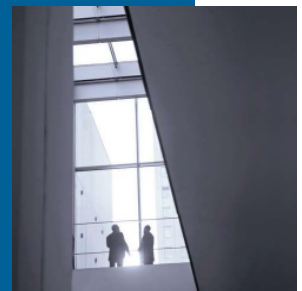


Annual Report and Financial Statements

For the year ended
30 September 2022



Fidelity Investment Funds 2 Annual Report and Financial Statements for the year ended 30 September 2022

Contents

Director's Report*	2
Statement of Authorised Corporate Director's Responsibilities	3
Certification of the Annual Report and Financial Statements by Directors	3
Statement of the Depositary's Responsibilities and Report of the Depositary	3
Independent Auditor's report	4

Authorised Corporate Director's Report*, including the financial highlights and financial statements

Accounting Policies of Fidelity Investment Funds 2 and its sub-fund	6
Risk Management policies of Fidelity Investment Funds 2 and its sub-fund	8
Fidelity UK Opportunities Fund	10
Portfolio Statement (unaudited)*	19
Further Information*	21

* These collectively comprise the Authorised Corporate Director's (ACD) Report

Fidelity Investment Funds 2 Annual Report and Financial Statements for the year ended 30 September 2022

Director's Report

We are pleased to present the annual report and financial statements for Fidelity Investment Funds 2 (the 'Company'), covering the year to 30 September 2022.

Reference in this document to specific securities should not be construed as a recommendation to buy or sell these securities; but is included for the purpose of illustration only. Investors should also note that the views expressed may no longer be current and may already have been acted upon by Fidelity.

Company and Status

The Company is an open-ended investment company with variable capital incorporated in England and Wales under number IC993 and authorised by the Financial Conduct Authority (FCA) on 4 December 2013.

The Company is structured as an umbrella company, currently comprising of one sub-fund, Fidelity UK Opportunities Fund. The Company has an unlimited duration.

In the future additional sub-funds or new classes of shares within the existing fund may be launched by the Authorised Corporate Director (ACD).

The sub-fund ceased to be recognised as UCITS under EU regulation after 31 January 2020 and as a result is classified as an Alternative Investment Fund (AIF) outside of the UK. The UK regulator categorises former UCITS as UK UCITS instead.

Shareholders are not liable for the debts of the Company. A shareholder is not liable to make any further payment to the Company after they have paid the price on purchase of the shares.

The Company is governed by the requirements of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (OEIC Regulations) and the FCA's Handbook of rules and guidance, specifically the Collective Investment Schemes sourcebook (COLL). As permitted by the COLL, the Company does not hold Annual General Meetings.

The Company has segregated liability status between funds. This means that the assets of a fund belong exclusively to that fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Company, or any other fund.

Remuneration Disclosure

The Fidelity International Remuneration Committee has established a Global Remuneration Policy to ensure the requirements of the UK UCITS Directive are met at global level for all its UK UCITS management companies. The Remuneration Committee reviews the remuneration policy at least annually. The Directors of relevant management companies are responsible for the adoption of the Global Remuneration Policy, for reviewing its general principles at least annually, for overseeing its implementation and for ensuring compliance with relevant local legislation and regulation. The Global Remuneration Policy is consistent with and promotes sound and effective risk management and is designed not to encourage risk-taking which is inconsistent with the risk profile of the funds. The Global Remuneration Policy is in line with the business strategy, objectives, values and interests of the ACD and the funds and includes measures to avoid conflicts of interest.

During 2017 the Global Remuneration Policy was reviewed, and changes were made to ensure compliance with the applicable European remuneration requirements. The Global Remuneration Policy applies to all employees, with particular focus on the staff whose professional activities have a material impact on the risk profile of the ACD or the funds (the Material Risk Takers). The UK UCITS Material Risk Takers (UK UCITS MRTs) are individuals whose roles can materially affect the risk of the management company or any UK UCITS fund that it manages. These roles are identified in line with the requirements of the UK UCITS Directive and guidance issued by the European Securities and Markets Authority.

The aggregate total remuneration paid to the UK UCITS MRTs related to FISL, considering all the existing delegation arrangements, in respect of the performance period started 1 July 2021 and ended 30 June 2022, is EUR 10.49 million (GBP 9.01 million). This figure includes the amounts attributed either to the FISL entity or to the UK UCITS funds that it manages. For any additional on remuneration policy, a copy of the summary Remuneration Policy is available at <https://www.fil.com>.

Holdings in other sub-funds within the same Company

There were no such holdings as at 30 September 2022 (2021: none).

Objectives

The broad aim of the Company is to provide access to the global research resources and stock picking skills of Fidelity's Investment management teams throughout the world.

The investment objective and a review of the investment activities of the sub-fund during the year under review are included within the Fund Manager Review.

Coronavirus (COVID-19)

The past few months have seen the Covid-19 situation improving in many parts of the world, including Europe and North America. The problem of severe infections remains relatively low, due to the lower average severity of subvariants and high levels of partial immunity. Largely, economic activity, especially in the services sectors and travel segment, is now much closer to pre-pandemic levels as restrictions are eased all over the world. However, as a note of caution, we have seen immunity-evading new variants emerge and the next stage remains uncertain. Nevertheless, the overall outlook is more positive with the World Health Organization commenting that the end is in sight and many countries easing most of their COVID protocols.

As the situation continues to evolve, so does the ACD's assessment of the risks facing the sub-fund, and the degree to which these risks might crystallise. The assets of the sub-fund of the Company consist predominantly of assets which are readily realisable. Having considered the financial resources available to the ICVC and its sub-fund and having considered the impact of COVID-19 on the Company, the ACD continues to prepare the financial statements on a going concern basis.

Changes to the Prospectus

For the year ended 30 September 2022 no changes were made to the Prospectus and Instrument of Incorporation.

Fidelity Investment Funds 2 Annual Report and Financial Statements for the year ended 30 September 2022

Statement of Authorised Corporate Director's (ACD) Responsibilities in relation to the Annual Report and Financial Statements of the Company

The Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) and Collective Investment Schemes sourcebook (COLL) require the ACD to prepare financial statements for each annual and half-yearly accounting period which give a true and fair view of the financial position of the Company and of its net revenue and net capital gains or losses on the property of the Company for the year. In preparing the financial statements the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the requirements of the UK Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice for UK Authorised Funds issued by The Investment Association (IA) in May 2014, as amended in June 2017, the COLL, the Prospectus and the Instrument of Incorporation;
- follow generally accepted accounting principles and applicable accounting standards;
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the Company will continue in operation;
- take reasonable steps for the prevention and detection of fraud or other irregularities.

