FIDELITY L&G PRE-RETIREMENT FUND - CLASS 9

Fund objective

This life fund invests in an underlying fund managed by Legal & General Assurance (Pensions Management) Ltd. The objective of the underlying fund is:
The investment objective of the fund is to provide diversified exposure to assets that reflect the investments underlying a typical traditional level annuity product. The Fidelity fund invests in the underlying fund through a reinsurance policy with Legal & General Assurance (Pensions Management) Ltd.

Performance as at 31.12.2016

Past performance is not a reliable indicator of future results.

Yearly performance

	1 January 2012 to 31 December 2012	1 January 2013 to 31 December 2013	1 January 2014 to 31 December 2014	1 January 2015 to 31 December 2015	1 January 2016 to 31 December 2016
Fund	11.2%*	-2.7%	17.8%	-0.3%	15.3%
Benchmark	11.0%	-2.5%	17.9%	-0.1%	15.4%

Annualised performance

	1 Year	3 Years	5 Years	Since Launch
Fund	15.3%	10.7%	7.9%*	6.8%
Benchmark	15.4%	10.8%	8.0%	7.0%

*If shown, as the life fund is less than five years old, we have modelled its performance prior to launch based on the performance of the fund that it invests into. Figures reflect the return on investment after the fund's charges have been deducted.

Fund footnote: This fund is part of the long-term pension business of FIL Life Insurance Limited. Performance data is calculated using data supplied by L&G on a NAV to NAV basis, net of fees. Midday price. Source: Fidelity

Indicative fund footnote: For this fund, performance shown is modelled on the performance of the underlying fund. Performance data is calculated using data supplied by L&G on a NAV to NAV basis, net of fees.Midday price. Source: Fidelity.

Benchmark footnote: Composite Benchmark: 90% iBoxx Sterling Non Gilt (ex BBB) 15 years + Index, 10% FTSE A Government (Over 15 years) Index, Midday price. Soure: L&G

Risk factors

The value of your investments may go down as well as up and you may not get back the amount invested.

Fund specific risk factors (see overleaf)

3: Efficient portfolio management 17: Solvency of issuers

Fund facts

Benchmark	
100% L&G Pre-Retirement Benchmark	
Fund Manager	
Underlying Fund - L&G - Team Approach	
Fund size	£29m
Launch date	31.08.12
Base currency	GBP
Annual management charge	0.180%
Other charges	0.000%
Total Expense Ratio	0.180%

The charges are reflected in the quoted unit/share price for the fund and are not deducted directly from your account. A full explanation of fund charges can be found in your plan literature.

SEDOL number	B81Z526
ISIN number	GB00B81Z5261
Fund management style	Passive

The majority of our funds will not be available for review on external fund websites by searching for the ISIN or SEDOL numbers.

Risk rating

Lower risk/return — Higher risk/return

L1 | **L2** | M1 | M2 | H

L2 - Lower-Medium risk/return

Less emphasis is placed on capital preservation than in the lower risk/return category introducing a chance of higher potential returns. Compared to the lower risk/return category there is more of a risk of your fund value going down but in return for this there maybe a better chance of your fund value experiencing a higher rate of growth.

Risk ratings are an indication only and take into account volatility, based on past performance, and an internal assessment of the underlying asset types in the fund. Ratings may change, do not imply or offer any guarantee, and only apply to, and in comparison with, the funds made available by Fidelity's DC business.

Asset Allocation breakdown as at 31.12.2016

U.K. Gilt Bond Interm/Long Term	**31.3%**
U.K. Corporate Bond Interm/Long Term	**18.9%**
European Bond	**18.8%**
Other Bond	**13.3%**
North American Bond	**9.3%**
Emerging Markets Bond	**4.2%**
Asia ex-Japan Bond	**1.5%**
U.K. Corporate Bond Short Term	**1.1%**
Other	**1.0%**
Japan Bond	**0.5%**

Source: Morningstar

Please note that the breakdown of underlying funds shown may not equal 100% due to buying/selling over a month end resulting in the fund being slightly in debit or credit. Where derivative instruments are held they are generally represented in the appropriate asset or sector categories. When an "other" category is shown, it may include some derivative types such as volatility index futures and total return swaps.

Top holdings as at 31.12.2016

UNITED KINGDOM (GOVERNMENT OF) 4.5%(2042-12-07)	**6.6%**
UNITED KINGDOM (GOVERNMENT OF) 4.25%(2027-12-07)	**5.5%**
UNITED KINGDOM (GOVERNMENT OF) 4.25%(2049-12-07)	**4.5%**
UNITED KINGDOM (GOVERNMENT OF) 4.5%(2034-09-07)	**3.6%**
UNITED KINGDOM (GOVERNMENT OF) 4.25%(2046-12-07)	**3.5%**
UNITED KINGDOM (GOVERNMENT OF) 4.75%(2038-12-07)	**1.5%**
PFIZER 6.5%(2038-06-03)	**1.0%**
ENGIE 5%(2060-10-01)	**0.8%**
UNITED KINGDOM (GOVERNMENT OF) 4.25%(2032-06-07)	**0.7%**
GLAXOSMITHKLINE CA 5.25%(2042-04-10)	**0.7%**

Source: Morningstar

Reference in this document to specific securities should not be considered as a recommendation to buy or sell these securities, but is included for the purposes of illustration only.
Top holdings are those securities in which the largest percentage of the fund's total assets are invested. Investments made through derivative instruments and other securities issued by the same company are listed separately. Foreign exchange currency related derivative instruments and other derivatives similar to money market instruments, such as interest rate swaps, are excluded from the top holding calculation.

