

Strategy

The fund invests in a universe of UK Gilts across all maturities and seeks to deliver a return in line with the FTSE Actuaries UK Gilts index. The index represents a universe of Conventional Gilts (ie those gilts that are not index-linked), denominated in GBP and quoted on the Stock Exchange.

Objectives & Investment Policy

Objective: The fund aims to track the performance (before fees and expenses are applied) of FTSE Actuaries UK Gilts All Stocks Index with mid-day valuation, thereby seeking to increase the value of your investment over 5 years or more.

Investment Policy: The fund uses an index tracking (passive) investment approach whereby it aims to replicate the composition of the index. However, for practical reasons and/or to reduce the dealing costs of the fund, it may not invest in every UK Gilt in the index or at its weighting within the index.

Investment Process: As well as investing directly in UK Gilts, the fund may achieve exposure indirectly using derivatives, such as exchange traded index futures, for example at the time of cash inflows to remain fully invested or to reduce transaction costs. To manage the cash position, the fund may invest in other investment types such as liquidity funds (including those managed by Fidelity).

Derivatives and Techniques: Derivatives are investments whose value is linked to another investment, or to the performance of a stock exchange or to some other variable factor, such as interest rates and used to reduce risk or transaction costs and/or to generate extra income or further increase the value of your investment.

Additional information: Income from the Fund is either paid out to you or it is used to buy you more shares in the Fund. Shares can usually be bought and sold each business day of the Fund. The fund's performance can be compared to the FTSE Actuaries UK Gilts All Stocks Index. The Fidelity UK Gilt Fund will be merged into this Fund on 14 June 2024. Further details can be found at: <https://www.fidelity.co.uk/uk-gilt>

Fund Facts

Launch date: 26.08.20
Portfolio manager: Lucette Yvernault, Ilia Chelomianski
Appointed to fund: 26.08.20, 26.08.20
Years at Fidelity: 7, 8
Fund size: £ 391m
Fund reference currency: UK Sterling (GBP)
Fund domicile: United Kingdom
Fund legal structure: OEIC
Management company: FIL Investment Services (UK) Limited
Capital guarantee: No
Portfolio Turnover Cost (PTC): 0.00%
Portfolio Turnover Rate (PTR): 211.19%

Share Class Facts

Other share classes may be available. Please refer to the prospectus for more details.

Launch date: 26.08.20
NAV price in share class currency: 0.68799
ISIN: GB00BMQ59H27
SEDOL: BMQ59H2
Bloomberg: FIUJPI LN
Dealing cut-off: 12:00 UK time
Distribution type: Income
Distribution frequency: Quarterly
Charges made to income or capital: Income
Ongoing Charges Figure (OCF) per year: 0.10% (28.02.23)
OCF takes into account annual management charge per year: 0.1%

Share Class Risk and Reward Profile



This risk indicator is taken from the key information document at the relevant month-end. Because it may be updated during a month, please refer to the key information document for the most up-to-date information.

- 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.

Important Information

The value of your investment may fall as well as rise and you may get back less than you originally invested. The use of financial derivative instruments may result in increased gains or losses within the fund. There is a risk that the issuers of bonds may not be able to repay the money they have borrowed or make interest payments. When interest rates rise, bonds may fall in value. Rising interest rates may cause the value of your investment to fall. The investment policy of this fund means it can be more than 35% invested in Government and public securities. These can be issued or guaranteed by other countries and Governments. For a full list please refer to the fund's prospectus. When referring to sustainability - related aspects of the promoted fund, the decision to invest should take into account all characteristics or objectives of the promoted fund as detailed in the Prospectus. Information on sustainability-related aspects is provided pursuant to SFDR at <https://www.fidelity.lu/sfdr-entity-disclosures>.

Performance calculation: fund official prices and midday index comparison

The fund performance below is based on the official published share price at noon each day, UK time. Index performance data is also shown as there is a comparable noon price for the index. However, Fidelity International's swing pricing policy can cause differences in the fund's performance versus this midday index. For this reason market-closing index data is shown on page 3 alongside hypothetical fund performance based on market-closing prices, also stripping out any adjustments resulting from Fidelity International's swing pricing policy. Past performance does not predict future returns. The fund's returns may increase or decrease as a result of currency fluctuations. The investment which is promoted concerns the acquisition of units or shares in a fund, and not in a given underlying asset owned by the fund.