Certification of the Annual Report and Financial Statements by Directors of the ACD

In accordance with the requirements of the COLL as issued and amended by the Financial Conduct Authority, the report and financial statements are approved on behalf of the Directors of FIL Investment Services (UK) Limited, the ACD.



Peter Brookman
Director



John Clougherty
Director

FIL Investment Services (UK) Limited
28 November 2022

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the Fidelity Investment Funds 2

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored, and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and the instructions of the Authorised Corporate Director ("the ACD"), which is the UK UCITS Management Company, are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through AFM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

J.P. Morgan Europe Limited
London
28 November 2022

Fidelity Investment Funds 2 Annual Report and Financial Statements for the year ended 30 September 2022

Independent Auditor's report to the Shareholders of Fidelity Investment Funds 2

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion the financial statements of Fidelity Investment Funds 2 (the 'Company'):

- give a true and fair view of the financial position of the Company and the sub fund as at 30 September 2022 and of the net revenue and the net capital losses on the property of the company and the sub fund for the year ended 30 September 2022; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Statement of Recommended Practice "Financial Statements of UK Authorised Funds", the rules in the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

We have audited the financial statements which comprise for each sub-fund:

- the statement of total return;
- the statement of change in net assets attributable to shareholders;
- the balance sheet;
- the accounting policies, risk management policies and consolidated individual notes; and
- the distribution tables.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association in May 2014, as amended in June 2017, the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the authorised corporate director's (ACD's) use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the ACD with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The ACD is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise

appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of depositary and ACD

As explained more fully in the depositary's responsibilities statement and the ACD's responsibilities statement, the depositary is responsible for the safeguarding the property of the company and the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the ACD determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the ACD is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the ACD either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and those charged with governance about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Collective Investment Schemes Sourcebook and relevant tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included The Open-Ended Investment Companies Regulations 2001.

We discussed among the audit engagement team including relevant internal specialists such as valuations and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the valuation and existence of investments. In response we have: involved our financial instruments specialists to assess the applied valuation methodologies; agreed investment holdings to independent confirmations; and agreed investment valuations to reliable independent sources.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant

Fidelity Investment Funds 2 Annual Report and Financial Statements for the year ended 30 September 2022

transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reviewing correspondence with HMRC and the FCA.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- proper accounting records for the company and the sub-funds have been kept and the financial statements are in agreement with those records;
- we have received all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit; and
- the information disclosed in the annual report for the year ended 30 September 2022 for the purpose of complying with Paragraph 4.5.9R of the Collective Investment Schemes Sourcebook is consistent with the financial statements.

Use of our report

This report is made solely to the company's shareholders, as a body, in accordance with Paragraph 4.5.12R of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.



Deloitte LLP
Statutory Auditor
Glasgow, United Kingdom
28 November 2022

Fidelity Investment Funds 2 Annual Report and Financial Statements for the year ended 30 September 2022

Accounting Policies of Fidelity Investment Funds 2 and its sub-fund

1. Accounting policies

- a) Basis of preparation - The financial statements of the sub-fund have been prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss. The financial statements are also prepared in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice (SORP) for UK Authorised Funds issued by the Investment Association (IA) in May 2014, and as amended June 2017. Considerations have been made in relation to the going concern impact of Coronavirus (COVID-19) and have been outlined on page 2.
- b) Recognition of revenue - Dividends on quoted equities are recognised when the security is quoted ex-dividend. Interest from debt securities are accounted for on an effective yield basis. Effective yield recognises any discount or premium on the purchase of an investment as revenue over its remaining life. For some securities that are valued at significantly distressed levels or where the ACD expects future cash flows to be uncertain, the discount or premium is not recognised as revenue. Distributions on underlying funds are recognised when the shares/units are quoted ex-distribution. Other revenue is accounted for on an accruals basis. Underwriting commission is recognised when the issue takes place. Special dividends are treated as revenue or capital depending on the facts of each particular case.
- c) Treatment of stock dividends - Where the fund manager has elected to receive a dividend in the form of shares rather than cash, the dividend is treated as revenue but does not form part of the distribution.
- d) Treatment of expenses:
- All expenses are accounted for on an accruals basis.
 - Annual charges - In accordance with the COLL and as agreed with the Depositary, charges and expenses for the fund may be treated as capital charges, which will enhance income returns but may constrain capital growth.
 - Other expenses - All other expenses are chargeable against revenue for distribution purposes other than those relating to purchases and sales of investments which are excluded for the purpose of calculating the distribution.
 - Underlying fund charges - The sub-fund may invest in other collective investment schemes, various other charges and expenses may be incurred indirectly by the fund at the level of the underlying funds. Where any fund invests in other collective investment schemes managed by independent fund managers, the ACD will see to negotiate a high level of rebate of the underlying funds' management charges, so as to minimise the effect of charging at both the fund and underlying fund levels. Where any fund invests in other collective investment schemes managed by the ACD or an associated of the ACD, to avoid a double management charge in respect of the same portfolio, the full amounts of the charges which the ACD and /or any associated company of the ACD receives for managing the investments of the underlying fund, will be credited to the fund, to the extent that such charges are attributable to investment in the underlying funds by the fund.
- e) Allocation of multiple share classes - All charges and expenses which are directly attributable to a particular fund (or class within a fund) will be charged to that fund (or class). Otherwise, if there is more than one class within a fund, charges and expenses which are directly attributable to the fund (but not a particular class) will normally be allocated between the classes within the fund pro rata to the net asset value of the fund attributable to each class. Any charges and expenses not attributable to any one fund will normally be allocated by the ACD to all funds (and their classes) pro rata to the net asset values of the funds (and their classes), although the ACD has the discretion to allocate such charges and expenses in a different manner which it considers fair to shareholders generally.
- f) Distribution policy - The distribution policy of the sub-fund is to distribute/accumulate all available revenue after deduction of expenses properly chargeable against revenue.
- g) Taxation - Provision is made for corporation tax at the current rate on the excess of taxable revenue over allowable expenses, with relief for overseas tax taken where appropriate. Deferred tax is provided using the liability method on all timing differences arising from the different treatment of items for taxation and accounting purposes. Deferred tax assets are recognised to the extent that they are considered recoverable.
- h) Basis of valuation of investments - Investments in securities and underlying funds have been valued using the market price at the noon valuation point on the last business day of the accounting period. Market value is defined by the SORP as fair value, which in an active market is the value of long positions at the quoted bid price and fair value of short positions is the quoted offer price. It is the responsibility of the Fair Value Committee (FVC) to ensure pricing sources and methodologies used to value securities are appropriate as delegated by the ACD. Where there is no price source from an active market for an investment, the FVC will assess information available from internal and external sources in order to arrive at a fair value. In seeking to value such securities, the FVC will gather valuation related information from multiple internal and external sources and may apply judgement in determining the fair value. These sources include historic trading and pricing information (including grey market trades), the views of internal security analysts, company specific news and fundamental data as well as information relating to comparable companies within related industries and sectors. The FVC policies and procedures remain under continuous review by the ACD.
- Fair value adjustments may be implemented to protect the interests of the Shareholder Funds against market timing practices. Accordingly if a fund invests in markets that are closed for business at the time the fund is valued, the ACD may, by derogation from the provisions above, allow for the securities included in a particular portfolio to be adjusted to reflect more accurately the fair value of the fund's investments at the point of valuation.
- There were no fair value market adjustments applied to investments as at 30 September 2022 (2021: none).
- The market value disclosed alongside each investment in the Portfolio statement represents the fair value. The Portfolio statement includes for each investment the percentage of the net assets. A copy of the Fund factsheet report disclosing the sector/industry exposure, country exposure and top holdings including derivatives exposures may be obtained upon request from the ACD alternatively, please go to <http://www.fidelity.co.uk>.
- i) Exchange rates - Assets and liabilities denominated in foreign currencies have been translated into sterling at the rate of exchange ruling at the noon valuation point on the last business day of the accounting period. Revenue items denominated in foreign currency are translated into sterling at exchange rates ruling at the date of the transaction. Differences on exchange are dealt with in the Statement of Total Return.

