Quarterly Investment Summary

Hanson Industrial Pension Scheme

Q3 2016

Fidelity INTERNATIONAL

CONTENTS

SCHEME VALUATION

THE VALUE OF YOUR PLAN AS AT 30.09.2016			
	Units/Shares	Price (pence)	Value (GBP)
Client Specific			
Fidelity HIPS BlackRock 60:40 Global Eq	365,311.23	770.00	2,812,896.47
Fidelity HIPS Money Market Fund	1,011,019.12	388.40	3,926,798.26
Fidelity HIPS World Equity Fund	30,899,367.39	270.00	83,428,291.95
Fidelity HIPS Index-Linked	252,998.12	1141.00	2,886,708.55
Fidelity HIPS Fixed Interest Gilts	617,234.01	1174.00	7,246,327.28
Fidelity HIPS UK Equity Fund	308,305.97	924.00	2,848,747.16
Fidelity HIPS Active Diversified Fund	10,510,813.37	200.40	21,063,669.99
Fidelity HIPS Passive Diversified Fund	10,992,592.77	268.20	29,482,133.81
Fidelity HIPS Corporate Bond	32,221.32	241.40	77,782.27
Total			**153,773,355.74**

Source: Fidelity (30/09/2016)

FUND PERFORMANCE (NET)

RETURNS VS BENCHMARKS (Net)	Q3 2016 (%)	1 Year (%)	3 Years (% p.a.)	5 Years (% p.a.)	Since Launch (Ann.)	Charge % (TER)	Fund Launch Date
Client Specific							
Fidelity HIPS Active Diversified Fund (N1)	**0.5**	**-2.3**	-	-	**0.2**	**0.775**	**31/10/14**
Fidelity HIPS Active Diversified Benchmark (B1)	0.1	0.7	-	-	0.7		
Fidelity HIPS BlackRock 60:40 Global Equity Fund (N1)	**8.4**	**22.1**	-	-	**8.8**	**0.117**	**30/11/14**
Benchmark - See notes (B2)	8.4	21.8	-	-	8.6		
Fidelity HIPS Corporate Bonds Fund (N1)	**5.6**	**14.0**	-	-	**7.0**	**0.125**	**31/03/15**
HIPS Corporate Bonds Benchmark (B3)	5.6	14.0	-	-	6.9		
Fidelity HIPS Fixed Interest Gilts Fund (N1)	**4.2**	**23.1**	-	-	**15.6**	**0.114**	**30/11/14**
Benchmark - See notes (B9)	4.2	23.0	-	-	15.6		
Fidelity HIPS Index-Linked Fund(N1)	**11.0**	**27.0**	**-**	**-**	**16.3**	**0.114**	**30/11/14**
Benchmark - See notes (B9)	11.0	27.0	-	-	16.3		
Fidelity HIPS Money Market Fund (N1)	**0.1**	**0.4**	-	-	**0.4**	**0.194**	**30/11/14**
Fidelity HIPS Money Market Benchmark (B5)	0.1	0.3	-	-	0.3		
Fidelity HIPS Passive Diversified Fund (N1)	**6.7**	**24.1**	-	-	**14.7**	**0.169**	**31/10/14**
Fidelity HIPS Passive Diversified Fund (B6)	-	-	-	-	-		
Fidelity HIPS UK Equity Fund (N1)	**7.8**	**16.8**	-	-	**6.1**	**0.113**	**30/11/14**
Fidelity HIPS UK Equity Passive Benchmark (B7)	7.8	16.8	-	-	6.2		
Fidelity HIPS World Equity Fund (N1)	**8.0**	**29.6**	-	-	**12.6**	**0.118**	**30/11/14**
Fidelity HIPS World Equity Passive Benchmark (B8)	7.9	29.9	-	-	12.5		

For composite benchmark names please see the notes section.