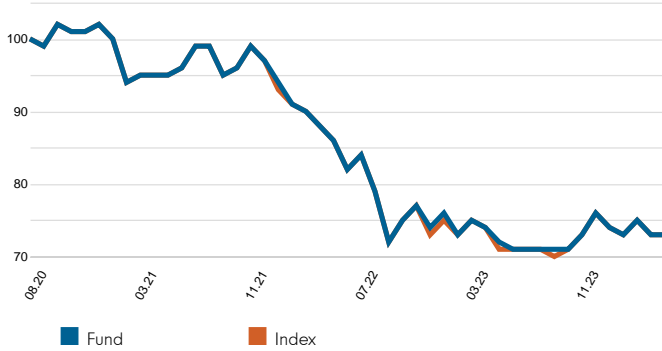
Performance Comparator(s)

Market index from 26.08.20 FTSE Actuaries UK Gilts All Stocks Index Midday

Market index is for comparative purposes only unless specifically referenced in the Objectives & Investment Policy on page 1.

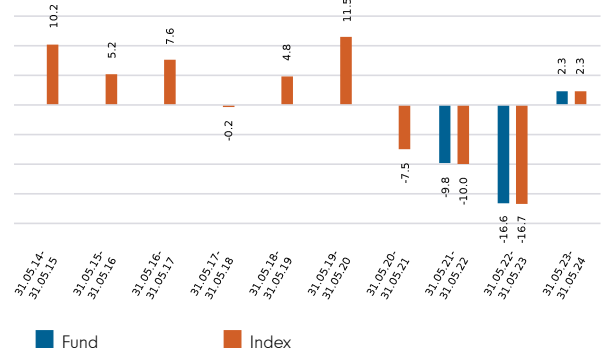
Where the effective date for the current market index is after the share class launch date, full history is available from Fidelity.

Cumulative performance in GBP (rebased to 100)

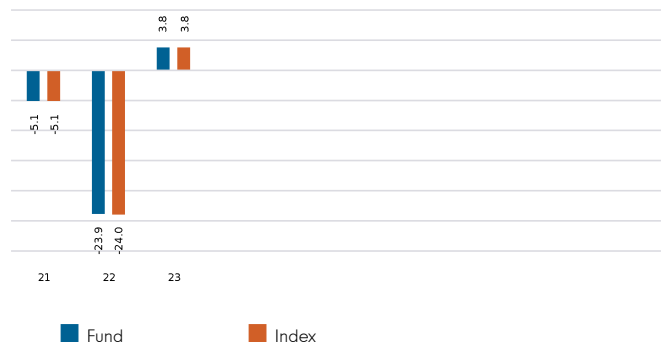


Performance is shown for the last five years (or since launch for funds launched within that period).

Performance for 12 month periods in GBP (%)



Performance for calendar years in GBP (%)



Volatility & Risk (3 years)

Annualised Volatility: fund (%) 10.64
Sharpe Ratio: fund -0.79

Calculated using month-end data points. Definitions of these terms can be found in the Glossary section of this factsheet.

Performance to 31.05.24 in GBP (%)

| | 1m | 3m | YTD | 1yr | 3yr | 5yr | Since 26.08.20* |
|---|------|-----|------|-----|-------|-------|-----------------|
| Fund cumulative growth | -0.2 | 0.0 | -4.2 | 2.3 | -23.1 | - | -26.8 |
| Index cumulative growth | -0.1 | 0.0 | -4.2 | 2.3 | -23.3 | -20.9 | -27.0 |
| Fund annualised growth | - | - | - | 2.3 | -8.4 | - | -8.0 |
| Index annualised growth | - | - | - | 2.3 | -8.4 | -4.6 | -8.0 |
| Ranking within Peer Group Universe | | | | | | | |
| Total number of funds | - | - | - | - | - | - | - |
| Quartile ranking** | - | - | - | - | - | - | - |

Source of fund performance and volatility and risk measures is Fidelity. Performance is excluding initial charge.