Accounting Policies of Fidelity Investment Funds 2 and its sub-fund

- j) Price adjustment policy - The Board of Directors of the Company implemented a price adjustment policy in order to protect the interests of the Company's shareholders. The purpose of the price adjustment policy is to allocate the costs associated with large inflows and outflows to investors transacting that day, thereby protecting the long-term shareholder from the worst effects of dilution. It achieves this purpose by adjusting the share class price at which deals in a sub-fund are transacted. In other words, share class prices may be adjusted up or down depending on the level and type of investor transactions on a particular day within a sub-fund. In this way the existing and remaining shareholders do not suffer an inappropriate level of dilution. The Company will only trigger an adjustment in the price when there are significant net flows that are likely to have a material impact on existing and remaining shareholders. The adjustment will be based on the normal dealing costs for the particular assets in which a sub-fund is invested. Once an adjustment is made to the share class price, that price is the official price for that share class for all deals that day.

At 30 September 2022 there were no price adjustments made on the sub-fund as a result of this price adjustment policy (2021: none).

Fidelity Investment Funds 2 Annual Report and Financial Statements for the year ended 30 September 2022

Risk Management policies of Fidelity Investment Funds 2 and its sub-fund

Risk framework

The Board of Directors of FIL Limited, the ultimate parent company of the ACD, has established a Risk Policy, a Risk Appetite statement and a number of other risk related policies for adoption throughout the Fidelity International group of companies, including the ACD. There is a clearly defined structure operating within a corporate governance and management framework that is designed to address the related business risks, including those arising from financial instruments. Risk management policies and procedures are established by the Board and updated according to market, industry and government initiatives and regulatory developments. The Board monitors that a robust system of internal control exists to ensure compliance with rules, regulations and policies. It is the Board of Directors of the ACD that is ultimately responsible for monitoring risk but day to day management of the risk process has been delegated to other areas as appropriate.

Fidelity operates a 'multiple lines of defence' approach to risk management; also the risk control processes are comprehensive, multi-layered, both quantitative and qualitative and do not rely on any one risk measure or system. The primary responsibility for financial instrument risk management rests with the portfolio manager of the fund who is overseen by the relevant Chief Investment Officer (CIO). On a regular basis the fund is formally reviewed in a meeting involving the portfolio manager, the relevant CIO, Investment Management Portfolio Analytics and others; the review covers multiple aspects of the fund's profile including trading activity, turnover, performance, structure, style profile, the use of derivatives and other relevant subjects such as, yield curve exposure and sector and credit rating positioning in the case of Fixed Income. In addition to this review there is a formal Investment Risk Oversight Committee (IROC), chaired by the head of the Investment Management Risk function, whose remit includes review of various risk and performance measures, liquidity and other investment risks.

Furthermore, there is a Derivative and Counterparty Risk Committee that focuses on all aspects of risk arising from the use of derivative instruments. The global exposure relating to derivatives held in a fund may not exceed the net value of that fund. Global exposure calculations for all funds - unless otherwise indicated - use the commitment approach as part of their risk management process, measure and limits. The fund in this umbrella OEIC is governed by UK UCITS rules. Rules and prospectus limits are monitored and reported on by an independent Investment Compliance function.

Risk factors

The main risks arising from financial instruments are market price, foreign currency, interest rate, liquidity, counterparty and credit risks. There are policies in place to ensure each of these risks are managed in an appropriate manner.

Market price risk

Market price risk arises from the uncertainty about future price movements on financial instruments held. It represents the potential loss the fund might suffer through holding market positions in the face of adverse price movements. The value of investments (including derivatives) is not fixed and may go down as well as up. This may be as a result of a specific factor affecting the value of an individual investment, or may be caused by general market factors. Some of the funds may invest in securities of countries experiencing rapid economic growth. Investors should appreciate that these securities may be more volatile than securities in more developed markets with the result that there may be greater risk of price fluctuation and the suspension of redemptions in such funds compared with funds in more mature markets. This volatility may stem from political and economic factors, and be exacerbated by legal, trading liquidity, settlement, currency and other factors. Some emerging market countries may have relatively prosperous economies but may be sensitive to world commodity prices or other factors. Where derivatives are used for either efficient management of the fund or for investment purposes, market price risk will exist as for any other non-derivative investments. The volatility of option prices could be greater than for other derivatives.

Foreign currency risk

The fund's total returns and balance sheets can be significantly affected by foreign exchange movements if the fund's assets and revenue are denominated in currencies other than the fund's base currency. Three principal areas where foreign currency risk could impact the fund have been identified as:

- movements in rates affecting the value of investments;
- movements in rates affecting short term timing differences;
- movements in rates affecting the revenue received.

