



**ANAS CHAKRA, PORTFOLIO MANAGER OF FIDELITY'S FAST EUROPE
FUND COMMENTS ON THE OUTLOOK FOR EUROPEAN EQUITIES**

- **Attractive valuations in telecommunications and healthcare**
- **UK and Ireland's ban on shorting UK financial stocks has minimal impact on the Fund**

London, 21 October 2008 – Despite the uncertain economic outlook there are still opportunities to seek absolute value in stock selection and attractive total returns in European equities and their related securities, says **Anas Chakra, portfolio manager of the Fidelity FAST Europe Fund.**

“I am overweight in those areas of the market where I can find genuine value, and where I think that the market is overly pessimistic. A good example is the telecom service sector. Investors are concerned that companies in this sector face challenges in the form of EU regulations and consumers cutting back their spending during a recession. However telecom spending is actually a small and fairly inelastic part of total spending and surveys show that consumers are more likely to cut back on a range of other goods and services first.

“The healthcare sector is also interesting as it has derated over recent years due to increased generic competition and patent expiries on blockbuster drugs. However on closer inspection not all companies are equally challenged on patent expiries. There are some very good companies at attractive valuations that offer high visibility of earnings which is attractive in the current environment. Roche is one of my favoured holdings in the long portfolio as it offers a reliable earning growth profile within a slowing economic environment.

“In terms of shorting opportunities I am finding some attractive candidates in real estate, where I still think stocks are overvalued. Many of these companies have large central costs that used be justified by development profits, but over the next few years this source of profits is likely to be negatively impacted.



“The portfolio overall is still conservatively positioned. I’m only comfortable putting stocks in the portfolio where I think there is a genuine absolute profit and where I’m paid for the risk of owning the stock and rewarded with good risk/reward ratio.”

Like other actively managed Fidelity equity funds, the engine behind the performance of the FAST Europe fund is the group’s stock research. But the manager can also employ additional derivative based leverage and also synthetically short individual stocks, in order to pursue additional sources of return for fund shareholders.

Chakra commented: “The introduction in the UK and Ireland of an outright ban to short financial stocks has a minimal impact on the Fidelity FAST Europe Fund as we had no exposure to these names when the bans were introduced. We see relatively few shorting opportunities in the UK financial sector at present. While this has proved a successful source of short ideas for the fund in the past, the cost of borrowing financial stocks had increased markedly and I am now finding attractive more cost effective, non- consensus short sales in other sectors and geographies.”

The Fidelity FAST Europe Fund is a concentrated portfolio investing primarily in equities of European companies and their related securities, selected through a bottom-up approach. In challenging market conditions, the Fund has continued to meet its brief of generating alpha that exceeds the performance of the underlying market. Since its launch in October 2004 the Funds has delivered an impressive 78.1%, more than 48.5% ahead of its benchmark the MSCI Europe*.

Fidelity International Limited (“FIL”) and its subsidiary companies serve the major markets of the world by providing investment products and services to individuals and institutional investors outside the US. The FIL Organisation manages a total of £129 billion of assets**.

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Notes to editors:

* Cumulative performance Source Morningstar workstation NAV-NAV, gross income re-invested excluding charge in Euros.

**Source: Fidelity as at 30.06.08

Assets as at 30.06.08 are those of FIL.

Reference to specific securities or sectors should not be construed as a recommendation to buy or sell these securities or sectors, but is included for the purposes of illustration only.



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Fidelity Active Strategy (SICAV) (FAST or the 'Fund') is an open-ended investment company established in Luxembourg with different classes of shares. The Fund is registered under Part I of the Luxembourg Law of 20 December 2002 relating to undertakings for collective investment, as amended (the "Law of 2002"). The Articles of Incorporation of the Fund were changed on 11 February 2008 with the effect of re-registering the Fund from Part II of the Law of 2002 to Part I of the Law of 2002 from 22 February 2008. The Fund therefore qualifies as an undertaking for collective investment in transferable securities ('UCITS') and has obtained recognition under the amended EC Council Directive 85/611.

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