Basis: bid-bid with income reinvested, in GBP, net of fees.

Market indices are sourced from RIMES and Peer Group data is sourced from Morningstar.

*Performance commencement date.

**Quartile rank is for the fund's primary share class as identified by Morningstar, which may be different than the share class detailed in this factsheet and refers to performance over time rated on a scale of 1-4. A ranking of 1 indicates that the item being ranked is in the top 25% of the sample and so on. Rankings are based on a performance record that is included in the Peer Group Universe. In line with Investment Association methodology, this record may include a track record extension from a legacy share class and the record may not be the same class of this factsheet. Quartile ranking is an internal Fidelity International calculation. Ranking may vary by share class.

Performance calculation: fund and market-close index comparison

The fund performance below allows a meaningful comparison as to how well the fund is tracking the index as the fund has been hypothetically re-priced using company share prices that make up the index at market close. This is for illustrative purposes only and no client dealing takes place using the Performance Net Asset Value (PNAV). Any difference in the performance of the PNAV and market index takes into account factors such as ongoing charges, transaction costs and taxation. Past performance does not predict future returns. The fund's returns may increase or decrease as a result of currency fluctuations. The investment which is promoted concerns the acquisition of units or shares in a fund, and not in a given underlying asset owned by the fund.

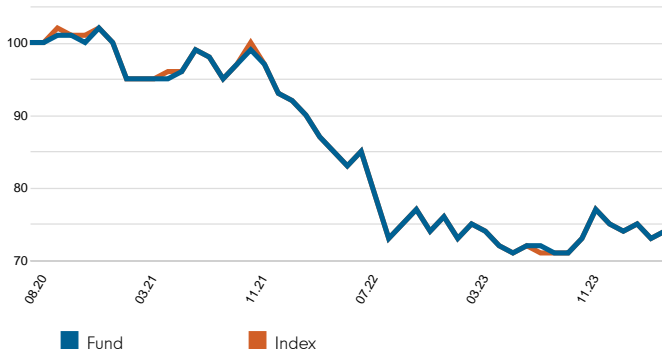
Performance Comparator(s)

Market index from 26.08.20 FTSE A UK Gilts All Stocks Index

Market index is for comparative purposes only unless specifically referenced in the Objectives & Investment Policy on page 1. The same index is used in the positioning tables on this factsheet.

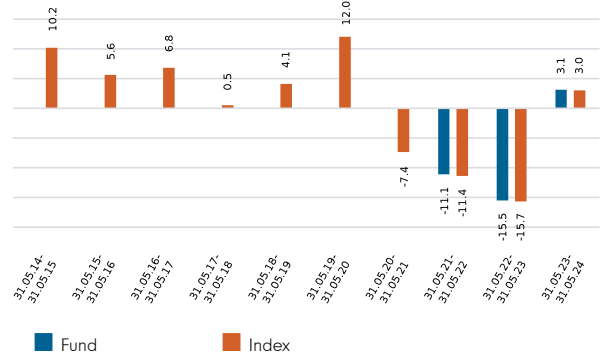
Where the effective date for the current market index is after the share class launch date, full history is available from Fidelity.

Cumulative performance in GBP (rebased to 100)

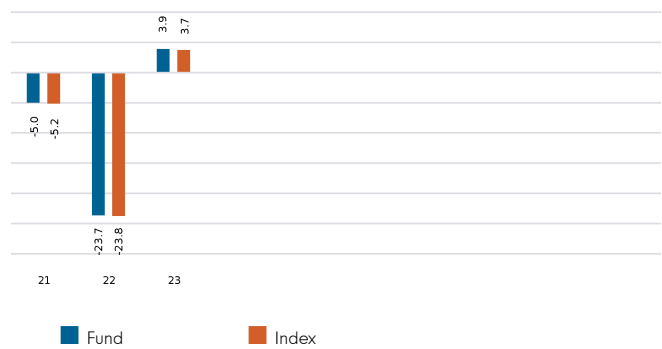


Performance is shown for the last five years (or since launch for funds launched within that period).