The fund may hold forward foreign exchange contracts to hedge the fund's base currency. The fund may be exposed to short term exchange rate movements, for example between the date when an investment is bought or sold and the date when settlement of the transaction occurs. The ACD may seek to manage exposure to currency movements by using forward and spot foreign exchange contracts. Revenue received in other currencies is converted into base currency on or near the date of receipt.

Interest rate risk

Debt securities have varying levels of sensitivity to changes in interest rates. In general, the price of a fixed rate debt security can fall when interest rates rise and can rise when interest rates fall. Securities with longer maturities can be more sensitive to interest rate changes. The fixed rate component of an interest rate swap will have a similar interest rate risk profile to that of a fixed rate debt security where the currency, fixed rate and maturity are the same.

Liquidity risk

The fund's assets comprise mainly realisable securities which can be readily sold or redeemed in normal market conditions. The fund's main liability is the redemption of any shares that investors wish to sell. In general, the ACD manages the cash to ensure it can meet its liabilities. Assets from a fund may need to be sold if insufficient cash is available to finance such redemptions. The fund's holdings are reviewed on a regular basis, with particular emphasis on the market capitalisation of the issuer (securities issued by larger capitalised companies generally have greater liquidity) and the number of days it would take to trade out of a given security position or percentage of the fund as a whole (determined by reference to available market trading volumes). Where investments cannot be realised in time to meet any potential liability, the fund may borrow up to 10% of its value to ensure settlement.

Fidelity Investment Funds 2 Annual Report and Financial Statements for the year ended 30 September 2022

Risk Management policies of Fidelity Investment Funds 2 and its sub-fund

Counterparty risk

All security transactions and derivatives are transacted with brokers and carry the risk that the counterparty to a transaction may not meet their financial obligations. All counterparties for any type of trading are assessed by an independent Credit Research and Analysis function and approved for use by any Fidelity company, including the ACD. Exposures to counterparties are monitored and reported frequently. Margin on exchange-traded derivatives mitigates counterparty risk exposure and in the case of over-the-counter derivatives, collateral is transferred to reduce counterparty risk exposure in accordance with the terms outlined in market standard (ISDA) derivative legal contracts.

Credit risk

Investments may be adversely affected if any of the institutions with which money is deposited suffers insolvency or other financial difficulties. The process outlined above under 'Counterparty risk' is used to review, approve and report on exposures to institutions with which money is deposited.

Credit risk also arises from the uncertainty about the payment of interest and the repayment of principal bond investments. Default risk is based on the issuer's ability to make interest payments and to repay the loan at maturity. Due to the higher possibility of default, an investment in corporate bonds is generally less secure than an investment in government bonds. Default risk may therefore vary between different government issuers as well as between different corporate issuers. In certain cases, government bonds may have higher probability of default than specific corporate issuers. The funds may hold credit default swaps to manage their credit risk profile. Credit default swaps are transacted to take advantage of expected movements in credit spreads on either individual securities or baskets of securities.

Fair values of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value. The numerical information in respect of financial instruments disclosure is provided in the financial statements for the individual funds.

Fidelity UK Opportunities Fund

Fund Manager's Review

Investment Objective and Policy

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

The fund will invest at least 70% in equities (and their related securities) of UK companies (those domiciled, incorporated or having significant business in the UK). The fund may also invest a proportion of its assets in global companies listed in the UK. The Investment Manager will actively select companies based on their potential to generate capital growth. It is not restricted in terms of industry and size.

The fund is actively managed without reference to a benchmark.

The fund may also invest in other transferable securities, collective investment schemes, money market instruments, cash and deposits and is also able to use derivatives for efficient portfolio management. There is no policy to restrict investment to any particular economic or industrial sector.

Market Review

UK equities declined over the period. Investor sentiment was upbeat in the first half of the period, fuelled by strong corporate earnings, alongside general optimism around a continued recovery in the UK and other major economies. The emergence of a more infectious variant of COVID-19 triggered a global sell-off towards the end of November 2021, but markets recovered quickly as concerns gradually eased. However, 2022 saw market volatility return, reflecting a reappraisal of interest rate expectations and Russia's invasion of Ukraine. The sanctions imposed on Russia and disruptions resulting from the conflict pushed commodity prices to extreme levels, exacerbating concerns around soaring inflation and leaving central banks with few options but to tighten their monetary policies. In the UK, this amounted to the Bank of England delivering seven consecutive interest rate hikes, taking its policy rate to 2.25% in September, a 14-year high. Meanwhile, the impact of rising costs translated into deteriorating economic data, with sharp drops in business survey readings and waning consumer confidence accentuating concerns about the possibility of a recession. Finally, during the last few days of September, a proposed un-costed fiscal package by the new government triggered a re-pricing of asset prices as UK government bond yields soared and the pound sharply depreciated against the US dollar.

Performance and Portfolio Activity

The fund experienced a very tough period, marked by a change in investors' preference, largely favouring yields and oil sensitive stocks, and by association some of the largest cap 'value' plays, where the fund is underweight. Conversely, areas where the fund was overweight, such as consumer discretionary and technology, saw meaningful deratings. Elsewhere, holdings in alternate energy companies such as Ceres Power and Pod Point were penalised for their weaker-than-expected quarterly updates.

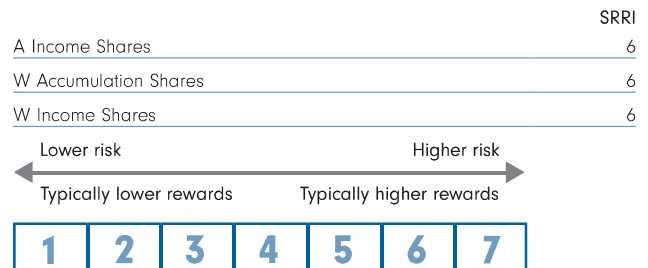
I sold positions in Entain and JD Sports Fashion to lock-in strong gains, and to reduce the overweight stance in the consumer discretionary sector given mounting cost pressures on households. Conversely, I bought a holding in WHSmith, a high-quality operator of retail stores. As part of a move to add greater bond yield sensitivity, I purchased a new position in Barclays. I have also been attempting to reduce the energy underweight more recently, albeit in 'second-tier' companies such as Tullow, Harbour and Energen.

