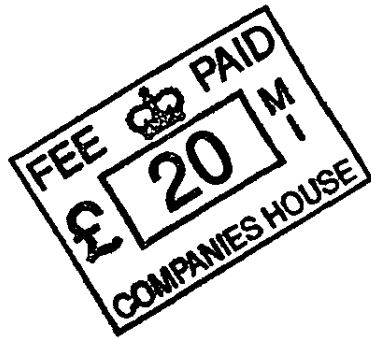


C C Payment

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Company No FC01370

FC13675

FIDELITY MANAGEMENT & RESEARCH (U K) INC
(A Wholly-Owned Subsidiary of
Fidelity Management & Research Company)

FINANCIAL STATEMENTS

For the Years Ended December 31, 2010 and 2009

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COMPANIES HOUSE

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FIDELITY MANAGEMENT & RESEARCH (U K) INC
(A Wholly-Owned Subsidiary of
Fidelity Management & Research Company)

FINANCIAL STATEMENTS

For the Years Ended December 31, 2010 and 2009



COMPANIES HOUSE



Report of Independent Auditors

To the Board of Directors and Stockholder of Fidelity Management & Research (U K)
Inc (a Wholly-Owned Subsidiary of Fidelity Management & Research Company)


In our opinion, the accompanying statements of financial condition and the related statements of income, changes in stockholder's equity, comprehensive income, and cash flows present fairly, in all material respects, the financial position of Fidelity Management & Research (U K.) Inc (the "Company") at December 31, 2010 and 2009, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

April 26, 2011

FIDELITY MANAGEMENT & RESEARCH (U.K.) INC
 (A Wholly-Owned Subsidiary of
 Fidelity Management & Research Company)
 STATEMENTS OF FINANCIAL CONDITION
 December 31, 2010 and 2009

	2010	2009
<u>ASSETS</u>		
Cash	\$ 7,210,825	\$ 5,521,599
Investments available for sale at fair value (cost of \$1,680,020 and \$1,672,937 in 2010 and 2009, respectively)	1,678,108	1,729,104
Net receivable from the Ultimate Parent	16,158,494	7,625,283
Fixed assets, net	155,861	83,154
Other assets	142,060	400,565
Deferred tax asset, net	<u>2,199,648</u>	<u>992,680</u>
Total Assets	<u>\$ 27,544,996</u>	<u>\$ 16,352,385</u>
<u>LIABILITIES</u>		
Accounts payable and accrued expenses	\$ 6,145,431	\$ 1,737,568
Income tax payable	<u>1,274,949</u>	<u>1,014,135</u>
Total Liabilities	<u>7,420,380</u>	<u>2,751,703</u>
<u>STOCKHOLDER'S EQUITY</u>		
Common stock, \$1 par value 300,000 shares authorized 100 shares issued and outstanding	100	100
Additional paid-in capital	11,716,177	11,716,177
Accumulated other comprehensive (loss)/income	(2,310)	56,167
Retained earnings	<u>12,724,805</u>	<u>10,110,489</u>
Total Stockholder's Equity, before Net Receivable from the Ultimate Parent	24,438,772	21,882,933
Less - Net receivable from the Ultimate Parent	<u>(4,314,156)</u>	<u>(8,282,251)</u>
Total Stockholder's Equity, net	<u>20,124,616</u>	<u>13,600,682</u>
Total Liabilities and Stockholder's Equity	<u>\$ 27,544,996</u>	<u>\$ 16,352,385</u>