Performance for 12 month periods in GBP (%)



Performance for calendar years in GBP (%)



Volatility & Risk (3 years)

| | | | |
|---|-------|--------------------------------------|------|
| Annualised Volatility: fund (%) | 10.54 | Annualised Alpha | 0.09 |
| Annualised Volatility: index (%) | 10.64 | Beta | 0.99 |
| Relative Volatility | 0.99 | Annualised Tracking Error (%) | 0.21 |
| Sharpe Ratio: fund | -0.78 | Information Ratio | 0.75 |
| Sharpe Ratio: index | -0.79 | R² | 1.00 |

Calculated using month-end data points. Definitions of these terms can be found in the Glossary section of this factsheet.

Performance to 31.05.24 in GBP (%)

| | 1m | 3m | YTD | 1yr | 3yr | 5yr | Since 26.08.20* |
|--------------------------------|-----|------|------|-----|-------|-------|-----------------|
| Fund cumulative growth | 0.8 | -0.4 | -3.6 | 3.1 | -22.6 | - | -26.1 |
| Index cumulative growth | 0.8 | -0.4 | -3.7 | 3.0 | -23.0 | -20.2 | -26.3 |
| Fund annualised growth | - | - | - | 3.1 | -8.2 | - | -7.7 |
| Index annualised growth | - | - | - | 3.0 | -8.3 | -4.4 | -7.8 |

Source of fund performance and volatility and risk measures is Fidelity. Performance is excluding initial charge.

Basis: bid-bid with income reinvested, in GBP, net of fees.

Market indices are sourced from RIMES.

*Performance commencement date.

Introduction

This factsheet contains information about the composition of the fund at a particular point in time. It aims to help you understand how the manager has positioned the fund to meet its objectives. Each table shows a different breakdown of the fund's investments. The index used in the positioning tables is the index defined in the Performance Comparator(s) section on page 2 of this factsheet.

Portfolio Characteristics

| | Fund | Index | Relative |
|--|------|-------|----------|
| Distribution Yield (%) | 4.0 | - | - |
| Effective Duration | 8.5 | 8.5 | 0.0 |
| Running Yield (%) | 3.1 | 3.0 | 0.1 |
| Yield to Maturity (%) | 4.5 | 4.5 | 0.0 |
| Average Maturity (years) | 12.9 | 12.0 | 0.9 |
| Average Coupon (%) | 2.8 | 2.7 | 0.2 |
| Spread Duration | 0.0 | 0.0 | 0.0 |
| Option Adjusted Spread (Basis Points) | 3 | 0 | 3 |
| Duration Times Spread (DTS) | 23 | -2 | 24 |
| Number of Holdings | 49 | 64 | - |
| Number of Names | 1 | 1 | - |
| Average Credit Rating (Exponential) | AA- | AA- | n / a |
| Average Credit Rating (Linear) | AA- | AA- | n / a |

Definitions of these characteristics can be found in the Glossary section of this factsheet.

