

Fidelity Special Situations Pensions Fund

DEFINED CONTRIBUTIONS

FUND OBJECTIVE

The Special Situations Pensions Fund's investment objective is to achieve long-term capital growth from a portfolio primarily made up of the shares of UK companies. The fund will have a blend of investments in larger, medium and smaller-sized companies. The Authorised Corporate Director (ACD) is not restricted in its choice of companies either by size or industry, and will choose stocks largely determined by the availability of attractive investment opportunities. The fund may also invest in other transferable securities, units in collective investment schemes, money market instruments, cash and deposits. Derivatives and forward transactions may also be used for investment purposes.

INVESTMENT APPROACH

The fund manager is a contrarian investor, often preferring to go against the prevailing trend, and is looking for significant valuation anomalies. The stocks he picks generally fall under one or more of the following four "key areas of interest", although this is not an exhaustive list:

- i) Turnarounds or recovery situations - these are companies that historically have performed poorly where there are early signs of improvement. They often involve a restructuring or sale;
- ii) Unrecognised growth - growth companies selling on relatively low valuations in the stock market, because their growth characteristics have not yet been fully recognised;
- iii) Hidden jewels - companies that have divisions or businesses whose potential is not fully recognised by the market;
- iv) Corporate activity potential - companies that have an above average chance of being involved in corporate activity in the medium term, where this factor is not reflected in the valuation of the shares.

PORTFOLIO MANAGER

Name: Sanjeev Shah
Location: London
Appointed to fund: 01.01.08

Sanjeev Shah joined Fidelity in 1996 as a Research Analyst, becoming a Portfolio Manager in 2002. He started managing the Special Situations Fund in January 2008, when he took over control from Anthony Bolton. He holds an MA (Honours) in Economics from Cambridge University and has an MBA from INSEAD.

This material is intended for investment professionals and must not be relied upon by private investors. This document may not be reproduced or circulated without prior permission and must not be passed to private investors.

FIL Limited was established in Bermuda nearly 40 years ago and provides asset management services to investors outside of the Americas. FIL Limited and its respective subsidiaries form the global investment management organisation that is commonly referred to as Fidelity International. Fidelity International and the Pyramid Logo are trademarks of FIL Limited. Fidelity International only gives information on its products and does not provide investment advice based on individual circumstances. The value of investments may go down as well as up and an investor may not get back the original amount invested. Due to the greater possibility of default, an investment in corporate bonds is generally less secure than an investment in government bonds. 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. The funds referred to in this document invest in or are reinsured into funds managed by non-Fidelity International life insurance companies or fund managers. Funds in the property sector may invest in property and land. These can be difficult to sell and there may be a delay in acting on instructions to sell investments. The value of property is generally a matter of a valuer's opinion rather than fact. The funds shown in this document are available, and intended, for UK investors only. Issued and approved by FIL Life Insurance Limited (FSA registered number 186526) a firm authorised and regulated by the Financial Services Authority. FIL Life Insurance Limited is a member of the Fidelity International group of companies and is registered in England and Wales under the company number 3406905. The registered office of the company is Oakhill House, 130 Tonbridge Road, Hildenborough, Tonbridge, Kent TN11 9DZ, United Kingdom. April 2010. MDC04411.

FUND PROFILE

FUND FACTS

Launch Date: 22.09.06
Benchmark: FTSE All Share Index
Base Currency: GBP Sterling
Dealing Frequency: Daily dealing and single priced (NAV)
Product Registered: UK
Asset Class: UK Equities

RISK RATING (Equity funds)




E 1 **E 2** **E 3** **E 4** **E 5**

This rating gives an indication of the risk level of Cash (A1-A2), Bond (B1-B3), Equity (E1-E5) and Property (P1-P2) funds only in relation to Fidelity's range of funds within each asset class. A higher number signifies a higher risk fund. They are intended only as a guide and are based on our quarterly rating review process which uses information about a fund manager's investment approach, as well as quantitative measures based on the fund's historic performance and its current holdings.

RISK RATING DESCRIPTION

A fund invested in potentially very volatile equity markets or sectors.

Contact Details

 Paul Harper on 020 7961 4365
 fidelity.institutional@fil.com
 www.fidelityinstitutional.com

