages of the customer journey, Fidelity provides the quality and range of services you expect from a highly regarded global provider of investment solutions.

Performance

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

	1 year	3 Years	5 Years	3 Year Volatility	3 Year Maximum Drawdown
Fidelity Emerging Markets Fund	21.82	12.97	13.33	15.87	-15.53
Benchmark	21.79	9.38	11.36	19.00	-27.59

Benchmark: MSCI Emerging Markets (Net Total Return) Index

The fund has met its investment objective and consistently outperformed its benchmark.

AFM Costs

The costs of administering the fund are appropriately monitored and controlled to help keep charges down, while maintaining a high level of service.

Economies of Scale

The fund has benefited from economies of scale which have been passed on to investors. How Fidelity achieves these is explained in the earlier Economies of Scale Section.

Comparable Market Rates

We compared fees against those on similar funds offered by competitors and confirmed the fund is priced lower than the sector average.

	IA Sector	Peer group percentile	OCF		Difference
			Fund	Sector Median	
Fidelity Emerging Markets Fund	IA Global Emerging Markets	61	0.97%	1.05%	-0.08%

Comparable Services

Where Fidelity provides similar investment strategies for other UK domiciled and non-UK domiciled funds, or segregated mandates for individual clients, the services are comparably priced.

Classes of Units

We are currently reviewing the share classes of this fund to ensure that all investors are in the most suitable share class. If you have any questions about the suitability of your share class, please contact your financial intermediary or your usual Fidelity contact.

Fidelity Europe (ex-UK) Fund

Our Assessment: The fund represents good value for investors.

Quality of Services

Across all stages of the customer journey, Fidelity provides the quality and range of services you expect from a highly regarded global provider of investment solutions.

Performance

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

	1 year	3 Years	5 Years	3 Year Volatility	3 Year Maximum Drawdown
Fidelity Europe (ex-UK) Fund	21.82	12.97	13.33	15.87	-15.53
Benchmark	21.79	9.38	11.36	19.00	-27.59

Benchmark: MSCI Europe ex UK (Net Total Return) Index

The fund has met its investment objective and consistently outperformed its benchmark.

AFM Costs

The costs of administering the fund are appropriately monitored and controlled to help keep charges down, while maintaining a high level of service.

Economies of Scale

The fund's assets under management have fallen over the past five years so we have not been able to realise further economies of scale during this time.

Comparable Market Rates

We compared fees against those on similar funds offered by competitors and the fund is priced marginally higher than the sector average, which we think is reasonable for this fund.

	IA Sector	Peer group percentile	OCF		Difference
			Fund	Sector Median	
Fidelity Europe (ex-UK) Fund	Europe ex UK Equity	36	0.91%	0.87%	0.04%

Comparable Services

Where Fidelity provides similar investment strategies for other UK domiciled and non-UK domiciled funds, or segregated mandates for individual clients, the services are comparably priced.

Classes of Units

There are no cheaper share classes, with similar rights and services, to the one you are in.

Fidelity Global Focus Fund

Our Assessment: The fund represents good value for investors.

Quality of Services

Across all stages of the customer journey, Fidelity provides the quality and range of services you expect from a highly regarded global provider of investment solutions.

Performance

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

	1 year	3 Years	5 Years	3 Year Volatility	3 Year Maximum Drawdown
Fidelity Institutional Global Focus Fund	28.56	15.25	17.01	14.45	-14.82
Benchmark	24.56	12.86	13.89	16.45	-23.40
Peer Group	2	2	1		

Benchmark: MSCI All Country World (Net Total Return) Index

The fund has met its investment objective and consistently outperformed its benchmark.

AFM Costs

The costs of administering the fund are appropriately monitored and controlled to help keep charges down, while maintaining a high level of service.

Economies of Scale

The fund has provided Economies of Scale which have been passed back to the investor. How Fidelity achieves these is explained in the earlier section on Economies of Scale.

Comparable Market Rates

We compared fees against those on similar funds offered by competitors and confirmed the fund is priced lower than the sector average.

	IA Sector	Peer group percentile	OCF		Difference
			Fund	Sector Median	
Fidelity Global Focus Fund	IA Global	51	0.92%	0.93%	-0.01%

Comparable Services

Where Fidelity provides similar investment strategies for other UK domiciled and non-UK domiciled funds, or segregated mandates for individual clients, the services are comparably priced.