 Lawrence J. Brindis
 Director

The accompanying notes are an integral part
 of the financial statements

FIDELITY MANAGEMENT & RESEARCH (U K) INC
 (A Wholly-Owned Subsidiary of
 Fidelity Management & Research Company)
 STATEMENTS OF INCOME
 for the years ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Operating Revenues		
Management fees	\$ 31,334,766	\$ 23,767,077
Research fees	<u>12,601,410</u>	<u>16,452,504</u>
Total operating revenues	<u>43,936,176</u>	<u>40,219,581</u>
Operating Expenses		
Compensation and benefits	30,805,618	25,905,810
General and administrative	2,502,636	2,676,421
Research	874,870	1,233,457
Travel and entertainment	1,807,774	1,353,157
Relocation	798,640	3,636,625
Other	<u>1,224,136</u>	<u>935,286</u>
Total operating expenses	<u>38,013,674</u>	<u>35,740,756</u>
Investment and other (loss)		
Dividend and interest income	24,534	13,948
Other income	344,286	267,737
Foreign exchange (loss), net	<u>(2,172,445)</u>	<u>(987,753)</u>
Total investment and other (loss)	<u>(1,803,625)</u>	<u>(706,068)</u>
Income before charge equivalent to taxes on income	4,118,877	3,772,757
Charge equivalent to taxes on income	<u>1,504,561</u>	<u>894,849</u>
Net income	<u>\$ 2,614,316</u>	<u>\$ 2,877,908</u>

The accompanying notes are an integral part
 of the financial statements

FIDELITY MANAGEMENT & RESEARCH (U K) INC
(A Wholly-Owned Subsidiary of
Fidelity Management & Research Company)
STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY
for the years ended December 31, 2010 and 2009

	Common stock	Additional paid -in capital	Accumulated other comprehensiv e income/(loss)	Retained earnings	Net receivable from FMR LLC	Stockholder's Equity, net
Balance at December 31, 2008	\$ 100	\$ 11,716,177	\$ (69,772)	\$7,232,581	\$(9,492,770)	\$ 9,386,316
Net income	-	-	-	2,877,908	-	2,877,908
Other comprehensive income/(loss)	-	-	125,939	-	-	125,939
Change in net receivable from the Ultimate Parent	-	-	-	-	1,210,519	1,210,519
Balance at December 31, 2009	100	11,716,177	56,167	10,110,489	(8,282,251)	13,600,682
Net income	-	-	-	2,614,316	-	2,614,316
Other comprehensive income/(loss)	-	-	(58,477)	-	-	(58,477)
Change in net receivable from the Ultimate Parent	-	-	-	-	3,968,095	3,968,095
Balance at December 31, 2010	\$ 100	\$ 11,716,177	\$ (2,310)	\$12,724,805	\$(4,314,156)	\$ 20,124,616

The accompanying notes are an integral part
of the financial statements

FIDELITY MANAGEMENT & RESEARCH (U K) INC
 (A Wholly-Owned Subsidiary of
 Fidelity Management & Research Company)
 STATEMENTS OF COMPREHENSIVE INCOME
 for the years ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Net income	\$ 2,614,316	\$2,877,908
Other comprehensive (loss)/income, net of tax		
Unrealized (losses)/gains on investments available for sale, net of tax (benefit)/expense of (\$17,444) in 2010 and of \$37,569 in 2009	<u>(58,477)</u>	<u>125,939</u>
Total other comprehensive income/expense	<u>(58,477)</u>	<u>125,939</u>
Comprehensive income	<u>\$2,555,839</u>	<u>\$3,003,847</u>

The accompanying notes are an integral part
 of the financial statements

FIDELITY MANAGEMENT & RESEARCH (U K) INC
 (A Wholly-Owned Subsidiary of
 Fidelity Management & Research Company)
 STATEMENTS OF CASH FLOWS
 for the years ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Cash flows provided by/(used in) operating activities		
Net income	\$2,614,316	\$2,877,908
Adjustments to reconcile net income to cash provided by operating activities		
Amortization and depreciation	42,826	(11,219)
Change in operating assets and liabilities		
Other assets	258,505	(289,151)
Deferred taxes	(1,206,968)	(1,014,375)
Accounts payable and accrued expenses	4,407,863	457,781
Income taxes (receivable)/payable	<u>260,814</u>	<u>1,376,046</u>
Cash provided by operating activities	<u>6,377,356</u>	<u>3,396,990</u>
Cash flows (used in) investing activities		
Purchases of investments available for sale	(7,481)	(12,540)
Purchase of fixed assets	<u>(115,533)</u>	<u>(79,574)</u>
Cash (used in) investing activities	<u>(123,014)</u>	<u>(92,114)</u>
Cash flows provided by/(used in) financing activities		
Net receivable from the Ultimate Parent	<u>(4,565,116)</u>	<u>2,159,525</u>
Cash flows (used in)/provided by financing activities	<u>(4,565,116)</u>	<u>2,159,525</u>
Net change in cash	1,689,226	5,464,401
Cash, beginning of year	<u>5,521,599</u>	<u>57,198</u>
Cash, end of year	<u>\$ 7,210,825</u>	<u>\$ 5,521,599</u>
<u>Supplemental cash flow information</u>		
Cash paid for income taxes	<u>\$ 2,437,769</u>	<u>\$ 407,763</u>

