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**Financial Adviser**

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16 May 2023

Dear «Salutation»

**CREATION OF NEW SHARE CLASSES FOR RUSSIAN ASSETS - FIDELITY FUNDS EMERGING EUROPE, MIDDLE EAST AND AFRICA FUND ("THE FUND")**

We are writing to you as your plan holds units in the Fidelity Funds Emerging Europe, Middle East and Africa fund (in EUR or USD currency) whose portfolio contains Russian assets and whose net asset value was impacted as a consequence of Russia's invasion of Ukraine. There are some upcoming changes to the Fund which we need to notify you about.

**Background**

Following Russia's invasion of Ukraine in February 2022, worldwide sanctions combined with the partial closure of the Russian Stock Exchange, resulted in an inability of market participants to trade and achieve settlement in Russian equities. These factors prevented the disposal of affected Russian assets (the "Russian Assets") held in the Fund. The Management Company of the Fidelity Funds SICAV, acting in the best interests of investors, decided to apply a fair valuation to the Russian Assets in the Fund. As a result, on 1 March 2022, the Russian equities in the Fund were written down to zero. These formed 25.3% of the Fund's portfolio value as at 25 February 2022. Whilst some investment funds that invested heavily in Russian assets had to suspend trading at the end of February 2022, the Fund has remained open, has been priced daily and has continued to accept subscriptions and redemptions.

The board of directors of the Fund together with FIL Investment Management ("Fidelity") continue to review any further action which may be taken to ensure the activity of the Fund and the appropriate treatment of Russian Assets.

**Split of the Fund to create new side pocket share classes for Russian Assets**

Fidelity has advised of its intention to now split the Fund, creating new share classes (the "New Share Classes"), with effect **5 June 2023 (the "Effective Date")** to which the Russian Assets will be allocated. Fidelity consider the separation of assets to be in the best interest of the shareholders, while maintaining fair treatment for all shareholders of the Fund.

On the Effective Date, the Russian Assets of the Fund will be transferred into the New Share Classes. All shareholders of the Fund will receive an equivalent number of shares they hold in the Fund on a 1:1 basis within the New Share Classes.

The New Share Classes will be denominated in the same currency (unhedged) as the corresponding existing share class. The New Share Classes will only exist for the sole purpose of housing the Russian Assets. If normal trading resumes and the Russian assets can be disposed of, any value will be returned to shareholders into the New Share Classes, in tranches at time or times and at price(s) considered to be in the best interests of shareholders, and in a manner to ensure fair and equal treatment of shareholders. The New Share Classes will not be marketed to the public and will not be open to receive subscriptions or to be switched into. The New Share Classes will be valued at zero until further notice.

### Ongoing management of the liquid assets of the Fund

The remaining assets (i.e. non-Russian Assets) of the Fund will be managed in accordance with the existing investment objective and policy, on the basis that the value proposition and commercial viability of the investment strategy is considered by Fidelity to continue to be valid in the medium to long term. The Fund will not make any further investments in Russian securities until further notice. Fidelity has stated that the investment objective and policy of the Fund, and its pricing and dealing processes, will not be changed at this stage.

### What happens now with the New Share Classes?

On the Effective Date, plan owners who still have a holding in the Fund will receive a 1:1 allocation of their current unit holding in the Fund into the equivalent New Share Class in the relevant currency (i.e. EUR or USD). For example, if you currently hold one share in the Fund, you will be allocated one share in the corresponding New Share Class.

As the New Share Classes will be priced at zero and will have a 'suspended' status, the New Share Class will not be visible on plans. This is because if a RL360 unit-linked plan holds a suspended fund, it 'freezes' functionality on the plan, such as switching or taking withdrawals, therefore the New Share Class unit allocation will be recorded off plan on the behalf of plan owners, to enable plans to continue to operate normally.