Classes of Units

There are no cheaper share classes, with similar rights and services, to the one you are in.

Fidelity Index-Linked Bond Fund

Our Assessment: The fund represents good value for investors.

Quality of Services

Across all stages of the customer journey, Fidelity provides the quality and range of services you expect from a highly regarded global provider of investment solutions.

Performance

Investment Objective: The fund aims to deliver an income with the potential to increase the value of your investment.

	1 year	3 Years	5 Years	3 Year Volatility	3 Year Maximum Drawdown
Fidelity Index-Linked Bond Fund	-4.85	5.27	5.03	12.56	-11.90
Benchmark	-4.44	5.28	4.97	16.44	-19.50

Benchmark: FTSE Actuaries UK Index-Linked over 5 Years Index

The fund has met its investment objective and performed as we would expect with returns above the benchmark for the recommended holding period.

AFM Costs

The costs of administering the fund are appropriately monitored and controlled to help keep charges down, while maintaining a high level of service.

Economies of Scale

The fund's assets under management have fallen over the past five years so we have not been able to realise further economies of scale during this time. However, the fund's fees are already competitive compared with those of its peers.

Comparable Market Rates

We looked at the fees on similar funds offered by competitors and confirmed that the fund's fees are equal to the sector average.

	Sector	Peer group percentile	OCF		Difference
			Fund	Sector Median	
Fidelity Index-Linked Bond Fund	GBP Inflation Linked Bond	50	0.33%	0.33%	0.00%

N/A Comparable Services

At the time of the assessment there were no comparable Fidelity funds or segregated mandates for individual clients.

Classes of Units

There are no cheaper share classes, with similar rights and services, to the one you are in.

Fidelity Japan Fund

Our Assessment: The fund represents good value for investors.

Quality of Services

Across all stages of the customer journey, Fidelity provides the quality and range of services you expect from a highly regarded global provider of investment solutions.

Performance

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

	1 year	3 Years	5 Years	3 Year Volatility	3 Year Maximum Drawdown
Fidelity Japan Fund	13.69	8.46	12.50	16.26	-17.79
Benchmark	10.35	4.33	8.89	14.72	-18.08
Peer Group	2	1	1		

Benchmark: TOPIX (Net Total Return) Index

The fund has met its investment objective and consistently outperformed its benchmark.

AFM Costs

The costs of administering the fund are appropriately monitored and controlled to help keep charges down, while maintaining a high level of service.

Economies of Scale

The fund's assets under management have fallen over the past five years so we have not been able to realise further economies of scale during this time.

Comparable Market Rates

We compared fees against those on similar funds offered by competitors and confirmed the fund is priced marginally higher than the sector average which we think is reasonable for this fund.

	IA Sector	Peer group percentile	OCF		Difference
			Fund	Sector Median	
Fidelity Japan Fund	IA Japan	39	0.91%	0.90%	0.01%

N/A Comparable Services

At the time of the assessment there were no comparable Fidelity funds or segregated mandates for individual clients.

Classes of Units

There are no cheaper share classes, with similar rights and services, to the one you are in.

Fidelity Long Bond Fund

Our Assessment: The fund represents good value for investors.

Quality of Services

Across all stages of the customer journey, Fidelity provides the quality and range of services you expect from a highly regarded global provider of investment solutions.

Performance

Investment Objective: The fund aims to deliver an income with the potential to increase the value of your investment.

	1 year	3 Years	5 Years	3 Year Volatility	3 Year Maximum Drawdown
Fidelity Long Bond Fund	-10.11	5.05	3.75	12.23	-13.79
Benchmark	-10.91	4.57	3.11	14.66	-15.75

Benchmark: FTSE Actuaries UK Gilts All Stocks Over 15 Years Index

The fund has met its investment objective and consistently outperformed its benchmark.

AFM Costs

The costs of administering the fund are appropriately monitored and controlled to help keep charges down, while maintaining a high level of service.

Economies of Scale

The fund's assets under management have fallen over the past five years so we have not been able to realise further economies of scale during this time. However, the fund's fees are already competitive compared with those of its peers.

Comparable Market Rates

We compared fees against those on similar funds offered by competitors and confirmed the fund is priced lower than the sector average.