The accompanying notes are an integral part
 of the financial statements

FIDELITY MANAGEMENT & RESEARCH (U K) INC
(A Wholly-Owned Subsidiary of
Fidelity Management & Research Company)
NOTES TO FINANCIAL STATEMENTS

A Business

Fidelity Management & Research (U K) Inc (the "Company") is a wholly-owned subsidiary of Fidelity Management & Research Company (the "Parent") which in turn is a wholly-owned subsidiary of FMR LLC (the "Ultimate Parent") The Company is registered with the United States Securities and Exchange Commission as an investment adviser and has been authorized to engage in investment management activities in the United Kingdom by the United Kingdom Financial Services Authority The Company primarily provides investment sub-advisory and research services to related parties of the Ultimate Parent, including the Parent

B Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, including fair value measurements, and the disclosure of contingent assets and liabilities as of December 31, 2010 and 2009, as well as the reported amounts of revenues and expenses during the years then ended Actual results could differ from the estimates included in the financial statements All material intercompany accounts and transactions are eliminated in consolidation Certain prior-year amounts have been reclassified to conform to the current year presentation

Foreign Currency Translation

The financial statements of the Company are prepared using the U S Dollar as the functional currency For operating activities denominated in other currencies, the results are translated into U S Dollars using average exchange rates during the period Foreign currency denominated assets and liabilities are translated using exchange rates at the end of each period Resulting gains/losses are included in net income Foreign currency gains/(losses) on available for sale securities are included in the statement of financial condition as a component of accumulated other comprehensive income/(loss)

Revenue Recognition

Management fees earned from sub-advisory services are recognized as such services are performed Management fees for such services are largely asset based and may be increased or decreased depending on fund performance relative to a specified financial market index Certain management fees include a performance component, subject to a maximum positive or negative adjustment, and are computed and recorded monthly based on the assets performance over a rolling 36-month period The Company earns research fees under a sub-advisory agreement with the Parent which entitles the Company to a minimum total operating revenue of cost plus 10%

Cash

For purposes of reporting cash flows and amounts in the statements of financial condition, cash principally includes cash in bank accounts which is denominated in pounds sterling ("GBP") The Company defines cash as cash on hand, demand deposits, and time deposits with original maturities less than 60 days

Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and are comprised of leasehold improvements, furniture and computer equipment Depreciation is computed primarily using the

FIDELITY MANAGEMENT & RESEARCH (U K) INC
(A Wholly-Owned Subsidiary of
Fidelity Management & Research Company)
NOTES TO FINANCIAL STATEMENTS

B Summary of Significant Accounting Policies, continued

Fixed Assets, continued

straight-line method based on estimated useful lives of ten years, five years and three years, respectively

As of December 31, 2010 and 2009, the cost of fixed assets was \$718,980 and \$603,447, respectively

Net Receivable from the Ultimate Parent

Net receivables from the Ultimate Parent, which have been received prior to the issuance of the audited financial statements, are classified as an asset

Investments

Investments consist of shares held in money market funds managed by affiliates of the Ultimate Parent and are classified as available for sale. The investments are stated at fair value, which is determined using quoted net asset value per share. The net after-tax unrealized appreciation/(depreciation) on investments available for sale is included in other comprehensive income. Gains and losses on sales of investments are computed on a specific identified cost basis.

