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## Keeping you informed

### Proposed changes to the Fidelity Japan Smaller Companies Fund

Dear <client>

We're writing to let you know about proposed changes to the Fidelity Japan Smaller Companies Fund (the "Fund"), a sub-fund of Fidelity Investment Funds in which you're invested.

We propose to merge the Fund with the Fidelity Japan Fund (also a sub-fund of Fidelity Investment Funds). The proposed changes will be put to Shareholders of the Fund for their approval at a meeting on 14 February 2024 and we are aiming for the changes to take effect on 7 June 2024 (the "**Effective Date**").

The merger would result in you being issued with shares in the Fidelity Japan Fund to an equivalent value of those you hold in the Fidelity Japan Smaller Companies Fund at the Effective Date - the shares in the Fidelity Japan Smaller Companies Fund then being cancelled.

#### Background to the changes

The Fidelity Japan Smaller Companies Fund has £68m in assets, which have more than halved over the last five years due to outflows. The Fund is now becoming uneconomic to operate.

Therefore, we are proposing to merge the Fund into the much larger Fidelity Japan Fund. This should provide enhanced economies of scale to the Japan Fund which will continue to be managed in the same manner by Portfolio Manager, Min Zeng.

The Fidelity Japan Fund invests in Japanese companies of all sizes, whereas the Fund is more focused on smaller to mid-cap Japanese companies. The Fidelity Japan Fund has outperformed its performance comparison index over three and five years, and will retain a high level of flexibility to invest in companies of all sizes where Min sees relative value and the greatest potential for returns.

You can see the investment objective and investment policy of the funds in the **appendix** to this letter.

We believe that merging the Fund will be more conducive to delivering long-term capital growth across a range of different market conditions.

To ensure that the changes can take place as efficiently as possible, we will realign the Fund's portfolio after the changes are approved at the Shareholder meeting. This will commence from 16 February 2024. This may mean that from 24 May 2024 the Fund may not be managed in accordance with its investment objective.

The costs to the Fund of effecting the merger and its transition of assets will be borne by Fidelity.

The risk profile of the Fund is currently level 6 and that of the Japan Fund is lower at level 5.

Charges for the Fidelity Japan Fund are lower than those on the Fund - See the **appendix** to this letter.

At the Effective Date in pursuance of the merger it is the intention to close the Fund. If the merger is not approved by Shareholders then we will keep the viability of the Fund under review and may then proceed to close (with the return of monies to Shareholders) if it continues to be uneconomic to operate.

### **Your opportunity to vote**

Please read the enclosed official legal circular carefully as this contains further details on the proposals.

The changes will only go ahead if shareholders vote to approve them, so we've included a proxy voting form for your holdings. If you wish to vote prior to the meeting, you should return your form by 10.30am on 12 February 2024. Votes cast in advance of the meeting will only be taken on completed and duly returned forms. Alternatively, you can also vote at the meeting. The shareholder meeting will be held at Windmill Court, Millfield Lane, Lower Kingswood, Tadworth KT20 6RP at 10.30am on 14 February 2024. The results of the shareholder meeting will be published at **[www.professionals.fidelity.co.uk/funds/corporate-actions](http://www.professionals.fidelity.co.uk/funds/corporate-actions)**

You are welcome to attend the shareholder meeting if you would like to. Alternatively, you also have the option of appointing someone to attend using the enclosed proxy voting form. You'll be able to view the results of the vote online at **[www.professionals.fidelity.co.uk/funds/corporate-actions](http://www.professionals.fidelity.co.uk/funds/corporate-actions)**

### **Options for you to consider**

You do not need to take any action and if the merger goes through at the Effective Date you will be issued with shares in the Fidelity Japan Fund to an equivalent value of those held in the Fund (those shares being cancelled).

Should you wish to redeem your shares in the Fund you must do so before midday on the 7 June 2024. You may switch your shares for those in another fund before midday on 7 June 2024.

You should bear in mind that switching into a different fund within an Investment Account may count as a disposal for tax purposes and this may give rise to a Capital Gains Tax liability. We cannot give tax advice, so if you have any questions about your tax position, we recommend that you speak to HM Revenue & Customs or a tax specialist.

If you are invested through an ISA you should check with your provider on any impact to tax status.

If you have any questions, please contact us on 0800 700 000 (+44(0)20 3100 7074 from outside the UK). We're open Monday to Friday from 10am to 3pm. Alternatively, you can email us at [premierline@fil.com](mailto:premierline@fil.com)

Yours sincerely



**Malcolm Palmer**  
COO - Investment Solutions and Services

Encl: Merger Circular, Fidelity Japan Fund KIID

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## APPENDIX

### Investment Objective and Policy

<p><b>Fidelity Japan Smaller Companies Fund - Merging Fund</b></p> <p><b>Investment Objective</b></p> <p>The Fund aims to increase the value of your investment over a period of 5 years or more.</p>	<p><b>Fidelity Japan Fund - Receiving Fund</b></p> <p><b>Investment Objective</b></p> <p>The Fund aims to increase the value of your investment over a period of 5 years or more.</p>
<p><b>Investment Policy</b></p> <p>The Fund will invest at least 70% in equities (and their related securities) of medium and smaller sized* Japanese companies (those domiciled, incorporated or having significant business in Japan and those which are listed in Japan). The investment manager is not restricted in their choice of company by either size or industry.</p> <p>The Fund is actively managed. The Investment Manager identifies suitable opportunities for the Fund utilising in-house research and investment capabilities. The Investment Manager will, when selecting investments for the Fund and for the purposes of monitoring risk, consider the Russell/Nomura Mid Small Cap Japan Index. However, the Investment Manager has a wide degree of freedom relative to the index and may take larger, or smaller, positions in companies, and/or may invest outside the index, to take advantage of investment opportunities. This means the Fund's investments and therefore performance may vary significantly from the index. The Fund may also invest into other transferable securities, collective investment schemes, money market instruments, cash and deposits and is also able to use derivatives for efficient portfolio management.</p> <p>*as defined by the market cap range of the index</p>	<p><b>Investment Policy</b></p> <p>The Fund will invest at least 70% in equities (and their related securities) of Japanese companies (those domiciled, incorporated or having significant business in Japan and those which are listed in Japan) and is not restricted in terms of size or industry. The Fund is actively managed without reference to a benchmark. The Fund may also invest in other transferable securities, other collective investment schemes, money market instruments, cash and deposits and is also able to use derivatives for efficient portfolio management.</p>
<p><b>Charges</b></p> <p>On-going Charges Figure  1.72% per annum - A Accumulation Shares  0.97% per annum - W Accumulation Shares</p>	<p><b>Charges</b></p> <p>Current On-going Charges Figure  1.54% per annum - A Accumulation Shares  0.79% per annum - W Accumulation Shares</p>