	Sector	Peer group percentile	OCF		Difference
			Fund	Sector Median	
Fidelity Long Bond Fund	GBP Diversified Bond	81	0.33%	0.55%	-0.22%

N/A Comparable Services

At the time of the assessment there were no comparable Fidelity funds or segregated mandates for individual clients.

Classes of Units

There are no cheaper share classes, with similar rights and services, to the one you are in.

Fidelity Pacific (ex-Japan) Fund

Our Assessment: The fund has not demonstrated good value for investors. Please note that this Fund Closed in September 2021

Quality of Services

Across all stages of the customer journey, Fidelity provides the quality and range of services you expect from a highly regarded global provider of investment solutions.

Performance

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

	1 year	3 Years	5 Years	3 Year Volatility	3 Year Maximum Drawdown
Fidelity Pacific (ex-Japan) Fund	10.90	2.53	7.78	16.42	-26.01
Benchmark	20.02	6.22	9.22	15.48	-27.98
Peer Group	4	4	4		

Benchmark: MSCI Pacific ex Japan (Net Total Return) Index

The fund has met its investment objective but underperformed its benchmark over the time periods shown.

The reasons for underperformance have been examined by the Portfolio Manager, the Chief Investment Officer for the asset class and the Board. Due to the size of the Fund, its future prospects as part of the Fidelity range of funds and the performance, this fund closed in September 2021.

AFM Costs

The costs of administering the fund are appropriately monitored and controlled to help keep charges down, while maintaining a high level of service.

Economies of Scale

The fund's assets under management have fallen over the past five years so we have not been able to realise further economies of scale during this time.

Comparable Market Rates

We compared fees against those on similar funds offered by competitors and confirmed the fund is priced higher than the sector average.

	IA Sector	Peer group percentile	OCF		Difference
			Fund	Sector Median	
Fidelity Pacific (ex-Japan) Fund	IA Asia Pacific Excluding Japan	33	1.04%	0.95%	0.09%

N/A Comparable Services

At the time of the assessment there were no comparable Fidelity funds or segregated mandates for individual clients.

Classes of Units

There are no cheaper share classes, with similar rights and services, to the one you are in.

Fidelity Select Emerging Markets Equities Fund

Our Assessment: The fund represents good value for investors. However, areas of improvement have been identified.

Quality of Services

Across all stages of the customer journey, Fidelity provides the quality and range of services you expect from a highly regarded global provider of investment solutions.

Performance

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

	1 year	3 Years	5 Years	3 Year Volatility	3 Year Maximum Drawdown
Fidelity Institutional Select Emerging Markets Equity Fund	27.03	11.08	14.01	16.30	-18.70
Benchmark	26.03	9.51	12.16	17.29	-23.52

Benchmark: MSCI Emerging Markets (Net Total Return) Index

The fund has met its investment objective and consistently outperformed its benchmark.

AFM Costs

The costs of administering the fund are appropriately monitored and controlled to help keep charges down, while maintaining a high level of service.

Economies of Scale

The fund has been unable to achieve any Economies of Scale for clients

Comparable Market Rates

We compared fees against those on similar funds offered by competitors and the fund is priced higher than the sector average.

	IA Sector	Peer group percentile	OCF		Difference
			Fund	Sector Median	
Fidelity Select Emerging Markets Equities Fund	Global Emerging Markets Equity	21	1.17%	1.01%	0.17%

Comparable Services

Where Fidelity provides similar investment strategies for other UK domiciled and non-UK domiciled funds, or segregated mandates for individual clients, the services are comparably priced.

Classes of Units

Where Fidelity provides similar investment strategies for other UK domiciled and non-UK domiciled funds, or segregated mandates for individual clients, the services were generally comparably priced. Where a pricing anomaly was identified, the reasons for the differences were investigated and actions taken where necessary.

Fidelity South East Asia Fund

Our Assessment: The fund represents good value for investors. However, areas of improvement have been identified.

Quality of Services

Across all stages of the customer journey, Fidelity provides the quality and range of services you expect from a highly regarded global provider of investment solutions.

Performance

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

	1 year	3 Years	5 Years	3 Year Volatility	3 Year Maximum Drawdown
Fidelity South East Asia Fund	17.47	8.49	12.54	13.67	-15.97
Benchmark	24.62	10.03	12.92	15.94	-20.45
Peer Group	4	3	3		

Benchmark: MSCI All Country Asia Pacific ex-Japan (Net Total Return) Index

The fund has met its investment objective but underperformed its benchmark over the time periods shown.