Outlook

While it is easy to paint a very negative picture currently, we may well be reaching the point of peak negativity. I have been adding to both core positions and 'quality' opportunities, while attempting to reduce the exposure to smaller companies.

Leigh Himsworth
Fund Manager
30 September 2022

Risk and Reward Indicator



The risk category was calculated using historical volatility data, based upon the methods set by European Union rules. Volatility is influenced by changes in the stock market prices, currencies and interest rates which can be affected unpredictably by diverse factors including political and economic events.

- Historical data may not be a reliable indication for the future.
- The risk category shown is not guaranteed and may change over time.
- The lowest category does not mean a "risk free" investment.
- The risk and reward profile is classified by the level of historical fluctuation of the Net Asset Values of the share class, and within this classification, categories 1-2 indicate a low level of historical fluctuations, 3-5 a medium level and 6-7 a high level.
- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- The fund may invest in instruments denominated in currencies other than the fund base currency. Changes in currency exchange rates can therefore affect the value of your investment.
- Currency hedging may be used which aims to reduce the effect of such changes. However, the effects may not be completely eliminated to the degree expected.

Fidelity UK Opportunities Fund

Statement of Total Return

for the year ended 30 September 2022

	Note	30/09/22		30/09/21	
		£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	4		(182,737)		165,025
Revenue	5	19,447		16,694	
Expenses	6	(4,020)		(3,763)	
Interest payable and similar charges	8	(1)		(1)	
Net revenue/(expense) before taxation		15,426		12,930	
Taxation	7	(19)		-	
Net revenue/(expense) after taxation			15,407		12,930
Total return before distributions			(167,330)		177,955
Distributions	8		(15,408)		(12,931)
Change in net assets attributable to shareholders from investment activities			(182,738)		165,024

Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30 September 2022

	Note	30/09/22		30/09/21	
		£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders			582,252		374,313
Movement due to sales and repurchases of shares					
Amounts receivable on issue of shares		74,211		83,790	
Amounts payable on cancellation of shares		(37,494)		(43,394)	
			36,717		40,396
Swing price adjustment			175		300
Change in net assets attributable to shareholders from investment activities (see above)			(182,738)		165,024
Retained distribution on accumulation shares	8		3,347		2,219
Closing net assets attributable to shareholders			439,753		582,252

Balance Sheet

as at 30 September 2022

	Note	30/09/22		30/09/21	
		£'000	£'000	£'000	£'000
Assets					
Investments			442,506		588,591
Current assets:					
Debtors	9	1,289		3,048	
Cash and bank balances		-		-	
Total other assets			1,289		3,048
Total assets			443,795		591,639
Liabilities:					
Creditors					
Bank overdrafts		(729)		-	
Distribution payable		(1,089)		(4,672)	
Other creditors	10	(2,224)		(4,715)	
Total other liabilities			(4,042)		(9,387)
Total liabilities			(4,042)		(9,387)
Net assets attributable to shareholders			439,753		582,252

Fidelity UK Opportunities Fund

Notes to the Financial Statements

1 Accounting policies

The fund's financial statements have been prepared in accordance with the Company Accounting Policies and Risk Management sections.

2 Equalisation

Equalisation applies only to shares purchased during the distribution year (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is credited to the holders of these shares as a return of capital. Being capital it is not liable to income tax but must be deducted from the cost of shares for Capital Gains Tax purposes.

3 Contingent liabilities

At the year end there are no contingent liabilities or commitments (2021: nil).

4 Net capital gains/(losses)

	30/09/22	30/09/21
	£'000	£'000
Gains/(losses) on non-derivative securities	(182,791)	165,065
Other currency gains/(losses)	39	(5)
Transaction charges	15	(35)
Net capital gains/(losses)	<u>(182,737)</u>	<u>165,025</u>

5 Revenue

	30/09/22	30/09/21
	£'000	£'000
Interest on securities	97	1
UK dividends	16,428	15,892
UK property income distributions	1,480	367
Overseas dividends	1,441	434
Bank interest	1	-
Total revenue	<u>19,447</u>	<u>16,694</u>

6 Expenses

	30/09/22	30/09/21
	£'000	£'000
Fixed expenses	955	881
Payable to the ACD, associates of the ACD, and agents of either of them:		
Investment management fees	3,065	2,882
Total expenses*	<u>4,020</u>	<u>3,763</u>

*The ACD is responsible for payment of all charges and expenses of the fund out of its investment management fees including audit fees amounting to £10,000 (including VAT) (2021: £9,000).

7 Taxation

	30/09/22	30/09/21
	£'000	£'000
a) Analysis of charge/(credit) for the year		
Overseas taxation	19	-
Total current taxation	<u>19</u>	<u>-</u>
b) Factors affecting tax charge/(credit) for the year		
Net revenue/(expense) before taxation	<u>15,426</u>	<u>12,930</u>
Net revenue/(expense) multiplied by the standard rate of corporation tax of 20% (2021: 20%).	3,085	2,586
Effects of:		
Increase/(decrease) in unutilised management expenses	489	679
Overseas taxation	19	-
Revenue not included for tax purposes	(3,574)	(3,265)
Current tax charge/(credit)	<u>19</u>	<u>-</u>

Open ended investment companies are exempt from UK tax on capital gains.

The fund has unrelieved excess management expenses resulting in a potential deferred tax asset of £2,757,000 (2021: £2,268,000). It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these and therefore no deferred tax asset has been recognised.

Fidelity UK Opportunities Fund

Notes to the Financial Statements

8 Finance costs

	30/09/22 £'000	30/09/21 £'000
Distributions		
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares.		
A Income Shares		
Final	65	469
Interim	1,115	537
W Accumulation Shares		
Final	321	993
Interim	3,026	1,226
W Income Shares		
Final	1,024	4,203
Interim	9,865	5,658
	<u>15,416</u>	<u>13,086</u>
Add: Revenue deducted on cancellation of shares	147	125
Deduct: Revenue received on issue of shares	(155)	(280)
Net distributions for the year	<u>15,408</u>	<u>12,931</u>
Interest/other		
Interest	1	1
Total finance costs	<u>15,409</u>	<u>12,932</u>
Reconciliation of Net revenue after taxation to Net distribution for the year:		
Net revenue after taxation for the year, per the Statement of Total Return	15,407	12,930
Add back (revenue)/expenses transferred to capital:		
Equalisation on conversions	1	1
Revenue b/f	(1)	(1)
Revenue c/f	1	1
	<u>15,408</u>	<u>12,931</u>

Details of the distributions per share are set out in the Distribution Statement.