Sector Positioning

| | Security Holdings (excl. Derivatives) | | | Contribution to Duration Times Spread (incl. Derivatives) | | |
|------------------------------|---------------------------------------|---------------|----------|---|-----------|-----------|
| | Fund | Index | Relative | Fund | Index | Relative |
| Treasury | 99.62 | 100.00 | -0.38 | 23 | -2 | 24 |
| Quasi / Sov / Supra / Agency | 0.00 | 0.00 | 0.00 | 0 | 0 | 0 |
| Agency Mortgages | 0.00 | 0.00 | 0.00 | 0 | 0 | 0 |
| Banks & Brokers | 0.00 | 0.00 | 0.00 | 0 | 0 | 0 |
| Insurance | 0.00 | 0.00 | 0.00 | 0 | 0 | 0 |
| Property | 0.00 | 0.00 | 0.00 | 0 | 0 | 0 |
| Other Financials | 0.00 | 0.00 | 0.00 | 0 | 0 | 0 |
| Basic Industry | 0.00 | 0.00 | 0.00 | 0 | 0 | 0 |
| Capital Goods | 0.00 | 0.00 | 0.00 | 0 | 0 | 0 |
| Consumer Cyclical | 0.00 | 0.00 | 0.00 | 0 | 0 | 0 |
| Consumer Non Cyclical | 0.00 | 0.00 | 0.00 | 0 | 0 | 0 |
| Energy | 0.00 | 0.00 | 0.00 | 0 | 0 | 0 |
| Transportation | 0.00 | 0.00 | 0.00 | 0 | 0 | 0 |
| Technology | 0.00 | 0.00 | 0.00 | 0 | 0 | 0 |
| Communications | 0.00 | 0.00 | 0.00 | 0 | 0 | 0 |
| Industrial Other | 0.00 | 0.00 | 0.00 | 0 | 0 | 0 |
| Utility | 0.00 | 0.00 | 0.00 | 0 | 0 | 0 |
| Covered | 0.00 | 0.00 | 0.00 | 0 | 0 | 0 |
| Non Agency | 0.00 | 0.00 | 0.00 | 0 | 0 | 0 |
| ABS / MBS | 0.00 | 0.00 | 0.00 | 0 | 0 | 0 |
| Unclassified | 0.00 | 0.00 | 0.00 | 0 | 0 | 0 |
| Index Credit Default Swaps | 0.00 | 0.00 | 0.00 | 0 | 0 | 0 |
| Interest Rate Derivatives | 0.00 | 0.00 | 0.00 | 0 | 0 | 0 |
| FX / Derivative P&L | 0.00 | 0.00 | 0.00 | 0 | 0 | 0 |
| Cash | 0.38 | 0.00 | 0.38 | 0 | 0 | 0 |
| Total | 100.00 | 100.00 | - | 23 | -2 | 24 |

Security Holdings as a percent of total net assets. Contribution to duration-times-spread (DTS) in the appropriate unit of measure. DTS includes the effect of derivatives. 'FX / Derivative P&L' includes collateral balances with counterparties arising from derivatives used in the fund (this can lead to a negative balance).

Credit Rating

| | Security Holdings (excl. Derivatives) | | | Contribution to Duration Times Spread (incl. Derivatives) | | |
|---------------------------|---------------------------------------|---------------|----------|---|-----------|-----------|
| | Fund | Index | Relative | Fund | Index | Relative |
| AAA/Aaa | 0.00 | 0.00 | 0.00 | 0 | 0 | 0 |
| AA/Aa | 99.62 | 100.00 | -0.38 | 23 | -2 | 24 |
| A | 0.00 | 0.00 | 0.00 | 0 | 0 | 0 |
| BBB/Baa | 0.00 | 0.00 | 0.00 | 0 | 0 | 0 |
| BB/Ba | 0.00 | 0.00 | 0.00 | 0 | 0 | 0 |
| B | 0.00 | 0.00 | 0.00 | 0 | 0 | 0 |
| CCC and Below | 0.00 | 0.00 | 0.00 | 0 | 0 | 0 |
| Not Rated | 0.00 | 0.00 | 0.00 | 0 | 0 | 0 |
| Interest Rate Derivatives | 0.00 | 0.00 | 0.00 | 0 | 0 | 0 |
| FX / Derivative P&L | 0.00 | 0.00 | 0.00 | 0 | 0 | 0 |
| Cash | 0.38 | 0.00 | 0.38 | 0 | 0 | 0 |
| TOTAL | 100.00 | 100.00 | - | 23 | -2 | 24 |

Exposure as a percent of total net assets and contribution to duration-times-spread (DTS). 'FX / Derivative P&L' includes collateral balances with counterparties arising from derivatives used in the fund (this can lead to a negative balance). DTS includes the effect of derivatives. For ratings breakdown, worst of the two best ratings from across S&P, Moody's and Fitch is applied (commonly known as the Basel method).

Maturity Profile (Contribution to Duration)

| | Fund | Index | Relative |
|---------------------|------------|------------|------------|
| 0 to 1 years | 0.0 | 0.0 | 0.0 |
| 1 to 3 years | 0.4 | 0.3 | 0.1 |
| 3 to 5 years | 0.3 | 0.5 | -0.2 |
| 5 to 10 years | 1.0 | 1.4 | -0.3 |
| 10 to 15 years | 1.4 | 1.2 | 0.3 |
| 15 to 20 years | 1.1 | 1.1 | -0.1 |
| 20 to 25 years | 0.6 | 0.9 | -0.4 |
| 25 to 30 years | 1.2 | 1.2 | 0.1 |
| 30 to 40 years | 1.9 | 1.3 | 0.5 |
| 40 + years | 0.5 | 0.6 | -0.1 |
| Rounding adjustment | 0.1 | 0.0 | 0.1 |
| TOTAL | 8.5 | 8.5 | 0.0 |

Includes the effect of interest rate derivatives such as government bond futures, inflation swaps and interest rate swaps.