Plan owners will continue to see their existing holding in the original Fund only on their plan, which continues to be priced daily. For information purposes, we have provided below details of the New Share Classes that will be created for the Fund:

The Fund	ISIN	New Share Classes	ISIN
Fidelity Funds Emerging Europe, Middle East and Africa A Acc EUR	LU0303816705	Fidelity Funds Emerging Europe, Middle East and Africa SP A Acc EUR	LU2536453348
Fidelity Funds Emerging Europe, Middle East and Africa A Acc USD	LU0303823156	Fidelity Funds Emerging Europe, Middle East and Africa SP A Acc USD	LU2536453777

For avoidance of doubt, after the Effective Date, should plan owners choose to switch out or redeem their holdings in the Fund, they will still hold units in the equivalent New Share Class.

However, should a plan owner decide to fully surrender their plan before or after the Effective Date, because the New Share Classes have a current value of zero, it would be necessary for them to waive their rights to the allocation in the relevant New Share Class.

Should Fidelity be able to dispose of the Russian Assets at any time in the future and return value to shareholders, for RL360 plan owners who have an in-force plan and unit holding in a New Share Class we will write to them at that time explaining how this will be allocated to their plan.

### Temporary suspension of subscriptions into the Fund and (where applicable) immediate action taken with regard to redirection of regular premium allocation

In preparation for the creation of the New Share Classes, Fidelity made the decision to temporarily close the Fund to subscriptions and switches-in from close of business on **4 May 2023** until **2 June 2023 (the "Subscription Suspension Period")**.

This does not affect redemptions and switches out of the Fund, which they will continue to accept.

As Fidelity has temporarily closed the Fund to subscriptions, it was necessary to take immediate action with regard to regular premium payments to ensure all premiums we receive can continue to be fully invested. If your plan is a regular premium paying plan, with effect from 5 May 2023 any regular premium allocation for the Fund has been redirected into an alternative receiving fund. The default receiving fund ("DRF") selected for the regular premium allocation is a money market fund, as detailed below:

The Fund	ISIN	DRF	ISIN
Fidelity Funds Emerging Europe, Middle East and Africa A Acc EUR	LU0303816705	Aberdeen Standard Liquidity (Lux) EUR A2 Acc	LU0090865873
Fidelity Funds Emerging Europe, Middle East and Africa A Acc USD	LU0303823156	Aberdeen Standard Liquidity (Lux) USD A2 Acc	LU0049014870

Please note that unless you notify us otherwise with an alternative regular premium redirection instruction, any regular premium allocation will continue to be directed into the DRF when the Subscription Suspension Period ends and we will not redirect the regular premium back into the Fund.

Should you wish to direct regular premiums back into the Fund at the end of the Subscription Suspension Period, or to any other available fund, you will need to submit a request.

#### **Your options**

You are free to conduct switches for any actively trading fund(s) in your plan to any other fund(s) available to your plan, free of charge, at any time and this includes requesting a redirection of regular premium, should you wish to.

To do this, visit the fund centre for your product at [www.rl360.com/fundcentres](http://www.rl360.com/fundcentres) to help you decide on a new fund, or funds. After that, choose one of the following options:

Switch online	Send us your changes
If you are a registered user of our Online Service Centre and have signed up for online switching, log into your account at <a href="http://www.rl360.com">www.rl360.com</a> and submit your switch online quickly and efficiently.	Download a copy of our <b>Fund Switch Instruction Form</b> , which you will find on the relevant product's "Downloads" page. Complete it and fax, post or email a scanned version back to us using the details on the form.

**You do not need to take any action with regard to this notification if you are happy with the selected DRF; the changes will happen automatically within your plan. You may want to discuss your options with your financial adviser before making any changes.**

#### **Getting in touch**

If you have any general queries regarding your plan please get in touch. Call our Customer Service Team on +44 (0)1624 681682 or send an email to [csc@rl360.com](mailto:csc@rl360.com) and one of our team will be happy to help.

Kind regards



Chris Corkish  
Investment Marketing Manager