

FUND APPROACH AND STYLE

**INVESTMENT APPROACH**

- The fund is a concentrated portfolio of the fund manager's highest conviction investment ideas, investing primarily in equities of European companies and their related securities, selected through a "bottom-up" approach.
- The fund has investment powers that enables the fund manager to access additional sources of positive alpha derived from Fidelity's proprietary Investment Research, a unique data set in the market, though the fund manager also uses third party research and industry literature as additional idea sources.
- These investment powers include the use of short derivative positions (up to 30%), additional long derivative positions (up to 35%), and the opportunity to invest up to 30% outside the core European equity universe of the fund, both in terms of geography and asset class.
- The result is an aggressive, active extension equity fund that seeks to generate an absolute return over the longer term through adding opportunistic additional sources of positive, high conviction alpha without a dramatic increase in volatility, thereby improving information ratios and risk-adjusted returns.

**BUY DISCIPLINE**

- Companies with a history of yielding superior returns on investment, resulting in strong cashflow generation.
- Securities with attractive valuations based on a variety of metrics.
- Preference for stocks with the potential for multiple expansion and also stocks whose cashflow profiles appear to be materially undervalued.

**SELL DISCIPLINE**

- Stocks that no longer offer adequate upside.
- Companies with weakening fundamentals and/or excessive valuation.
- Companies experiencing a change in management where new management is either unknown or not trusted.
- Positions where the original investment thesis no longer holds.

**SHORTING DISCIPLINE**

- The ability to synthetically short stocks allows the fund manager to use Fidelity's highest conviction sell ratings as an additional source of positive excess return.
- Fidelity's Sell recommendations account for approximately 40% of Fidelity's investment recommendations.
- The fund has a dedicated short-side analyst who assists the fund manager to identify short positions in stocks where it is believed that:
  - Fundamentals warrant a lower price for the stock than it is currently priced at in the market.
  - There is an identifiable trigger that is likely to cause the imminent share price decline of the stock.
- Stop-loss policies are employed to ensure that marginal contribution to risk from individual positions is not excessive.

**ACTIVE EXTENSION DISCIPLINE**

- The investment powers allow the fund manager to align the portfolio's level of market exposure with the implied attractiveness of the European equity market, as indicated by the relative abundance of positive or negative investment recommendations from Fidelity's research analysts.
- Through short positions (up to 30%), additional long leveraged positions (up to 35%) and additionally through investment in cash (up to 25%), the fund manager can moderate net market exposure within the range of 45% to 135%.
- However, the fund manager is expected to maintain net market exposure of approximately 90-110% in normal equity market conditions.

**INVESTMENT STYLE CHARACTERISTICS**

- Blend of value and growth – no distinct style bias.
- Broad market capitalisation exposure.
- Focus on stocks with material absolute upside potential.
- Sector allocation is a function of bottom-up stock selection in conjunction with top-down macro reality check.
- Significant interest in securities outside the fund's benchmark that compete or interact with the fund's core universe.

**EXPECTED FUND CHARACTERISTICS**

- Core long portfolio of 50-70 names.
- Portfolio concentration will fluctuate: c.30% in Top 10 positions, with c.50-60% in Top 20 positions.
- Expected Tracking Error Range 5-10%.
- Long position investment horizon c.1-2 years.
- Expected short position holding period c.3-6 months.
- Expected portfolio beta c1.0.