See Performance Notes on Page - 13

Source: Fidelity (30/09/2016)

FUND PERFORMANCE (GROSS)

RETURNS VS BENCHMARKS (Gross)

	Q3 2016 (%)	1 Year (%)	3 Years (% p.a.)	5 Years (% p.a.)	Since Launch (Ann.)	Fund Launch Date
Client Specific						
Fidelity HIPS Active Diversified Fund	**0.7**	-	-	-	-	31/10/14
Fidelity HIPS Active Diversified Benchmark [B1]	0.1	0.7	-	-	0.7	
Fidelity HIPS BlackRock 60:40 Global Equity Fund	**8.4**	-	-	-	-	30/11/14
Benchmark - See notes [B2]	8.4	22.0	-	-	8.6	
Fidelity HIPS Corporate Bonds Fund	**5.6**	-	-	-	-	31/03/15
HIPS Corporate Bonds Benchmark [B3]	5.6	14.0	-	-	6.9	
Fidelity HIPS Fixed Interest Gilts Fund	**4.3**	-	-	-	-	30/11/14
Benchmark - See notes [B4]	4.2	23.0	-	-	15.6	
Fidelity HIPS Index-Linked Fund	**11.0**	-	-	-	-	30/11/14
Benchmark - See notes [B9]	11.0	27.0	-	-	16.3	
Fidelity HIPS Money Market Fund	**0.1**	-	-	-	-	30/11/14
Fidelity HIPS Money Market Benchmark [B5]	0.1	0.3	-	-	0.3	
Fidelity HIPS Passive Diversified Fund	**6.8**	-	-	-	-	31/10/14
Fidelity HIPS Passive Diversified Fund [B6]	-	-	-	-	-	
Fidelity HIPS UK Equity Fund	**7.8**	-	-	-	-	30/11/14
Fidelity HIPS UK Equity Passive Benchmark [B7]	7.8	16.8	-	-	6.1	
Fidelity HIPS World Equity Fund	**8.0**	-	-	-	-	30/11/14
Fidelity HIPS World Equity Passive Benchmark [B8]	7.9	29.9	-	-	12.5	

For composite benchmark names please see the notes section.

See Performance Notes on Page - 13

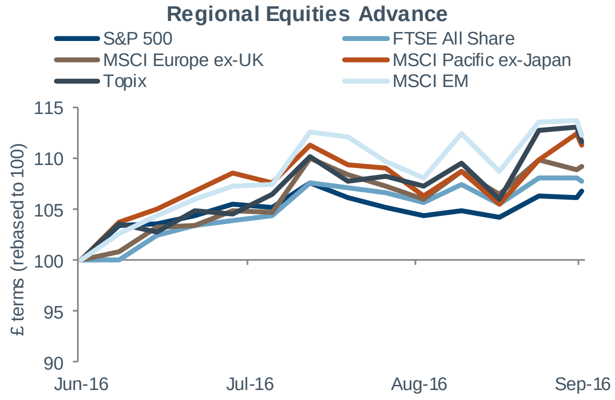
Source: Fidelity (30/09/2016)

INVESTMENT ENVIRONMENT: EQUITIES

The following topics may be of particular relevance or interest in relation to your fund.

Global equity markets gained

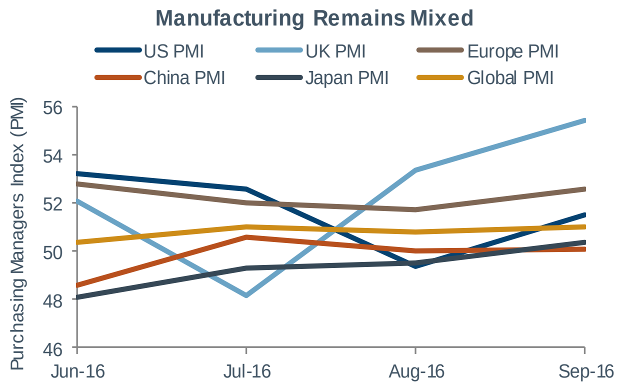
Global equities advanced in the third quarter, aided by continued accommodative monetary policies from most global central banks, following the uncertainty induced by the UK's 'Brexit' vote in June. The US Federal Reserve (Fed) refrained from increasing interest rates and the Bank of Japan abstained from lowering interest rates deeper into negative territory. The Bank of England (BoE) cut its key interest rate for the first time in seven years and ramped up its stimulus efforts. Sentiment was also supported by signs of stabilisation in China and a substantial stimulus programme in Japan. However, overall gains were curtailed as the European Central Bank (ECB) failed to meet investor expectations of more aggressive monetary easing measures and kept interest rates unchanged. Against this backdrop, emerging market equities outperformed other regions, while the US lagged. At the sector level, information technology was the best performer, while utilities underperformed.