9 Debtors

	30/09/22 £'000	30/09/21 £'000
Amounts receivable for issue of shares	149	256
Sales awaiting settlement	61	1,748
Accrued revenue	1,064	1,029
UK income tax recoverable	15	15
Total debtors	<u>1,289</u>	<u>3,048</u>

10 Other creditors

	30/09/22 £'000	30/09/21 £'000
Amounts payable for cancellation of shares	298	370
Purchases awaiting settlement	1,639	3,960
Accrued expenses	287	385
Total other creditors	<u>2,224</u>	<u>4,715</u>

11 Financial instruments exposure

Currency exposure

A portion of the financial assets of the fund are denominated in currencies other than UK Pound, which is the fund's base currency, with the effect that the Balance Sheet and total return can be affected by currency movements.

The currency exposure of the fund was:

Currency	Non-monetary exposures		Monetary exposures		Total exposure £'000
	Investments £'000	Cash balances £'000	Debtors/(Creditors) £'000		
30/09/22					
UK Pound	442,506	(729)	(2,024)		439,753
Total	<u>442,506</u>	<u>(729)</u>	<u>(2,024)</u>		<u>439,753</u>

Fidelity UK Opportunities Fund

Notes to the Financial Statements

30/09/21	£'000	£'000	£'000	£'000
UK Pound	588,591	-	(6,339)	582,252
Total	588,591	-	(6,339)	582,252

The currency disclosure provided is based on the trading currency of the investments and foreign currency contracts. For further information on risk disclosures refer to the Risk management policies section.

Interest rate risk profile

The only interest bearing financial instruments in the fund are its bank balances and/or amounts held at futures clearing houses and brokers.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

Market value sensitivity analysis

Currency risk

A rise or fall of 1% in non UK Pound currencies is likely to result in a 0.00% rise or fall in the fund's market value (2021: 0.00%).

Other price risk

Fluctuations in securities and underlying funds prices will directly be reflected in the fund's market value.

12 Portfolio transaction costs

30/09/22	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	652,974	320	0.05	2,574	0.39
Corporate actions	11	-	-	-	-
Total	652,985	320		2,574	
Total including transaction costs	<u>655,879</u>				
Analysis of total sales costs	£'000	£'000	%	£'000	%
Equity	610,649	326	0.05	1	-
Corporate actions	7,012	-	-	-	-
Total	617,661	326		1	
Total including transaction costs	<u>617,334</u>				
Total as a percentage of average net assets*		0.12 %		0.46 %	
30/09/21	Purchases	Commissions		Taxes	
Analysis of total purchases costs	£'000	£'000	%	£'000	%
Equity	494,748	237	0.05	1,903	0.38
Corporate actions	427	-	-	-	-
Total	495,175	237		1,903	
Total including transaction costs	<u>497,315</u>				
Analysis of total sales costs	£'000	£'000	%	£'000	%
Equity	448,958	244	0.05	1	-
Corporate actions	1,463	-	-	-	-
Total	450,421	244		1	
Total including transaction costs	<u>450,176</u>				
Total as a percentage of average net assets		0.09 %		0.36 %	

*During the year dealing spread costs may be applicable to purchases and sales (the difference between bid and offer prices of all investments expressed as a percentage of the offer price value), which are not separately identifiable and do not form part of the analysis above. Dealing spread costs suffered by the fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment. At the Balance Sheet date the average portfolio dealing spread was 0.60% (2021: 0.40%).

Notes to the Financial Statements

13 Basis of valuation

	30/09/22 £'000	30/09/22 £'000	30/09/21 £'000	30/09/21 £'000
	Assets	Liabilities	Assets	Liabilities
Level 1: Quoted prices	429,290	-	576,763	-
Level 2: Observable market data	13,216	-	11,828	-
Level 3: Unobservable data	-	-	-	-
	<u>442,506</u>	<u>-</u>	<u>588,591</u>	<u>-</u>

14 Shares in issue reconciliation

	Shares in issue as at 30/09/21	Issued shares	Cancelled shares	Conversion shares	Shares in issue as at 30/09/22
A Income Shares	40,300,103	4,997,252	(3,038,631)	(5,960,349)	36,298,375
W Accumulation Shares	32,970,574	14,906,617	(4,601,481)	-	43,275,710
W Income Shares	265,848,412	16,353,794	(14,716,290)	5,047,424	272,533,340

15 Related parties

The ACD, FIL Investment Services (UK) Limited, is regarded as a related party under FRS 102 because it provides key management personnel services to the authorised fund.

The ACD acts as principal on all transactions of shares in the fund. The aggregate monies received through issues and paid through cancellations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders, and the amounts due to, and from, the ACD in respect of share transactions at the year end are disclosed in Notes 9 and 10.

Amounts paid to the ACD in respect of services provided are disclosed in Note 6. Amounts due at the year end of £216,000 (2021: £271,000) are included within accrued expenses in Note 10.

16 Shareholders' funds

The fund has three share classes; A Income Shares, W Accumulation Shares and W Income Shares. The annual management charge on each share class is as follows:

A Income Shares : 1.00%

W Accumulation Shares : 0.50%

W Income Shares : 0.50%

The distributions per share class are given in the Distribution Statement. All classes have the same rights on winding up.

17 Post balance sheet event

The net asset value in pence per share at the Balance Sheet date and the latest practicable date prior to the publication of this report have been recorded below.

	NAV as at 30/09/22	NAV as at 24/11/22	Increase/(decrease)%
A Income Shares	95.74	105.87	10.58
W Accumulation Shares	224.07	248.37	10.84
W Income Shares	113.03	125.08	10.66

Fidelity UK Opportunities Fund

Distribution Statement

for the year ended 30 September 2022

A Income Shares - final distribution No. 14 in pence per share

Group 1 - Shares purchased on or before 30 June 2022.

Group 2 - Shares purchased from 1 July 2022 to 30 September 2022.

	Net revenue	Equalisation (Note 2)	Amount distributed 30/11/22	Amount distributed 30/11/21
Group 1	0.1787	-	0.1787	1.1649
Group 2	0.0410	0.1377	0.1787	1.1649

A Income Shares - interim distributions in pence per share

Group 1 - Distribution No. 11 Shares purchased on or before 30 September 2021.

Group 1 - Distribution No. 12 Shares purchased on or before 31 December 2021.

Group 1 - Distribution No. 13 Shares purchased on or before 31 March 2022.