QUARTERLY UPDATE

- During the first quarter, the A-EUR class of the FAST Europe Fund returned -18.1% in euro terms, underperforming the -15.7% return of the MSCI Europe Index.
- We entered the period positioned defensively due to our concerns about the uncertain outlook for areas of the market exposed to the ongoing turmoil in the credit markets. This proved beneficial in the earlier stages of the quarter, although rallies in some of the sectors exposed to credit risk detracted from this positive start. We maintain a cautious view, preferring to own those stocks with stable earnings, and valuations which offer absolute upside.
- By far the strongest contributor to the fund's performance was our material overweight in consumer staples stocks, and in particular food, beverage & tobacco. Danone continued to make a significant contribution to the fund's outperformance, while a niche animal feed producer benefited from its market leading position and rising demand, helping the stock to gain more than 20% during the quarter. Positive stock selection in energy also helped the fund.
- Our large underweight in financials was slightly reduced as we added exposure to those banks where we believe that their balance sheets can absorb further writedowns without the need for further capital injections. However, we continued to maintain a material underweight to non-bank financials, on account of further perceived balance sheet risk. This positioning made a mixed contribution to the fund's performance. In particular, our underweight in insurance stocks detracted from performance as those stocks outperformed during the quarter. Finally, our large overweight in utilities stocks also hindered the fund's performance during the quarter, with the sector underperforming the broader index. This was despite the attractive nature of these stocks in the current environment, given their non-cyclical nature and the positive environment for electricity pricing.
- The fund maintained both long and short positions in securities outside the Core Universe during the quarter, seeking to profit from more pronounced share price movements than were available from their nearest analogues across Europe. Exposure to materials stocks in South Africa, which offer similar exposure to underlying raw materials as their more expensive western European peers, made a positive contribution to the fund.
- The fund's synthetic short positions detracted from performance during the first quarter. Certain positions, seeking to exploit the next phases of disappointment relating to the much tougher credit environment, worked well during the quarter. However, a number of our positions were impacted by an improvement in sentiment as a result of the emergency measures deployed by central banks, and a number of these positions were subsequently closed. Overall, the fund accessed a total of 30 stocks on the short side.
- The fund received a positive contribution from call options written against holdings in the fund. This increased the yield available from the stocks selected for the portfolio, whilst providing an efficient exit mechanism at the each stock's target price.
- At the end of March, the fund held just over 23% of its net assets in short positions, and was positioned with a net market exposure of 86%.

PERFORMANCE IN FUND CURRENCY

	YTD	6 mnths	1 yr	3 yrs	5 yrs	10 yrs	Since 04.10.04*
Fund cumulative growth	-6.9%	-5.1%	-6.8%	60.6%	-	-	96.3%
Index cumulative growth	-9.7%	-11.0%	-15.9%	29.2%	-	-	44.1%
Fund annualised growth	-	-	-6.8%	17.1%	-	-	20.3%
Index annualised growth	-	-	-15.9%	8.9%	-	-	10.5%

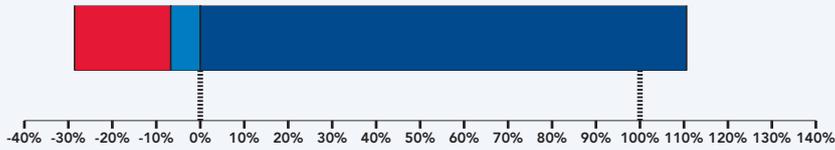
\* All data source: Fidelity. Performance calculated from date of first investment (04/10/04). Performance is quoted on a NAV to NAV basis with income reinvested. In all instances annual fees, any performance fees and expenses are included, but any sales charges are not included. Past performance is no guarantee of future returns. The value of investments and income from them can go down as well as up, and investors may not get back the amount invested. Investments denominated in a currency other than the investor's own currency will be subject to movements in foreign exchange rates.

PERFORMANCE SINCE 04.10.04



EQUITY EXPOSURE

■ Long positions	110.6%
■ Hedge Positions	-6.7%
■ Short Positions	-21.9%



EQUITY EXPOSURE CALCULATIONS

	Gross Exposure	Net Exposure
Long positions	110.6%	110.6%
Hedge positions	6.7%	-6.7%
Short positions	21.9%	-21.9%
Total Equity Exposure	139.2%	81.9%

Cash	17.1%	17.1%
Other Investments*	0.0%	0.0%

\*Non-equity holdings percentage of fund value

INDUSTRY BREAKDOWN\*

	Long	Short	Net	Index	Active
Utilities	21.6%	0.0%	21.6%	7.0%	14.6%
Energy	19.9%	0.0%	19.9%	11.7%	8.3%
Materials	18.5%	0.0%	18.5%	10.8%	7.7%
Telecommunication Services	14.1%	0.0%	14.1%	6.6%	7.4%
Health Care	5.5%	-0.4%	5.0%	7.2%	-2.1%
Financials	14.9%	-10.5%	4.4%	24.9%	-20.5%
Consumer Staples	0.9%	-0.1%	0.8%	9.6%	-8.8%
Information Technology	0.8%	0.0%	0.8%	3.3%	-2.5%
Consumer Discretionary	4.5%	-7.6%	-3.2%	8.3%	-11.4%
Industrials	0.1%	-3.4%	-3.3%	10.6%	-13.9%
<b>Total Net Sector Exposure</b>	<b>100.8%</b>	<b>-22.0%</b>	<b>78.7%</b>	<b>100.0%</b>	
Index/ Unclassified	3.2%	0.0%	3.2%		
<b>Total Net Equity Exposure</b>	<b>104.0%</b>	<b>-22.0%</b>	<b>81.9%</b>		

