



FIDELITY INTERNATIONAL LAUNCHES DISTRIBUTING SHARE CLASS ON RETIREMENT INCOME FUND

- **4% p.a. income, paid monthly - direct to investors' bank accounts**
 - **Sustainable level of income with potential to grow**

London, 8 November 2007 – Fidelity International, the UK's largest mutual fund manager*, has launched a distributing share class on its Retirement Income Fund.

The Retirement Income Fund was one of a suite of seven investment products launched in April this year, which were designed to give people greater flexibility and control over their lifetime savings. The funds enable people to build up an investment portfolio during their working lives and then, from a date of their choice, draw an income that should rise over time from these assets. Retirees can have access to their capital at any time and, unlike traditional pensions in annuities, can pass on any remaining assets to their families.

The asset allocation of the Retirement Income Fund has been specifically designed to provide a sustainable level of income with the potential for this income to grow. To do this, the fund maintains a solid exposure to shares, property securities and commodities**, typically at 30%.

The new distributing share class on the Retirement Income Fund will offer investors the opportunity to receive 4% income, paid monthly, directly into their bank account. The 4% will be taken from income generated by the fund but may also include an element of capital to produce the overall distribution.

Peter Hicks, Head of IFA Channel at Fidelity International, commented: "Having worked hard saving and investing for their retirement, when it becomes time to start spending that money, people need to think carefully about how much they want and how long they need their pot to last.

"Improvements in life expectancy mean that people will need to manage their retirement pot for longer than was previously the case and importantly, to draw down their savings at a sensible rate as well as take action to insulate themselves from the effects of



inflation. The Retirement Income Fund was designed with this in mind and by opting for our suggested initial draw-down rate of 4%, we believe retirees have a good chance that the real value of both their income and capital will not be undermined by inflation over the longer-term."

For investors who want the flexibility to adjust the amount of income they receive over time, there is the option of using the existing accumulation share class of the Retirement Income Fund in conjunction with the Fidelity Withdrawal Facility. This facility allows investors to withdraw a level of income of their choice on a monthly, quarterly, semi-annual or annual basis. The minimum withdrawal on the facility is £50 and it is free to set up and run.

Mr Hicks concluded: "As the burden of responsibility falls more and more on the individual to provide for their own retirement, people are increasingly looking to both supplement their savings and give themselves more control and flexibility over their assets by investing outside of pension.

"The Retirement Income Fund - indeed the entire range - gives people this flexibility, with the advantage that they are also available inside an ISA wrapper. With no capital gains or income tax liability, ISA consolidation is a practical way of using the fund and an attractive addition to traditional pension savings."

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 £148 billion of assets***.

- ENDS -

Notes to editors:

*Source: IMA, based on institutional and retail funds under management, as at September 2007

**The Fidelity Retirement Funds will gain exposure to commodities by purchasing futures contracts on a commodities index.

***Source: Fidelity as at 30.09.07

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