Source: Datastream, 30.09.2016

Global economic picture remains mixed

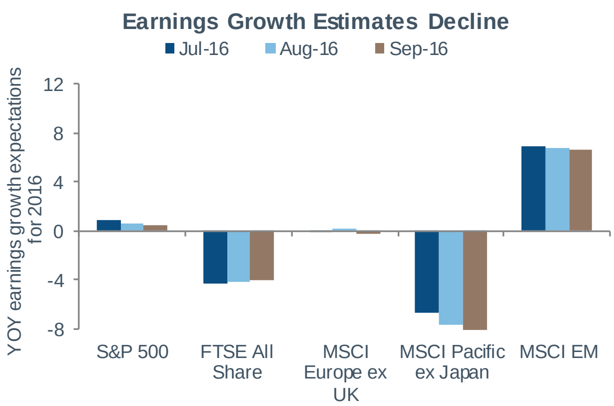
Economic data was mixed across regions. Overall, manufacturing activity improved, with the JPMorgan Global Manufacturing Purchasing Managers' Index (PMI) increasing from 50.4 in June to 51.0 in September 2016 (a reading above 50 indicates expansion). In the US, the labour market remained robust. However, manufacturing PMI declined (within expansionary territory) and consumer sentiment weakened. In Eurozone, PMI and economic sentiment showed signs of weakness at the margin whereas inflation picked up. UK labour data remained strong and consumer confidence was restored to the levels seen before the EU referendum vote in June. However, business confidence dipped. In September, Japan's manufacturing activity moved into expansionary territory and consumer confidence touched its highest level in three years. The BoJ's quarterly Tankan survey showed that large manufacturers' sentiment remained unchanged, underscoring the resilience of business sentiment despite a stronger yen.



Source: Bloomberg, 30.09.2016

Earnings outlook deteriorates

According to data compiled by I/B/E/S, analysts' expectations for global earnings growth in 2016 declined from 1.5% in June 2016 to 1.1% in September 2016. At a regional level, the US economy remains in relatively good shape and is expected to continue to improve at a moderate pace in the later part of 2016. The uncertainty around the UK's future relationship with the remainder of the EU is likely to impact both the eurozone and the UK. It will be some time before the full impact on growth for both the regions is known. Uncertainty related to the US presidential elections, a constitutional referendum in Italy and negotiations following the UK's exit from the EU, is likely to lead to market volatility. Elsewhere, the BoJ's new policy framework is unlikely to weaken the currency and corporate earnings are under pressure. Emerging markets are likely to be impacted by reform agendas, US and European monetary policy decisions, global commodity prices and geopolitical tensions.



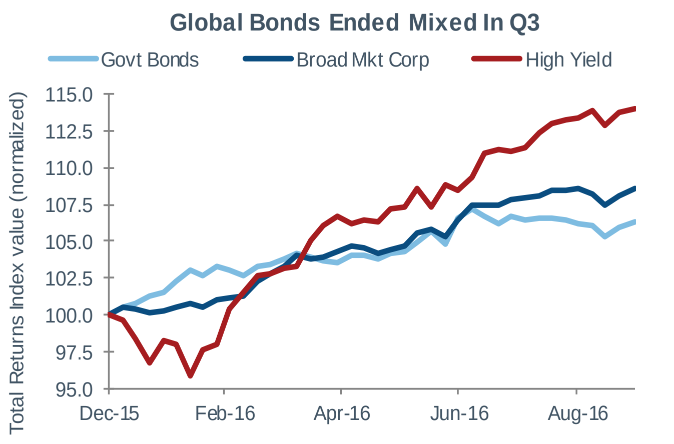
Source: Datastream, I/B/E/S Estimates 30.09.2016