Interest income is recognized as earned and dividend income is recognized on the ex-dividend date.

Fair Value Measurement

The Company categorizes the financial assets and liabilities carried at fair value in its statements of financial condition based upon a three-level valuation hierarchy. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable valuation inputs (Level 3). If the inputs used to measure a financial asset or liability cross different levels of the hierarchy, categorization is based on the lowest level input that is significant to the fair value measurement. Management's assessment of the significance of a particular input to the overall fair value measurement of a financial asset or liability requires judgment, and considers factors specific to the asset or liability.

The three levels are described below:

- Level 1 - Financial assets and liabilities whose values are based on unadjusted quoted prices for similar assets and liabilities in an active market.
- Level 2 - Financial assets and liabilities whose values are based on quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 - Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable in the market and significant to the overall fair value measurement. These inputs reflect management's judgment about the assumptions that a market participant would use in pricing the asset or liability, and are based on the best available information, some of which is internally developed.

As of December 31, 2010 and 2009, all of the Company's \$1,678,108 and \$1,729,104, respectively, of investments are classified as Level 1, as the values are based on unadjusted quoted prices for similar assets and liabilities in an active market.

FIDELITY MANAGEMENT & RESEARCH (U K) INC
(A Wholly-Owned Subsidiary of
Fidelity Management & Research Company)
NOTES TO FINANCIAL STATEMENTS

B Summary of Significant Accounting Policies, continued

Fair Value Measurement, continued

During the year, there were no significant transfers in or out of levels 1 or 2

Accumulated Other Comprehensive Income/(Loss)

Accumulated other comprehensive income/(loss) consists of unrealized appreciation or depreciation on available for sale investments at December 31, 2010 and 2009

Income Taxes

The Company files a foreign income tax return. In addition, the Ultimate Parent allocates to the Company a direct intercompany charge equivalent to taxes due in income as if it were filing a tax return on a separate return basis. Deferred income taxes are allocated to the Company by the Ultimate Parent as a direct charge and arise from the differences in the timing of recognition of revenue and expense for tax and financial reporting purposes.

The Company applies a more-likely-than-not threshold for purposes of recognizing tax uncertainties. Therefore, tax benefits that have a greater than 50% likelihood of being sustained upon examination by the relevant taxing authorities are recognized.

C Recent Accounting Pronouncements

Fair Value Measurements

In January 2010, the FASB amended its standard on fair value measurements and disclosures to add new requirements for disclosures about significant transfers into and out of Levels 1 and 2 and gross presentation of activity within Level 3 roll forward with separate disclosures about purchases, sales, issuances and settlements. The amended standard also clarifies existing fair value disclosures about the level of disaggregation as well as inputs and valuation techniques used to measure fair value. The Company adopted this amended standard effective January 1, 2010, except for the gross presentation of the level 3 roll forward, which will be effective January 1, 2011. Adoption of this amended standard did not have a material impact on the financial statements.

D Investments

At December 31, 2010, investments available for sale consist of the following:

	<u>Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>
Money market investments	<u>\$ 1,680,418</u>	<u>\$ -</u>	<u>\$ (2,310)</u>	<u>\$ 1,678,108</u>

At December 31, 2009, investments available for sale consist of the following:

	<u>Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>
Money market investments	<u>\$ 1,672,937</u>	<u>\$ 56,167</u>	<u>\$ -</u>	<u>\$ 1,729,104</u>

D Investments, continued

FIDELITY MANAGEMENT & RESEARCH (U K) INC
 (A Wholly-Owned Subsidiary of
 Fidelity Management & Research Company)
 NOTES TO FINANCIAL STATEMENTS

Investments consist primarily of investments in money market funds. Unrealized gains and losses on money market funds for the years ended December 31, 2010 and 2009 are the result of foreign currency translations.