Regional Exposure - Domicile Of Issuer

| | Security Holdings (excl. Derivatives) | | | Contribution to Duration (incl. Derivatives) | | | Contribution to Duration Times Spread (incl. Derivatives) | | |
|-------------------------------|---------------------------------------|--------|----------|--|-------|----------|---|-------|----------|
| | Fund | Index | Relative | Fund | Index | Relative | Fund | Index | Relative |
| Multinational | 0.00 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| United States (& Other Amer.) | 0.00 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Canada | 0.00 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| United Kingdom (& Ire.) | 99.62 | 100.00 | -0.38 | 8.5 | 8.5 | 0.0 | 23 | -2 | 24 |
| France | 0.00 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Germany (& Aust.) | 0.00 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Benelux | 0.00 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Scandinavia | 0.00 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Mediterranean | 0.00 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Switzerland | 0.00 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Other Europe | 0.00 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Japan | 0.00 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Australia & N.Z. | 0.00 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Asia ex Japan ex Aus. | 0.00 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| C.I.S / Eastern Europe | 0.00 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Latin America | 0.00 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Middle East / N Africa | 0.00 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Sub-Saharan Africa | 0.00 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Other | 0.00 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Unclassified | 0.00 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| FX / Derivative P&L | 0.00 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Index Credit Default Swaps | 0.00 | 0.00 | 0.00 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Cash | 0.38 | 0.00 | 0.38 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| TOTAL | 100.00 | 100.00 | - | 8.5 | 8.5 | 0.0 | 23 | -2 | 24 |

Security Holdings as a percent of total net assets. Contribution to duration (CTD) and contribution to duration-times-spread (DTS) are in the appropriate units of measure. CTD and DTS include the effect of derivatives. 'FX / Derivative P&L' includes collateral balances with counterparties arising from derivatives used in the fund (this can lead to a negative balance).

Top 10 Long Exposures By Issuer

| | Fund | Index | Relative |
|---------------------------|-------|--------|----------|
| (UKT) UNITED KINGDOM GILT | 99.62 | 100.00 | -0.38 |

Top long exposures are those bond issuers that reflect the largest percentage of the fund's total net assets. The effect of credit derivatives is included where the reference entity is a specific bond issuer. Government bond futures and index credit default swaps are excluded. Where bonds are issued by different entities within the same corporate group/complex, the aggregated exposure may not be reflected in the data above.

Glossary

Volatility & Risk

Annualised volatility: a measure of how variable returns for a fund or comparative market index have been around their historical average (also known as “standard deviation”). Two funds may produce the same return over a period. The fund whose monthly returns have varied less will have a lower annualised volatility and will be considered to have achieved its returns with less risk. The calculation is the standard deviation of 36 monthly returns presented as an annualised number. Volatility for funds and indices are calculated independently of each other.

Relative volatility: a ratio calculated by comparing the annualised volatility of a fund to the annualised volatility of a comparative market index. A value greater than 1 indicates the fund has been more volatile than the index. A value less than 1 shows the fund has been less volatile than the index. A relative volatility of 1.2 means the fund has been 20% more volatile than the index, while a measure of 0.8 would mean the fund has been 20% less volatile than the index.

Sharpe ratio: a measure of a fund’s risk-adjusted performance, taking into account the return on a risk-free investment. The ratio allows an investor to assess whether the fund is generating adequate returns for the level of risk it is taking. The higher the ratio, the better the risk-adjusted performance has been. If the ratio is negative, the fund has returned less than the risk-free rate. The ratio is calculated by subtracting the risk-free return (such as cash) in the relevant currency from the fund’s return, then dividing the result by the fund’s volatility. It is calculated using annualised numbers.