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Legal & General

Fidelity INTERNATIONAL ™

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Risk factors explained

1. Concentrated portfolio. The fund may invest in a relatively smaller number of stocks. This stock concentration may carry more risk than funds spread across a larger number of companies.

2. Derivative exposure. The fund invests in derivatives as part of its investment strategy, over and above their use for efficient portfolio management. Investors should be aware that the use of these instruments can, under certain circumstances, increase the volatility and risk profile of the fund beyond that expected of a fund that only invests in equities. The fund may also be exposed to the risk that the company issuing the derivative may not honour their obligations which in turn could lead to losses arising.

3. Efficient portfolio management. The fund may use other investment instruments apart from / or in place of the actual underlying securities. This is done in order to manage the fund in a more efficient fashion. Examples of these other instruments could be options, derivatives or warrants. The process of using these instruments in the fund is referred to as efficient portfolio management. These instruments can be used to effectively take a position (or reduce an existing position) in a share or index, allowing positions to be altered more quickly and cost effectively than dealing directly in the underlying investment, but are not generally used to try and magnify returns. However, investors should be aware that the use of these instruments can, under certain circumstances, increase volatility and risk beyond that expected of a fund that only invests in conventional equities.

4. Emerging markets. The fund invests in emerging markets. There is an increased chance of political and economic instability with less reliable custody, dealing and settlement arrangements. The market(s) can be less liquid. If a fund investing in markets is affected by currency exchange rates, the investment could either increase or decrease. These investments, therefore, carry more risk.

5. Ethical restrictions. The fund is unable to invest in certain sectors and companies due to the ethical criteria used to select investments for the fund.

6. Exchange rate. The fund may invest in securities denominated in currencies that are different to the fund currency. The value of investments and any income from them may, therefore, decrease or increase as a result of changes in exchange rates between currencies.

7. Geared investments. The fund focuses on geared investments. Funds which focus on geared investments such as warrants or options carry a higher degree of risk than other equity investments because of the risk of the underlying investments. It is possible that the fund may suffer sudden and large falls in value so that the short fall on cancellation, or the loss of the realisation on the investment could be very high and could even equal the amount invested, in which case you would get nothing back.

8. High yield bonds. The fund invests in high yield bonds. High yield bonds carry a greater risk of default than investment grade bonds, and economic conditions and interest rate movements will have a greater effect on their price. Income levels may not be achieved and the income provided may vary.

9. Specialist. The fund is specifically aimed at sophisticated investors and is particularly high risk, because it concentrates on a region that may be exposed to unusual political or economic risks. You should only invest if you are comfortable with the specific risks pertaining to the fund in question.

10. Income eroding capital growth. The fund focuses on income which may reduce the prospect of capital growth. Any income generated cannot generally be withdrawn from a pension account until retirement and will be reinvested in the fund.

11. Liquidity. The fund can suffer from partial or total illiquidity, which may lead to considerable price fluctuations and the inability to redeem your investment. This could affect you, for example, when you are close to retirement.

12. Performance charges. The fund makes charges that depend on the fund's performance.

13. Property funds. The fund invests directly in physical property and there may be delays in completing your instruction to sell. This could affect you, for example when you are close to retirement, as it may be difficult to sell the units you hold in such funds. Any decision to invest in physical property should be carefully considered in line with your planned retirement goals. The value of physical property is generally a matter of a valuer's opinion rather than fact. Property transaction costs are high (typically around 5% due to legal costs, valuations and stamp duty).

14. Sector specific funds. The fund invests in specific sectors. Funds which invest in specific sectors may carry more risk than those spread across a number of different sectors. They may assume higher risk, as markets/sectors can be more volatile. In particular, gold, technology funds and other focused funds can suffer as the underlying stocks can be more volatile and less liquid.

15. Smaller companies. The fund invests in smaller companies. Smaller companies' shares can be more volatile and less liquid than larger companies' shares, so smaller company funds can carry more risk.

16. Solvency of depositary. The value of the fund may be affected if any of the institutions with which cash is deposited becomes insolvent or experiences other financial difficulties.

17. Solvency of issuers. The fund invests in bonds and there is a risk that the issuer may default, resulting in a loss to the portfolio.

18. Volatility. Investments in the fund tend to be volatile and investors should expect an above-average price increase or decrease.

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