\* Data represents MSSP classifications

FUND FACTS

Launch date:	01.10.04
Currency:	EUR
Benchmark index:	MSCI Europe Index (Net Luxembourg tax)
NAV price:	€ 196.24
Fund size:	€ 484m
No. of long equity positions:	36
No. of short equity positions:	24
Bloomberg code:	FASTEUR LX
Lipper:	65011059
Telekurs:	CH1980756
ISIN code:	LU0202403266
Management Fee:	1.5% per annum
Performance Fee:	20% of the out-performance of the MSCI benchmark, subject to a 2% annualised hurdle rate. Accrued for on each weekly, with accruals written back in case of underperformance and crystallized annually
Valuation Date:	Each week day (excl. 25-Dec & 01-Jan)
Dealing Date:	Each Friday (or next business day if falls on 25-Dec or 01-Jan)
Dealing cut-off:	12.00 UK time on Dealing Date
Min. initial subscription:	USD 50,000 (or equivalent)

COUNTRY BREAKDOWN

	Long	Short	Net	Index	Active
Germany	24.2%	-3.2%	21.0%	13.1%	7.9%
United Kingdom	22.7%	-6.6%	16.1%	31.2%	-15.1%
South Africa	9.0%	0.0%	9.0%	0.0%	9.0%
Russia	8.3%	0.0%	8.3%	0.0%	8.3%
Netherlands	8.0%	0.0%	8.0%	4.2%	3.8%
France	6.1%	0.0%	6.1%	14.5%	-8.4%
Switzerland	5.5%	-0.4%	5.0%	10.0%	-5.0%
Norway	4.5%	0.0%	4.5%	1.6%	2.9%
Other Countries	12.4%	-11.8%	0.6%	25.4%	-24.8%
<b>Total Net Country Exposure</b>	<b>100.8%</b>	<b>-22.0%</b>	<b>78.7%</b>	<b>100.0%</b>	
Index	3.2%	0.0%	3.2%		
<b>Total Net Equity Exposure</b>	<b>104.0%</b>	<b>-22.0%</b>	<b>81.9%</b>		

MANAGEMENT

Fund manager:	Anas Chakra	
Location:	London	
Appointed to fund:	01.12.06	
Years at Fidelity:	13 years	
Professional Experience:	1999 – Present	
	Portfolio Manager, Fidelity International, London	
	1995 – 1999	
	Research Analyst covering construction, textiles, retail, steel and South African equities, Fidelity International, London	
Education:	MBA, University of Pennsylvania MS, Statistics, University of Paris	
Funds Managed:	<b>Start:</b>	<b>End:</b>
FICL Europe	03.10.05	01.12.06
FIF MoneyBuilder Growth Fund	18.11.02	01.12.06
Various Inst Segregated a/cs	10.02.99	01.12.06

TOP 10 LONG POSITIONS

as at 31.03.08	% TNA
BAYER	6.2%
KPN	5.3%
SCOTTISH & SOUTHERN ENERGY	4.6%
HSBC HOLDINGS (UK REG)	4.5%
E.ON	4.3%
DANONE GROUPE	4.1%
ALLIANZ	4.0%
BNP PARIBAS	3.6%
KONINKLIJKE PHILIPS ELECTRONICS	3.2%
DAIMLER	3.2%

VOLATILITY AND RISK

Risk rating:	High	Beta:	1.29
Annualised Standard Deviation:	17.57	R-Squared <sup>2</sup> :	0.76
Relative Volatility:	1.48	Information Ratio:	0.88
Annualised Ex-Post Tracking Error <sup>1</sup> :	9.27	Sharpe Ratio:	0.79
Alpha:	0.45	Treynor Ratio:	10.79

<sup>1</sup> Annualised Ex-Post Tracking Error measures the standard deviation of a fund's monthly excess returns, represented on an annualised basis. The excess return is the difference between the return of the fund and the return of its benchmark. The lower the Tracking Error figure, the closer the relationship between the risk/return characteristics of the fund and those of its benchmark or the market.

<sup>2</sup> An R-Squared value of less than 0.5 indicates that Alpha and Beta are not reliable performance statistics.

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