Annualised alpha: the difference between a fund’s expected return (based on its beta) and the fund’s actual return. A fund with a positive alpha has delivered more return than would be expected given its beta.

Beta: a measure of a fund’s sensitivity to market movements (as represented by a market index). The beta of the market is 1.00 by definition. A beta of 1.10 shows that the fund could be expected to perform 10% better than the index in up markets and 10% worse in down markets, assuming all other factors remain constant. Conversely, a beta of 0.85 indicates that the fund could be expected to perform 15% worse than the market return during up markets and 15% better during down markets.

Annualised tracking error: a measure showing how closely a fund follows the index to which it is being compared. It is the standard deviation of the fund’s excess returns. The higher the fund’s tracking error, the higher the variability of fund returns around the market index.

Information ratio: a measure of a fund’s effectiveness in generating excess return for the level of risk taken. An information ratio of 0.5 shows the fund has delivered an annualised excess return equivalent to half the value of the tracking error. The ratio is calculated by taking the fund’s annualised excess return and dividing it by the fund’s tracking error.

R²: a measure representing the degree to which a fund’s return can be explained by the returns of a comparative market index. A value of 1 signifies the fund and index are perfectly correlated. A measure of 0.5 means only 50% of the fund’s performance can be explained by the index. If the R² is 0.5 or lower, the fund’s beta (and therefore its alpha too) is not a reliable measure (due to a low correlation between fund and index).

Ongoing charges

The ongoing charges figure represents the charges taken from the fund over a year. It is calculated at the fund’s financial year end and may vary from year to year. For classes of funds with fixed ongoing charges, this may not vary from year to year. For new classes of funds or classes undergoing corporate actions (eg amendment to annual management charge), the ongoing charges figure is estimated until the criteria are met for an actual ongoing charges figure to be published.

The types of charges included in the ongoing charges figure are management fees, administration fees, custodian and depositary fees and transaction charges, shareholder reporting costs, regulatory registration fees, Directors fees (where applicable) and bank charges.

It excludes: performance fees (where applicable); portfolio transaction costs, except in the case of an entry/exit charge paid by the fund when buying or selling units in another collective investment undertaking.

For more information about charges (including details of the fund’s financial year end), please consult the charges section in the most recent Prospectus.

Independent Assessment

Primary share class: is identified by Morningstar when the analysis calls for only one share class per fund to be in the peer group. It is the share class Morningstar recommends as the best proxy for the portfolio for the relevant market and category/GIF combination. In most cases the share class chosen will be the most retail version (based upon actual management charge, inception date, distribution status, currency and other factors) unless a share class that is less retailed focused has a much longer track record. It is different to the oldest share class data point in that it is on an available for sale level and not all markets will have the oldest share class for sale in that region. The Primary share class is also based on category so each available for sale/category combination for the fund will have its own primary share class.

Glossary

Portfolio Characteristics

Distribution Yield (%)

The Distribution Yield reflects the amounts that may be expected to be distributed over the next twelve months as a percentage of the mid-market unit price of the fund as at the date shown and is based on a snapshot of the portfolio on that day. It includes the fund's ongoing charges but does not include any preliminary charge and investors may be subject to tax on distributions.

Effective Duration

Duration is a measure of sensitivity of the fund value to changes in interest rates.

Effective duration is a duration calculation for bonds with embedded options (such as a call or a put option). It takes into account that expected cash flows will fluctuate as interest rates change and affect a bond's price.

The effective duration of a fund is calculated by a market weighted sum of the effective duration of each individual instrument. The effect of derivatives such as bond futures and interest rate swaps are included in the calculation.

Running Yield (%)

Describes the income investors get from their portfolio as a percentage of market value of the securities, incorporating the effect of derivatives. It should not be relied on as a measure of expected fund return (or distribution). Bonds with high probability of default are excluded from the calculation. The running yield does not reflect the total return over the life of the bond and takes no account of reinvestment risk (the uncertainty about the rate at which future cash flows can be reinvested) or the fact that bonds usually mature at par value, which can be an important component of a bond's return. The running yield does not include the impact of fees.