Group 2 - Distribution No. 11 Shares purchased from 1 October 2021 to 31 December 2021.

Group 2 - Distribution No. 12 Shares purchased from 1 January 2022 to 31 March 2022.

Group 2 - Distribution No. 13 Shares purchased from 1 April 2022 to 30 June 2022.

	Net revenue	Equalisation (Note 2)	Amount distributed 2021/2022	Amount distributed 2020/2021
Group 1				
Distribution No. 11	0.2542	-	0.2542	0.4186
Distribution No. 12	0.8564	-	0.8564	0.2492
Distribution No. 13	1.5172	-	1.5172	0.6541
Group 2				
Distribution No. 11	0.0721	0.1821	0.2542	0.4186
Distribution No. 12	0.7968	0.0596	0.8564	0.2492
Distribution No. 13	1.1279	0.3893	1.5172	0.6541

W Accumulation Shares - final distribution No. 30 in pence per share

Group 1 - Shares purchased on or before 30 June 2022.

Group 2 - Shares purchased from 1 July 2022 to 30 September 2022.

	Net revenue	Equalisation (Note 2)	Amount accumulated 30/11/22	Amount accumulated 30/11/21
Group 1	0.7419	-	0.7419	3.0111
Group 2	0.0587	0.6832	0.7419	3.0111

W Accumulation Shares - interim distributions in pence per share

Group 1 - Distribution No. 27 Shares purchased on or before 30 September 2021.

Group 1 - Distribution No. 28 Shares purchased on or before 31 December 2021.

Group 1 - Distribution No. 29 Shares purchased on or before 31 March 2022.

Group 2 - Distribution No. 27 Shares purchased from 1 October 2021 to 31 December 2021.

Group 2 - Distribution No. 28 Shares purchased from 1 January 2022 to 31 March 2022.

Group 2 - Distribution No. 29 Shares purchased from 1 April 2022 to 30 June 2022.

	Net revenue	Equalisation (Note 2)	Amount accumulated 2021/2022	Amount accumulated 2020/2021
Group 1				
Distribution No. 27	0.9624	-	0.9624	1.2202
Distribution No. 28	2.3186	-	2.3186	0.8930
Distribution No. 29	3.8450	-	3.8450	1.8362
Group 2				
Distribution No. 27	0.4319	0.5305	0.9624	1.2202
Distribution No. 28	1.8770	0.4416	2.3186	0.8930
Distribution No. 29	2.0954	1.7496	3.8450	1.8362

Fidelity UK Opportunities Fund

Distribution Statement

W Income Shares - final distribution No. 30 in pence per share

Group 1 - Shares purchased on or before 30 June 2022.

Group 2 - Shares purchased from 1 July 2022 to 30 September 2022.

	Net revenue	Equalisation (Note 2)	Amount distributed 30/11/22	Amount distributed 30/11/21
Group 1	0.3756	-	0.3756	1.5808
Group 2	-	0.3756	0.3756	1.5808

W Income Shares - interim distributions in pence per share

Group 1 - Distribution No. 27 Shares purchased on or before 30 September 2021.

Group 1 - Distribution No. 28 Shares purchased on or before 31 December 2021.

Group 1 - Distribution No. 29 Shares purchased on or before 31 March 2022.

Group 2 - Distribution No. 27 Shares purchased from 1 October 2021 to 31 December 2021.

Group 2 - Distribution No. 28 Shares purchased from 1 January 2022 to 31 March 2022.

Group 2 - Distribution No. 29 Shares purchased from 1 April 2022 to 30 June 2022.

	Net revenue	Equalisation (Note 2)	Amount distributed 2021/2022	Amount distributed 2020/2021
Group 1				
Distribution No. 27	0.5002	-	0.5002	0.6497
Distribution No. 28	1.2008	-	1.2008	0.4728
Distribution No. 29	1.9756	-	1.9756	0.9693
Group 2				
Distribution No. 27	0.2121	0.2881	0.5002	0.6497
Distribution No. 28	1.0760	0.1248	1.2008	0.4728
Distribution No. 29	0.9854	0.9902	1.9756	0.9693

Fidelity UK Opportunities Fund

Portfolio Statement

as at 30 September 2022

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
Financials - (19.46%)			
12,000,000	Barclays	17,284	3.93
625	Fidelity Institutional Liquidity Fund - Sterling A Accumulation shares	13,210	3.00
1,725,000	Gresham House	12,247	2.79
1,235,000	Prudential	10,777	2.45
1,875,000	HSBC Holdings	8,814	2.00
2,308,661	Aviva	8,803	2.00
3,740,000	Man Group	8,314	1.89
1,175,000	Mattioli Woods	7,285	1.66
9,250,000	IP Group	5,379	1.22
300,000	Alpha FX Group	4,980	1.13
1,125,000	OSB Group	4,763	1.08
225,000	Rathbone Brothers	3,695	0.84
150,000	Lancashire Holdings	745	0.17
		106,296	24.17
Industrials - (14.09%)			
512,500	Spectris	13,863	3.15
1,430,000	Electrocomponents	13,521	3.07
217,500	Intertek Group	7,995	1.82
950,000	Smart Metering Systems	7,600	1.73
402,960	XP Power	6,600	1.50
525,000	IMI	5,765	1.31
200,000	Mondi Group	2,767	0.63
75,000	Oxford Instruments Group	1,322	0.30
4,756,789	Invinity Energy Systems	1,189	0.27
		60,622	13.79
Basic Materials - (8.60%)			
725,000	Anglo American	20,144	4.58
340,000	Rio Tinto	16,689	3.80
2,725,000	Atalaya Mining	5,178	1.18
250,000	Victrex	4,130	0.94
700,000	Yellow Cake Plc/London	2,789	0.63
335,870	Treant	2,005	0.46
		50,935	11.58
Consumer Discretionary - (22.35%)			
1,100,000	WHSmith	13,024	2.96
1,363,722	Dart Group	9,655	2.20
5,400,000	National Express Group	8,926	2.03
585,000	Persimmon	7,061	1.61
4,681,488	Saietta Group	5,384	1.22
1,800,000	Pets at Home Group	4,705	1.07
750,000	S4 Capital	1,097	0.25
		49,852	11.34
Energy - (10.01%)			
28,750,000	Tullow Oil	12,173	2.77
689,638	Energiean	9,145	2.08
2,225,000	Ceres Power	7,934	1.80
1,150,000	Serica Energy	4,221	0.96
2,485,000	Pod Point	1,395	0.32
		34,868	7.93

