

Managing your liquidity needs

As one of the world's leading investment firms with a significant position in money markets, we believe we can offer you the peace of mind you've been searching for.

Fidelity International

Managing your liquidity needs in today's changing rate environment presents challenges on numerous levels. Our Institutional Liquidity Funds (ILF) present a convenient solution to help you fulfill your cash management goals.

A global investment and retirement saving business

\$538bn

Total client assets*

\$86bn

In Fixed Income

\$16bn

In Liquidity Funds**

Source: Fidelity International, 31 August 2023. Data unaudited, asset figures rounded to the nearest US\$ billion. *Total client assets includes assets under management and assets under administration. **Liquidity Funds includes institutional liquidity funds, retail cash funds and the Fidelity Enhanced Reserve Fund.

Fidelity International is a global leader in the investment and retirement savings business. Established in 1969 as the international arm of Fidelity Investments, we are a privately held investment firm, majority owned by management and investment professionals. Investment is our core business with no conflicting interests from other financial services activities. This ensures we are driven by our clients' needs and not by short-term shareholder demands.

Today we manage total client assets of \$538bn including \$86bn in dedicated fixed income strategies of which \$16bn is managed in liquidity funds. We partner with a diverse range of clients including pension funds, central banks, sovereign wealth funds, large corporates, local government bodies, insurers and platforms.

We take a distinctive, research-driven approach to investing which, in the case of money markets, centres on proprietary credit analysis alongside consideration of wider inputs such as environmental, governance and social factors.

Why ILF at Fidelity?

We believe in a conservative approach to money market fund management, where capital preservation and liquidity are of the highest importance and return considerations are secondary.



Portfolio Managers

Experienced team of portfolio managers dedicated to Money Market strategies with over 25 years of track record



Credit Research

Robust, independent credit research process supports all investments, analysts conduct a proprietary risk and credit assessment in this space



Agency Rated

Our liquidity funds are AAA rated by both S&P and Moody's, giving clients peace of mind that their assets are in safe hands



Conservative Bias

Focus on safety, liquidity and diversification of risk to deliver consistent competitive risk-adjusted total returns



ESG Footprint

Leveraging Fidelity's internal ESG research to supplement our assessment of credit risk



Collaboration

Working closely with in-house macro team which support key views on central bank action and interest rates

A Conservative Philosophy & Team Oriented Investment Approach

Philosophy

Our philosophy is centred on a conservative, multi-strategy approach which aims to achieve capital preservation, liquidity and a competitive yield.

We believe a well-diversified portfolio, where no single decision can have a dominant impact on the fund, is key to preserving capital. Drawing on our extensive fundamental credit research function, we independently assess the quality of the issues in which we invest in order to protect client capital.


Our experienced Portfolio Managers are responsible for delivering the optimal balance of safety, liquidity and returns for our clients.

Investment Approach


Our investment process begins with an assessment of the current market environment and short-term outlook. This enables portfolio managers to make a top down decision on the target Weighted Average Maturity (WAM) for the fund. The portfolio managers monitor fund exposure on an ongoing basis and assess the needs of the fund on any given day.

The next step is a bottom-up security selection decision, whereby portfolio managers are only able to select securities from a pre-approved list. The approved list is subject to constant scrutiny from analysts, portfolio managers and senior management to ensure consistency and appropriateness of issuer ratings and guidelines recommended by the credit research team.

Fixed income traders are an integral part of the process as Fidelity portfolio managers do not have authority to trade, and traders have clear accountability for executing all portfolio transactions.

Top-down market assessment 

+

 Bottom-up security selection of pre-approved list

Funds managed against strict EU money market regulations

Fidelity's Institutional Liquidity Fund range is managed according to a strict set of guidelines in order to qualify as low volatility net asset value Short-Term Money Market Funds under EU Money Market fund regulations.

The funds are rated AAAm / Aaa-mf[^] by S&P and Moody's respectively, which adds a further strict layer of guidelines to ensure the funds maintain the highest ratings.

[^] Please note these ratings are not intended to evaluate the prospective performance of the relevant fund with respect to appreciation, volatility of Net Asset Value, or yield. The Fidelity Institutional Liquidity Fund Plc (ILF) has been awarded the highest possible money market rating of Aaa-mf by Moody's and AAAm by Standards & Poor's, as at August 2023.

Risk Management with Integrated ESG Analysis

Risk Management

We take an active and broad-based approach to risk management at each stage of the investment decision-making process. All stakeholders including the chief investment officer, portfolio managers, traders and analysts contribute to risk management oversight to ensure portfolios remain fully aligned with client expectations.