Yield to Maturity (%)

The Yield to Maturity (also known as the Redemption Yield) is the aggregate of all anticipated returns on each individual bond within the portfolio expressed as an annual rate based on market value as at date shown, coupon rate and time to maturity of each bond. It is based on a snapshot of the portfolio on that date. The redemption yield is gross of the fund's charges and gross of tax.

Average Maturity (Years)

The market-weighted average maturity of bonds held in the portfolio. Perpetual bonds are assigned a maturity of 31 December 2049. Derivatives are excluded from the calculation.

Average Coupon (%)

The coupon is the interest rate stated on a bond when it is issued. Average Coupon is the weighted average coupon of bonds held in the portfolio. Derivatives are excluded from the calculation.

Spread Duration

The sensitivity of the price of a bond to a change in its Option Adjusted Spread.

Option Adjusted Spread (Basis Points)

Option Adjusted Spread (OAS) measures the yield spread that is not directly attributable to the bond's characteristics. OAS is a measurement tool for evaluating price differences between similar bonds with different embedded options. A larger OAS implies a greater return for greater risks.

Duration Times Spread (DTS)

DTS is a measure of credit risk sensitivity that utilises credit spread and credit spread duration based on current market valuations. It is superior to spread duration as a standalone measure of credit risk because it recognises that securities with a higher spread tend to experience greater spread changes. The portfolio's DTS is the value weighted sum of the DTS of each individual instrument.

Number of Holdings

The number of bonds and derivatives held in the fund. Where the fund invests in another fund, it is counted as one holding. FX (foreign exchange) forwards are excluded. These are forward contracts that allow currency to be bought or sold at an agreed price on a future date.

Number of Names

The total number of individual issuers whose bonds are held in the fund. Since the fund will often hold more than one bond from an issuer, this figure is generally lower than the number of holdings.

Average Credit Rating

This is the weighted average of all the bond credit ratings in the fund, expressed using the industry standard letter system (ie AAA, BBB). It takes into account all investments in the fund, including derivatives. This measure gives an idea of how risky the fund's bonds are overall: the lower the average credit rating, the riskier the fund.

With a Linear weighted average, the weight assigned to each issue is equal to its market value weight. With an Exponential weighted average, the weight gets proportionally higher for lower-quality credit. In both calculations, the final value is the S&P-equivalent rating nearest to the calculated average.

Primary share class: is identified by Morningstar when the analysis calls for only one share class per fund to be in the peer group. It is the share class Morningstar recommends as the best proxy for the portfolio for the relevant market and category/GIF combination. In most cases the share class chosen will be the most retail version (based upon actual management charge, inception date, distribution status, currency and other factors) unless a share class that is less retailed focused has a much longer track record. It is different to the oldest share class data point in that it is on an available for sale level and not all markets will have the oldest share class for sale in that region. The Primary share class is also based on category so each available for sale/category combination for the fund will have its own primary share class

Weighted Average Life: The weighted average life (WAL) is the average length of time that each euro of unpaid principal on a loan, a mortgage or an amortizing bond remains outstanding.

Discount Margin: A discount margin (DM) is the average expected return earned in addition to the index underlying, or reference rate of, the floating rate security.

Performance

PNAV: Performance Net Asset Value enables calculation of how a fund would have hypothetically performed if its valuation point had been aligned with the index. It is calculated at the month end by revaluing fund assets using market-closing prices to align with the index, standard WM/Reuters closing FX rates (fixed at 16.00 UK time) to align with the index, and stripping out any adjustments resulting from Fidelity International's fair value or swing pricing policies. This simulated performance is for illustrative purposes only. No client dealing takes place using PNAV.

Portfolio Turnover Rate (PTR) and Portfolio Turnover Cost (PTC), where shown: SRDII does not define a methodology for these values; ours is as follows: **PTR** = (purchases of securities + sales of securities) minus (subscriptions of units + redemptions of units), divided by average fund value over the prior 12 months multiplied by 100. Any funds' trading in Fidelity Institutional Liquidity Funds is excluded from the PTR calculation. **PTC** = PTR (capped at 100%) x transaction cost, where transaction cost is calculated as ex-post (i.e. prior 12 months) MiFID disclosure of portfolio transaction costs minus implicit costs.

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