Fidelity UK Opportunities Fund

Portfolio Statement

as at 30 September 2022

Holdings/ Holdings Equivalent	Portfolio of investments	Market value/ Unrealised gain/(loss) £'000	Percentage of total net assets %
	Health Care - (4.53%)		
1,470,000	Smith & Nephew	15,317	3.48
875,000	GlaxoSmithKline	11,510	2.62
250,000	Genus	6,375	1.45
		33,202	7.55
	Consumer Staples - (8.02%)		
1,650,000	Tate & Lyle	11,246	2.56
375,000	Cranswick	9,930	2.26
438,233	Hilton Food Group	2,331	0.53
125,000	Greggs	2,130	0.48
1,000,000	Tesco	2,036	0.46
		27,673	6.29
	Real Estate - (4.83%)		
15,408,932	Newriver (REIT)	11,418	2.60
400,000	Derwent London	7,852	1.79
700,000	Workspace Group	2,761	0.63
		22,031	5.01
	Technology - (3.50%)		
632,500	Computacenter	11,923	2.71
940,066	Gooch & Housego	5,283	1.20
1,550,000	Darktrace	4,574	1.04
		21,780	4.95
	Utilities - (4.74%)		
1,600,000	Drax Group	9,776	2.22
525,000	SSE	8,048	1.83
2,500,000	Centrica	1,793	0.41
		19,617	4.46
	Telecommunications - (0.96%)		
12,000,000	Vodafone Group	12,192	2.77
325,000	Gamma Communications	3,432	0.78
		15,624	3.55
	Warrants - (0.00%)		
2,847,806	Invinity Energy Systems (Warrants 15/09/2023)	3	0.00
2,847,806	Invinity Energy Systems (Warrants 16/12/2024)	3	0.00
		6	0.00
	Portfolio of investments	442,506	100.62
	Cash and other net assets/(liabilities)	(2,753)	(0.62)
	Net assets	439,753	100.00

The figures in brackets represent the sector distributions at 30 September 2021. Where securities are reclassified in the current period comparative percentages have been restated.

The percentage of net assets disclosed above is subject to rounding.

Unless otherwise stated, all holdings are on an official stock exchange listing or are permitted collective investment schemes.

Where the holdings/holdings equivalent value is reported to be nil this is due to a fractional share position.

Fidelity Investment Funds 2 Annual Report and Financial Statements for the year ended 30 September 2022

Further Information

Fidelity Investment Funds 2

Registered Office:

Beech Gate
Millfield Lane
Lower Kingswood
Tadworth
Surrey KT20 6RP
United Kingdom
www.fidelity.co.uk

Authorised and regulated in the UK by the Financial Conduct Authority.

Authorised Corporate Director (ACD), Investment Manager, General Distributor, Administrator and Registrar

FIL Investment Services (UK) Limited

Beech Gate
Millfield Lane
Lower Kingswood
Tadworth
Surrey KT20 6RP
United Kingdom

The ACD is FIL Investment Services (UK) Limited and is the sole director.

Authorised and regulated in the UK by the Financial Conduct Authority.

Registered in England and Wales No 2016555.

Depository

J.P. Morgan Europe Limited

Registered Office:

25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

Head Office:

Chaseside
Bournemouth
Dorset BH7 7DA
United Kingdom

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Independent Auditors

Deloitte LLP
1 New Street Square
London EC4A 3HQ
United Kingdom

Fidelity Investment Funds 2 Annual Report and Financial Statements for the year ended 30 September 2022

Further Information

- All Fidelity employees are subject to a Code of Ethics which, among other things, sets out procedures for personal account dealings in securities. These procedures, which are rigorously monitored, are designed to ensure that there is no conflict between personal account dealing by Fidelity staff and the interests of Fidelity's customers.

The two basics of the Code of Ethics require that deals have to be pre-authorised before an individual may undertake them, and they must afterwards be reported to the Compliance Department. Individuals are required to use specified brokers which enables this process to be checked on a continual basis.

In addition, there are specific provisions to ensure that any investment idea is first acted upon by the funds Fidelity manages, and that fund managers may not deal within a defined period either side of a fund (for which they are responsible) dealing in that stock.

- The Report and Financial Statements of the Company, the Instrument of Incorporation and the Value Assessment Report may be inspected free of charge between 9.00 a.m. and 5.00 p.m. on every business day at the offices of the Authorised Corporate Director (ACD) at Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP, United Kingdom.

Shareholders may obtain copies of the above documents, including long form accounts, free of charge, from the same address, or alternatively from our website www.fidelity.co.uk.

It is possible to receive information about the full holdings of the funds in which you invest. This is available on request, and may, at our discretion, be subject to you entering into an agreement with us to keep the information confidential. If you wish to receive full holdings information in accordance with the policy, please put your request in writing to: Data Policy Fund Holdings, Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey KT20 6RP, United Kingdom quoting your name, address and account number or client reference number.

- The AFM is required to conduct a detailed assessment of whether its funds provide value to investors and publish an annual statement summarising the outcome of the review. The Value Assessment Report is available on our website www.fidelity.co.uk.
- The Task Force on Climate-related Financial Disclosures (TCFD) is an advisory body set up by the G20 to address concerns around insufficient disclosure of climate-related risks and opportunities for businesses. Fidelity International is conscious of its role and responsibilities towards its clients and has published a report on the four pillars of TCFD: Governance, Strategy, Risk Management and Metrics and Targets. The report can be found at <https://www.fidelity.co.uk/investing-fidelity-funds/>

FIL Limited and its respective subsidiaries form the global investment management organisation that is commonly referred to as Fidelity International. Fidelity International only gives information on its products and does not provide investment advice based on individual circumstances.

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Past performance is not a reliable indicator of future results. The value of investments may go down as well as up and an investor may not get back the original amount invested. Unless otherwise stated all products are provided by Fidelity International, and all views expressed are those of Fidelity International.

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.

Issued by FIL Investment Services (UK) Limited (FCA registered number 121939) a firm authorised and regulated by the Financial Conduct Authority.

FIL Investment Services (UK) Limited is a member of the Fidelity International group of companies and is registered in England and Wales under the company number 2016555. The registered office of the company is Beech Gate, Millfield Lane, Lower Kingswood, Tadworth, Surrey, KT20 6RP, United Kingdom. FIL Investment Management Limited VAT group identification number is 395 3090 35.



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