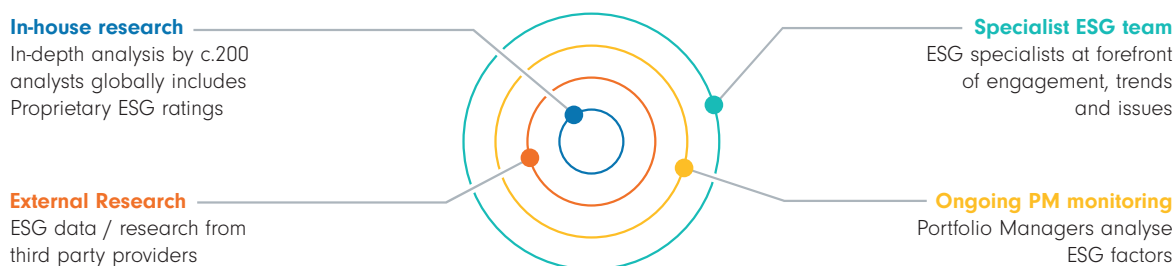
In addition to risk controls operated by the investment teams, there are several independent governance and oversight reviews. These include daily monitoring of portfolio constraints and regulatory requirements by the Investment Compliance function, and monthly Investment Risk Oversight Committee reviews. The portfolio managers participate in formal Quarterly Fund Reviews (QFR) chaired by the Fixed Income CIO and attended by the Investment Risk Team.

Integrated ESG Analysis

Considering sustainability metrics is vital to assess the credit worthiness of fixed income investments. ESG is incorporated into the investment process during the credit research process, but also at the firm-wide level through the use of exclusion lists.

There are four teams that are integral to our sustainable investment analysis: our analysts, our specialist Sustainable Investing Team, external research and our portfolio managers, who actively consider sustainability issues in their investment decisions.

Integrating ESG factors into investment decision-making



Fidelity Proprietary ESG Ratings

The Fidelity Proprietary ESG ratings give our credit and equity analysts a framework to assess ESG risk of companies in their universe. When evaluating the credit risk of money market issuers, we draw on this analysis as we consider sustainability to be a key non-financial risk to be considered. Ultimately, we use our judgement to evaluate how companies deal with the risks associated with sustainability issues and factor this into the qualitative credit research process.

We have been a signatory to the United Nations Principles for Responsible Investment (PRI) since 2012 and are proud of our ratings, having scored a mix of four and five stars in the categories assessed by PRI in 2021.



Source: Fidelity International, 2022. The assessment was made in 2021 by the PRI, based on company data as at 31 December 2020.

Dedicated Client Management Support and Market Insight

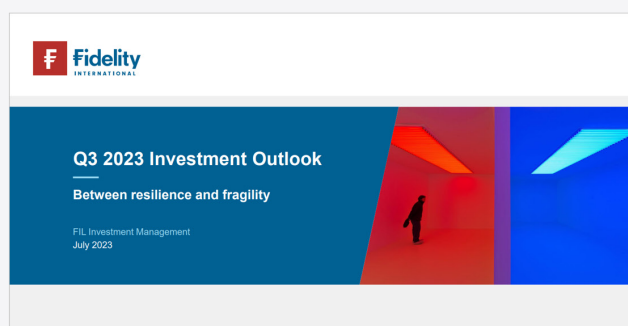
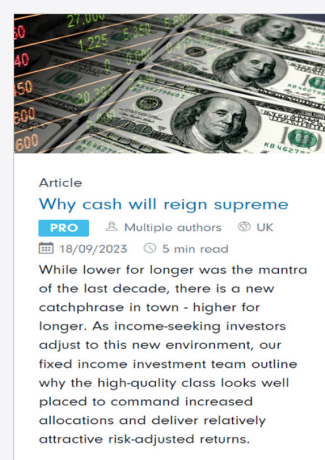
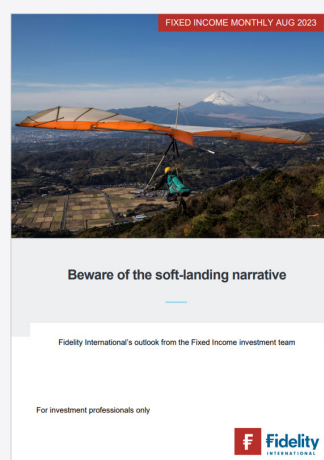
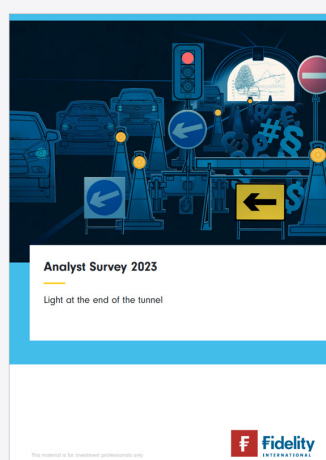
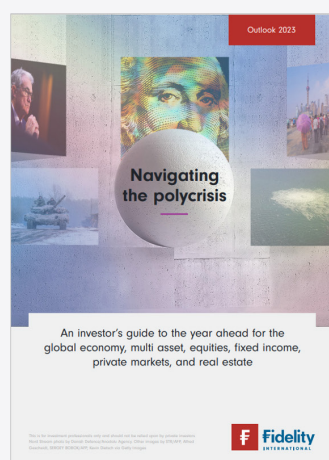
Client Experience

We are passionate about providing clients with first rate service and reporting. Our dedicated Relationship Management team will work closely with you to address your individual requests and proactively provide useful information and services.