The reasons for underperformance have been examined by the Portfolio Manager, the Chief Investment Officer for the asset class and the Board. The Board will be conducting additional oversight of how the Portfolio Manager targets improved performance in the future.

AFM Costs

The costs of administering the fund are appropriately monitored and controlled to help keep charges down, while maintaining a high level of service.

Economies of Scale

The fund has benefited from economies of scale which have been passed on to investors. How Fidelity achieves these is explained in the earlier Economies of Scale Section.

Comparable Market Rates

We compared fees against those on similar funds offered by competitors and confirmed the fund is priced lower than the sector average.

	IA Sector	Peer group percentile	OCF		Difference
			Fund	Sector Median	
Fidelity South East Asia Fund	IA Asia Pacific Excluding Japan	74	0.95%	1.00%	-0.05%

N/A Comparable Services

At the time of the assessment there were no comparable Fidelity funds or segregated mandates for individual clients.

Classes of Units

There are no cheaper share classes, with similar rights and services, to the one you are in.

Fidelity UK Fund

Our Assessment: The fund represents good value for investors.

Quality of Services

Across all stages of the customer journey, Fidelity provides the quality and range of services you expect from a highly regarded global provider of investment solutions.

Performance

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

	1 year	3 Years	5 Years	3 Year Volatility	3 Year Maximum Drawdown
Fidelity UK Fund	22.54	2.85	6.14	16.84	-25.53
Benchmark	21.45	2.05	6.48	19.75	-34.15
Peer Group	3	3	3		

Benchmark: FTSE All Share Total Return Index

While the fund has underperformed its benchmark for the recommended holding period, the performance relative to benchmark has improved in recent periods. The Portfolio Manager has demonstrated effective active management of the fund and sound investment convictions and the fund has met its investment objective.

AFM Costs

The costs of administering the fund are appropriately monitored and controlled to help keep charges down, while maintaining a high level of service.

Economies of Scale

The fund's assets under management have fallen over the past five years so we have not been able to realise further economies of scale during this time.

Comparable Market Rates

We compared fees against those on similar funds offered by competitors and the fund is priced marginally higher than the sector average, which we think is reasonable for this fund.

	IA Sector	Peer group percentile	OCF		Difference
			Fund	Sector Median	
Fidelity UK Fund	IA UK All Companies	39	0.89%	0.85%	0.04%

N/A Comparable Services

At the time of the assessment there were no comparable Fidelity funds or segregated mandates for individual clients.

Classes of Units

There are no cheaper share classes, with similar rights and services, to the one you are in.

Fidelity UK Aggregate Bond Fund

Our Assessment: The fund represents good value for investors. The Fund will be changing to a Sustainable investment objective shortly.

Quality of Services

Across all stages of the customer journey, Fidelity provides the quality and range of services you expect from a highly regarded global provider of investment solutions.

Performance

Investment Objective: The fund aims to deliver an income with the potential to increase the value of your investment.

	1 year	3 Years	5 Years	3 Year Volatility	3 Year Maximum Drawdown
Fidelity UK Aggregate Bond Fund	-1.20	4.73	4.10	6.03	-6.01
Benchmark	-2.43	4.01	3.09	7.34	-8.21

Benchmark: 50% iBoxx Sterling Non-Gilt Index and 50% iBoxx Sterling Gilts Index

The fund has met its investment objective and consistently outperformed its benchmark.

AFM Costs

The costs of administering the fund are appropriately monitored and controlled to help keep charges down, while maintaining a high level of service.

Economies of Scale

We have not been able to realise economies of scale over this period. However, the fund's fees are already competitive compared to those of its peers

Comparable Market Rates

We compared fees against those on similar funds offered by competitors and confirmed the fund is priced lower than the sector average.

	Sector	Peer group percentile	OCF		Difference
			Fund	Sector Median	
Fidelity UK Aggregate Bond Fund	GBP Diversified Bond	71	0.42%	0.55%	-0.13%

N/A Comparable Services

At the time of the assessment there were no comparable Fidelity funds or segregated mandates for individual clients.

Classes of Units

There are no cheaper share classes, with similar rights and services, to the one you are in.

Fidelity Sterling Corporate Bond Fund

Our Assessment: The fund represents good value for investors.

