

**FIDELITY**  
**Moneybuilder Income (OEIC)**

**OBSR Fund Rating**  
**AAA / Gold**

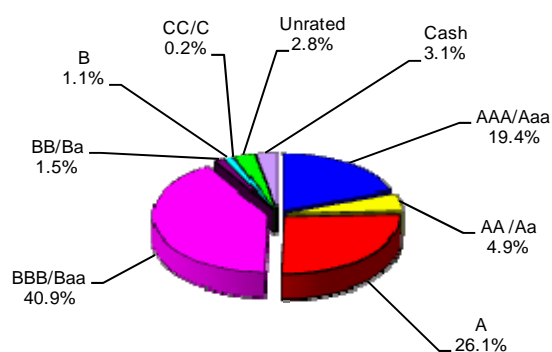


**Key Information**

<b>Launch Date</b>	12 September 1995	
<b>Fund Size</b>	£2680.0m	
<b>Type of Shares Available</b>	Income	
<b>Distribution Dates</b>	26 <sup>th</sup> of each month	
<b>Distribution Yield</b>	3.83%	
<b>ISA</b>	Yes	
<b>ISA Transfer</b>	Yes	
<b>Standard Fund Management Charges</b>	<b>Initial</b>	0.00%
	<b>Annual</b>	0.80%

**Asset Distribution**

Source: Fidelity



**Top Ten Holdings**

	<b>%</b>
UK Treasury 5% 7/3/2012	6.2
UK Treasury War Loan 3.5% Perpetual	2.6
UK Gilt 2.25% 7/3/2014	1.6
Severn Trent Water Utilities 6% 22/1/2020	1.5
Vodafone Group 5.375% 5/12/2017	1.4
Aspire Defence Finance 4.674% 31/3/2040	1.4
Tesco Property Finance 2 6.0517% 13/10/2	1.3
Great Rolling Stock 6.875% 27/7/2035	1.3
Anheuser Busch Inbev 6.5% 23/6/2017	1.2
Imperial Tobacco Finance 9% 17/2/2022	1.1
<b>Concentration (Top 10)</b>	<b>19.6</b>

Source: Fidelity

**Classification**

<b>Sector</b>	Sterling Corporate Bond
<b>OBSR Category</b>	Investment Grade
<b>Benchmark/Index</b>	Merrill Lynch Eurosterling

**Management/Investment Style**

<b>Fund Manager</b>	Ian Spreadbury (September 1995)
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The fund offers investors a well diversified portfolio of primarily investment grade bonds, the management of which is underpinned by thorough credit and quantitative research. Portfolio construction is methodical and prudent and the manager aims to generate incremental returns combined with low volatility by investing in a range of non-correlated strategies.

**Investment Objective & Methodology**

The fund is managed to achieve an attractive level of income from a portfolio primarily invested in sterling denominated fixed interest securities. The manager seeks to outperform the peer group of funds in the Lipper UK Corporate Bond sector and uses the Merrill Lynch Eurosterling Index as a benchmark.

Ian Spreadbury is a senior portfolio manager in Fidelity's London based fixed income team. He joined Fidelity in 1995 and has managed the MoneyBuilder Income fund since that time. He is assisted in London by a team of credit analysts, a quantitative analysis team and a trading desk.

The investment process is founded on the belief that economic forecasts are frequently unreliable and therefore do not represent a sufficiently robust basis for portfolio construction. Instead, investment views are implemented through yield curve allocation (government versus credit bets), industry sector allocation, issuer credit analysis and security valuation. Furthermore, the manager ensures that the portfolio is well diversified by employing a large number of different strategies that are not necessarily correlated to each other. These strategies are built upon detailed credit and quantitative research. The credit analysts are responsible for the due diligence on existing holdings, analysis of the relative attraction of new issues and the identification of relative value opportunities. They meet a large number of companies and build their own cash flow and profit models. The London-based credit analysts cover companies domiciled in UK and Europe, while information on companies based elsewhere can be accessed on Fidelity's comprehensive research database. The quantitative analysts develop a variety of models to help the manager assess the relative attraction of corporate sectors, yield curve opportunities and anomalies in specific bond issues. The conclusions they draw are used to evaluate individual trades and to determine asset allocation decisions. The portfolio managers and the analysts are seated together in order to facilitate communication and information regarding the strategy and portfolio positions is also conveyed at weekly and monthly meetings.

The fund is highly diversified and features 250-300 holdings. The fund must not exceed a tracking error of 1% versus its benchmark; this is the main source of control on the portfolio and prevents the manager from taking on excessive risk. Duration management is a less important source of alpha but the manager does implement modest tactical duration positions within a strictly controlled risk framework (+/- 1 year). There is a limit of 5% on the fund's exposure to high yield. A maximum of 30% may be in non-Sterling assets with a maximum of 10% in unhedged foreign exchange exposure. Derivatives are permitted and used for efficient portfolio management.

www.obsrfundratings.co.uk

Data as at 31 December 2011  
 Last Updated January 2012