The dedicated client support function is also on-hand for all aspects of operational support, and is responsible for meeting all of your day-to-day investment and administration requirements.

Market Insight

In order to keep you up to date and informed about investment topics, we offer you regular market commentaries and a dedicated website. Examples of regular publications include our Investment Outlook, Analyst Survey, Fixed Income Monthly, Quarterly Outlook and Money market articles.



A range of solutions to make your cash count

Institutional Liquidity Funds

We offer a number of open-ended liquidity funds within Fidelity's wider range of money market and short maturity investment solutions. Domiciled in Ireland and administered by J P Morgan, the Institutional Liquidity Funds offer:

- Daily liquidity
- Late cut off times across each respective currency
- Flexible dealing access

The current range comprises sub funds of the Fidelity Institutional Liquidity Fund plc;

- The United States Dollar Fund
- The Sterling Fund
- The Euro Fund
- The United States Dollar Treasury Fund

Segregated Mandates

For clients with specific requirements, we offer segregated mandates. Our Team will work with you to assess your liquidity requirements and develop an appropriate solution.

For more information about the Fidelity International Institutional Liquidity Fund (ILF) range or our other Treasury Management Services, please contact:

liquiditysolutions@fil.com or your usual local Fidelity representative.

We look forward to working with you.

Risk warnings

The value of your investment may fall as well as rise and you may get back less than you originally invested.

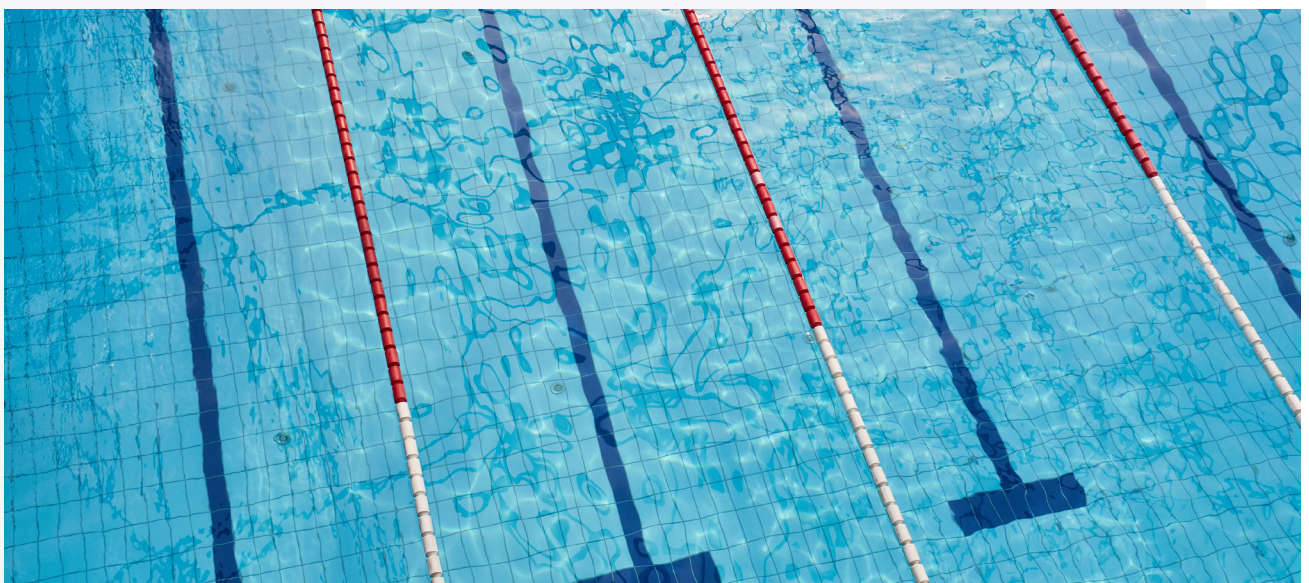
A Money Market Fund (MMF) is not a guaranteed investment. Investment in an MMF is different from an investment in deposits. The principal invested may fluctuate, and the risk of loss of the principal is to be borne by the investor. The MMF does not rely on external support for guaranteeing the liquidity of the MMF or stabilising the NAV per share.

The sub-funds of the Fidelity Institutional Liquidity Fund plc are low volatility net asset value short-term money market funds. Investment in a Money Market Fund is different from an investment in deposits, in particular, the principal invested in a Money Market Fund may fluctuate and the risk of loss of the principal is to be borne by the investor.

Bond investments: These funds invest in bonds whose price is influenced by movements in interest rates, changes in the credit rating of bond issuers, and other factors such as inflation and market dynamics. In general, as interest rates rise the price of a bond will fall. The risk of default is based on the issuer's ability to make interest payments and to repay the loan at maturity. Default risk may, therefore, vary between different government issuers as well as between different corporate issuers.

Corporate bonds: Due to the greater possibility of default an investment in a corporate bond is generally less secure than an investment in government bonds.

Money market instruments: The investment policy of these funds means they can be more than 35% invested in transferable securities and money market instruments issued or guaranteed by an EEA State, one or more of its local authorities, a third country or a public international body to which one or more EEA States belongs.



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