Quality of Services

Across all stages of the customer journey, Fidelity provides the quality and range of services you expect from a highly regarded global provider of investment solutions.

Performance

Investment Objective: The fund aims to deliver an income with the potential to increase the value of your investment.

	1 year	3 Years	5 Years	3 Year Volatility	3 Year Maximum Drawdown
Fidelity Sterling Corporate Bond Fund	2.68	5.38	4.83	6.25	-6.30
Benchmark	1.84	4.73	3.94	6.60	-9.63
Peer Group	3	2	2		

Benchmark: ICE Bank of America Merrill Lynch Euro-Sterling Index

The fund has met its investment objective and consistently outperformed its benchmark.

AFM Costs

The costs of administering the fund are appropriately monitored and controlled to help keep charges down, while maintaining a high level of service.

Economies of Scale

The fund's assets under management have fallen over the past five years so we have not been able to realise further economies of scale during this time. However, the fund's fees are already competitive compared with those of its peers.

Comparable Market Rates

We compared fees against those on similar funds offered by competitors and confirmed the fund is priced lower than the sector average.

	IA Sector	Peer group percentile	OCF		Difference
			Fund	Sector Median	
Fidelity Sterling Corporate Bond Fund	IA £ Corporate Bond	68	0.43%	0.53%	-0.10%

N/A Comparable Services

At the time of the assessment there were no comparable Fidelity funds or segregated mandates for individual clients.

Classes of Units

There are no cheaper share classes, with similar rights and services, to the one you are in.

Fidelity UK Gilt Fund

Our Assessment: The fund represents good value for investors.

Quality of Services

Across all stages of the customer journey, Fidelity provides the quality and range of services you expect from a highly regarded global provider of investment solutions.

Performance

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

	1 year	3 Years	5 Years	3 Year Volatility	3 Year Maximum Drawdown
Fidelity UK Gilt Fund	-5.25	3.80	2.83	6.88	-8.02
Benchmark	-6.24	3.03	1.92	8.25	-8.72

Benchmark: FTSE Actuaries UK Gilts All Stocks Index

The fund has met its investment objective and consistently outperformed its benchmark.

AFM Costs

The costs of administering the fund are appropriately monitored and controlled to help keep charges down, while maintaining a high level of service.

Economies of Scale

The fund's assets under management have fallen over the past five years so we have not been able to realise further economies of scale during this time. However, the fund's fees are already competitive compared with those of its peers.

Comparable Market Rates

We compared fees against those on similar funds offered by competitors and confirmed the fund is priced lower than the sector average.

	Sector	Peer group percentile	OCF		Difference
			Fund	Sector Median	
Fidelity UK Gilt Fund	GBP Government Bond	95	0.15%	0.35%	-0.20%

N/A Comparable Services

At the time of the assessment there were no comparable Fidelity funds or segregated mandates for individual clients.

Classes of Units

There are no cheaper share classes, with similar rights and services, to the one you are in.

Fidelity Long Dated Sterling Corporate Bond Fund

Our Assessment: The fund represents good value for investors.

Quality of Services

Across all stages of the customer journey, Fidelity provides the quality and range of services you expect from a highly regarded global provider of investment solutions.

Performance

Investment Objective: The fund aims deliver an income with the potential to increase the value of your investment.

	1 year	3 Years	5 Years	3 Year Volatility	3 Year Maximum Drawdown
Fidelity Long Dated Sterling Corporate Bond Fund	1.79	7.21	6.17	10.58	-10.34
Benchmark	0.91	6.95	5.47	11.73	-15.96
Peer Group	4	1	1		

Benchmark: ICE Bank of America Merrill Lynch 10+ Year Euro-Sterling Index

The fund has met its investment objective and consistently outperformed its benchmark.

AFM Costs

The costs of administering the fund are appropriately monitored and controlled to help keep charges down, while maintaining a high level of service.

Economies of Scale

We have not been able to realise economies of scale over this period. However, the fund's fees are already competitive compared to those of its peers.

Comparable Market Rates

We compared fees against those on similar funds offered by competitors and confirmed the fund is priced lower than the sector average.