E Fixed Assets

At December 31, fixed assets, at cost, consist of

	<u>2010</u>	<u>2009</u>
Leasehold improvements	\$ 513,033	\$ 493,892
Furniture	9,083	1,757
Computer equipment	<u>196,864</u>	<u>107,798</u>
	718,980	603,447
Less Accumulated depreciation	(563,119)	(520,293)
	<u>\$ 155,861</u>	<u>\$ 83,154</u>

For the year ended December 31, 2010 and 2009, depreciation expense was \$42,826 and \$26,350, respectively.

F Charge Equivalent to Taxes on Income

The Ultimate Parent is subject to flow-through treatment for federal income taxes as an S-Corporation, which generally allows taxable income, deductions and credits to flow directly to its shareholders, and remains subject to income taxes at the entity level in certain state and international jurisdictions. The Company is also subject to taxation under the Subchapter S rules.

The provision for income taxes consists of the following at December 31

	<u>2010</u>	<u>2009</u>
Current		
Federal income taxes allocated	\$ -	\$ -
State income taxes allocated	68,846	56,043
Foreign	<u>2,592,507</u>	<u>1,966,403</u>
	2,661,353	2,022,446
Deferred		
Federal	-	(134,151)
State	-	(59,751)
Foreign	<u>(1,156,792)</u>	<u>(933,695)</u>
	(1,156,792)	(1,127,597)
Charge equivalent to taxes on income	<u>\$ 1,504,561</u>	<u>\$ 894,849</u>

As at December 31, 2010 and 2009 the Company had a net deferred tax asset of \$2,199,648 and \$992,680, respectively. The principal sources of temporary differences which comprise the deferred tax asset are deferred compensation and capital allowances.

The Company's effective tax rate 2010 increased from 24% in 2009 to 37% in 2010 due to changes and adjustments in foreign tax expense in the prior year.

G Capital Requirements

FIDELITY MANAGEMENT & RESEARCH (U K) INC
 (A Wholly-Owned Subsidiary of
 Fidelity Management & Research Company)
 NOTES TO FINANCIAL STATEMENTS

The Company is subject to certain financial regulatory resource rules that require the Company to maintain a certain level of capital, as defined by the Financial Service Authority in the United Kingdom. At December 31, 2010 and 2009, the minimum liquid capital requirements have been satisfied by the Company. For purposes of computing the minimum liquid capital requirement, the net receivable from the Ultimate Parent is not considered a reduction of stockholder's equity.

H Transactions with Affiliates

The Company has several agreements and business arrangements with related parties and affiliates to procure substantially all of its operational and support services. All intercompany transactions with the Ultimate Parent and its subsidiaries are settled during the normal course of business through intercompany accounts with the Ultimate Parent and its subsidiaries. The Company receives credit for the collection of its receivables and is charged for the settlement of its liabilities through these intercompany accounts. In accordance with this arrangement, amounts owed from and due to the Ultimate Parent and its subsidiaries are shown as a net receivable from the Ultimate Parent at December 31, 2010 and 2009, respectively.

Substantially all of the Company's revenue is earned from an affiliate. The Company earns certain management and research fees from affiliates related to various Fidelity mutual funds.

A summary of the services and related expenses charged to the Company for the year ended December 31, are as follows:

	<u>2010</u>	<u>2009</u>
General, administrative and other	\$ 2,371,035	\$ 2,562,842

The Company participates in FIL Life Insurance Limited's defined contribution profit sharing plans covering substantially all employees. Annual contributions to the profit sharing plan are based either on stated percentages of eligible employees compensation or employee contributions. FIL Life Insurance Limited is a related party. A charge of \$579,148 and \$433,913 is included in compensation and benefits expense in the Statements of Income for 2010 and 2009, respectively.

The Company participates in various share-based compensatory plans with the Ultimate Parent and is assessed a compensation charge that is amortized over the period in which it is earned. This charge is based on the change in the net asset value of the shares, as defined. For the years ended December 2010 and 2009, aggregate compensation expense related to these share-based compensatory plans was \$7,514,126 and \$6,829,946, respectively.

J Subsequent Events

The Company evaluated subsequent events through April 26, 2011, the date the financial statements were available to be issued, and did not identify any events that would require adjustments to or disclosure in its financial statements.