Fund Essentials - Fidelity Multi Asset Strategic Fund

"Fidelity Multi Asset Strategic Fund combines traditional asset classes with property and commodities. The fund tilts its asset allocation depending on economic conditions, ensuring that it is well-positioned to perform in both bull and bear markets."

Trevor Greetham – Portfolio Manager

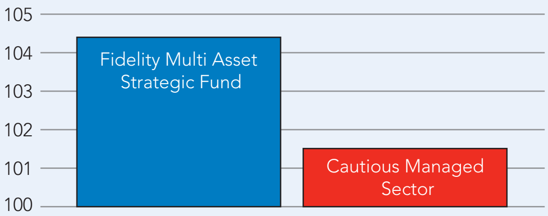
Fund Aim

The fund aims to provide moderate long-term growth by providing an investment exposure to bonds, property, commodities, equities and cash.

Suitability

The fund is suitable for clients who require an instant portfolio with multi-level diversification and want an investment that can perform in all market conditions. The fund is also suitable as a core holding which can be held alongside more specialist satellite holdings.

Performance since launch



Source: Fidelity / Morningstar from 31.01.2007 to 31.12.2007 on bid-bid basis with net income reinvested.

Fund facts

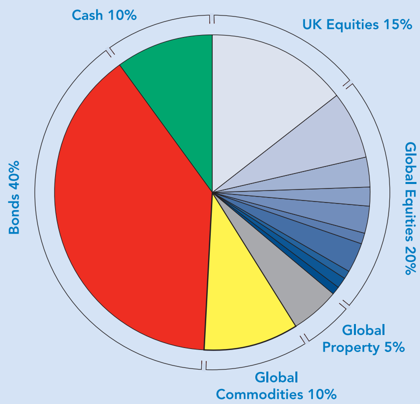
Portfolio manager:	Trevor Greetham
Location:	London
Launch date:	22.01.07
Sector:	IMA Cautious Managed
Fidelity Fund Code:	MSSO
Initial charge:	3.5%
Annual Management Charge	1.25%
Standard Initial Commission:	3%
Trail (Renewal) Commission:	0.5% pa

Source: Fidelity

Key Facts

- The Fund offers balanced exposure to five asset classes, equities, bonds, cash, property and commodities - it's an 'all-terrain' investment specially designed to perform in all economic conditions.
- The addition of property and commodities into the more conventional balanced fund mix of equities, bonds and cash means that the resulting portfolio delivers a much more diverse mix of opportunities; this is because each new asset class brings with it a distinctly different risk/return characteristics.
- Strategic benchmark is 40% bonds, 35% equities, 10% cash, 10% commodities and 5% property.
- The Portfolio Manager may deviate ±10% from the benchmark allocation for each asset class in order to reflect the most appropriate asset mix for any given point in the cycle.
- The portfolio manager may draw on the defensive qualities of the cash and fixed income elements in subdued economic conditions and then, when conditions improve, overweight equities to maximise capital appreciation potential.

Strategic Asset Allocation



NON-EQUITIES

Global Property	5.0%
Global Commodities	10.0%
Sterling Bonds	40.0%
Sterling Cash	10.0%

UK EQUITIES

UK	15.0%

GLOBAL EQUITIES (20%)

- Developed Markets ex UK
- Asia & Emerging Markets
- Consumer Industries
- Financials
- Health Care
- Industrials
- Technology
- Telecoms
- Utilities

This is the long-term strategic asset allocation of the Fund. Actual allocation will vary, in line with the managers view on the relative attraction of assets. Commodity exposure is gained through purchasing futures contracts on a commodities index.

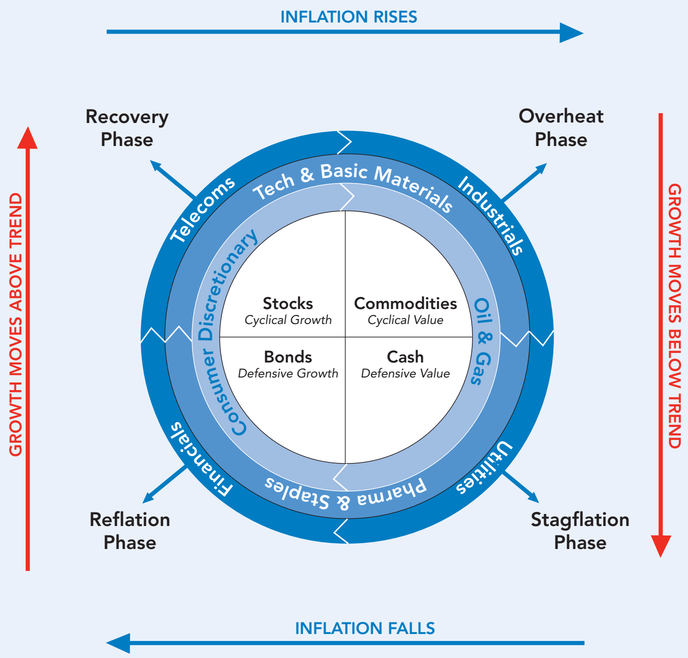
Portfolio Manager

Trevor Greetham joined Fidelity in January 2006 as Asset Allocation Director and he is a member of the Asset Allocation Group (AAG). Trevor has 16 years' investment industry experience and prior to joining Fidelity, he spent 10 years at Merrill Lynch, where he was also Director of Asset Allocation. Before that, Trevor was an assistant fund manager and actuary for Provident Mutual. He has an MA in Mathematics from Cambridge University.

The "Investment Clock" model

Common sense tells us that the ideal product for most investors would be one that performs strongly in periods of economic strength, but which also has the ability to add value during times of economic uncertainty. We believe that the Multi Asset Strategic Fund is that product: its asset allocation and portfolio composition can be adjusted over time, taking full advantage of the changing economic landscape by positioning the portfolio towards those asset classes and equity sectors most likely to do well in current conditions.

The investment clock is an intuitive way of relating the economic cycle to asset rotation and sector strategy. The model splits the cycle into four phases - reflation, recovery, overheat and stagflation - using economic characteristics, such as the level of growth and inflationary trends, to define each phase. Overlaid on this are the different asset classes and sectors which can typically be expected to perform best in each of these phases. Our view on which stage the economy is likely to move next will help inform us when considering the fund's asset allocation and sector positioning.



1. Reflation

- GDP growth is weak and inflation falls as a result of declining commodity prices and unused capacity
- Bonds and defensive sectors perform best

2. Recovery

- Economic growth gathers momentum on the easing of central bank monetary policy
- However inflation continues to fall and productivity moves up sharply
- Stocks should deliver their best returns

3. Overheat

- Inflation climbs, productive capacity becomes limited and productivity growth eases off, but GDP remains buoyant
- Yield curves flatten and shift higher; stocks may be more volatile
- Commodities tend to be strongest in this environment

4. Stagflation

- GDP growth falls but inflation continues to rise
- Stocks suffer from an earnings squeeze
- Bonds are held in check by central bank policy
- Cash holdings and defensive stocks do well

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