	IA Sector	Peer group percentile	OCF		Difference
			Fund	Sector Median	
Fidelity Long Dated Sterling Corporate Bond Fund	IA £ Corporate Bond	68	0.43%	0.53%	-0.10%

Comparable Services

Where Fidelity provides similar investment strategies for other UK domiciled and non-UK domiciled funds, or segregated mandates for individual clients, the services are comparably priced.

Classes of Units

There are no cheaper share classes, with similar rights and services, to the one you are in.

Fidelity Pre-Retirement Bond Fund

Our Assessment: The fund represents good value for investors.

Quality of Services

Across all stages of the customer journey, Fidelity provides the quality and range of services you expect from a highly regarded global provider of investment solutions.

Performance

Investment Objective: The fund aims deliver an income and has the potential to increase the value of your investment.

	1 year	3 Years	5 Years	3 Year Volatility	3 Year Maximum Drawdown
Fidelity Pre-Retirement Bond Fund	-2.42	5.15	4.40	6.93	-6.84
Benchmark	-3.32	4.37	3.51	8.39	-9.03

Benchmark: 50% ICE Bank of America Merrill Lynch Sterling Non-Gilt Index and 50% ICE Bank of America Merrill Lynch 5+ Year Gilt Index

The fund has met its investment objective and consistently outperformed its benchmark.

AFM Costs

The costs of administering the fund are appropriately monitored and controlled to help keep charges down, while maintaining a high level of service.

Economies of Scale

The fund has provided economies of scale which have been passed back to the investor. How Fidelity achieves these is explained in the earlier section on Economies of Scale.

Comparable Market Rates

We compared fees against those on similar funds offered by competitors and confirmed the fund is priced lower than the sector average.

	Sector	Peer group percentile	OCF		Difference
			Fund	Sector Median	
Fidelity Pre-Retirement Bond Fund	GBP Diversified Bond	100	0.25%	0.55%	-0.30%

N/A Comparable Services

At the time of the assessment there were no comparable Fidelity funds or segregated mandates for individual clients.

Classes of Units

There are no cheaper share classes, with similar rights and services, to the one you are in.



Fidelity UK Real Estate Fund

Fidelity UK Real Estate Fund

Our Assessment: The fund represents good value for investors.

Quality of Services

Across all stages of the customer journey, Fidelity provides the quality and range of services you expect from a highly regarded global provider of investment solutions.

Performance

Investment Objective: The fund aims to outperform the MSCI UK Property Fund Index – All Balanced Fund Index on a three-year rolling basis.

Annualised Total Return (%)	1 year	3 Years*	Since Inception (June 2008) *
Fidelity UK Real Estate Fund	12.0%	4.6%	6.4%
MSCI UK Property Fund Index – All Balanced Fund Index*	8.5%	3.0%	4.5%
Out/(under) performance of the Fund to Index	3.5%	1.6%	1.9%

Benchmark: MSCI UK Property Fund Index – All Balanced Fund Index

*annualised performance has been calculated on an arithmetic and not a geometric basis (see glossary).

The fund has met its investment objective and consistently outperformed its benchmark.

AFM Costs

The costs of administering the fund are appropriately monitored and controlled to help keep charges down, while maintaining a high level of service.

Economies of Scale

The fund has provided economies of scale which have been passed back to the investor. How Fidelity achieves these is explained in the earlier section on Economies of Scale.

Comparable Market Rates

We compared fees against those on similar funds offered by competitors and confirmed the fund is priced lower than the sector average.

	Sector	OCF		Difference
		Fund	Sector Median	
Fidelity UK Real Estate Fund	Direct Property*	0.92%	1.04%	-0.12%

*Please note whilst the UK Direct Property sector has been utilised for the assessment of comparable market rates, FUREF is neither a constituent of this index nor is this used as a benchmark. Costs and charges data for AREF/IPD UK Property Fund Index – All Balanced Fund Index was not available.

N/A Comparable Services

At the time of the assessment there were no comparable Fidelity funds or segregated mandates for individual clients.

Classes of Units

There are no cheaper share classes, with similar rights and services, to the one you are in.

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The latest fund factsheets and key investor documents are available in English and can be obtained from our website at www.fidelityinternational.com. The relevant Prospectuses may also be obtained from Fidelity. Please note the assets of Fidelity International Real Estate Fund – UK Real Estate Fund were transferred into the Fidelity UK Real Estate Fund with effect from the 1st of October 2016. Any performance track record quoted may therefore reflect both Funds.

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