Source: Fidelity (30/09/2016)

INVESTMENT ENVIRONMENT: BONDS

Fixed income assets were broadly unchanged in the third quarter

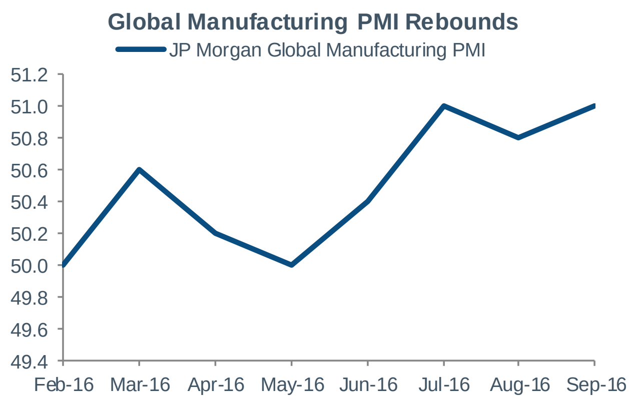
Global bonds posted mixed returns in the third quarter of 2016, with corporate bonds outperforming core government bonds. Most major central banks retained their accommodative monetary policies. However, the US Federal Reserve (Fed) hinted at the possibility of an interest rate hike in December. This led to a rise in core government bond yields, except in UK government bonds (Gilts). Meanwhile, the positive risk sentiment drove up demand for higher yielding assets such as corporate bonds. Credit spreads tightened, and high yield bonds outperformed investment grade bonds despite bouts of volatility. Markets were volatile on the back of rising political risks and credit specific events such as the US Department of Justice levying a $14 billion penalty on Deutsche Bank for mis-selling mortgage securities.



Source: BofA Merrill Lynch, 30.09.2016

Global manufacturing confidence rebounds in the third quarter

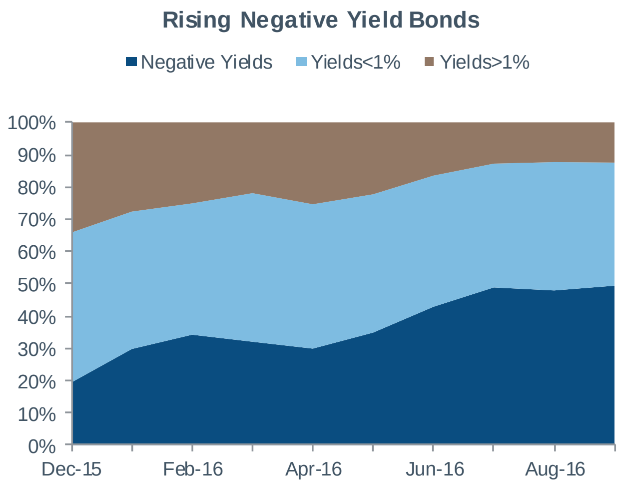
Global manufacturing confidence improved in September amid a broad-based improvement in sentiment across regions. In the US, the Institute of Supply Management (ISM) manufacturing data edged back into expansionary territory (above 50). In China, the Purchasing Managers' Index (PMI) reports were positive, suggesting a near-term stabilisation in the economy. Manufacturing confidence in the eurozone also bounced back and sentiment in the UK exceeded expectations. However, factors such as moderate global growth and political and economic uncertainty in some parts of the world continue to pose downside risks to global manufacturing sentiment.



Source: Bloomberg, 30.09.2016.

Growing concerns around negative interest rates

The Bank of Japan (BoJ) and European Central Bank's (ECB) negative interest rates have resulted in an increased number of negative-yielding fixed income assets (about $13 billion globally). With monetary expansion reaching its limit and inflation expectations still below official targets, there are growing concerns around the effectiveness of negative interest rate policies. These policies have also put significant pressure on financial sector valuations. Moreover, with yields falling below zero, investors may be forced to purchase higher yielding riskier assets in order to earn required returns, thus creating an environment of excessive risk taking.



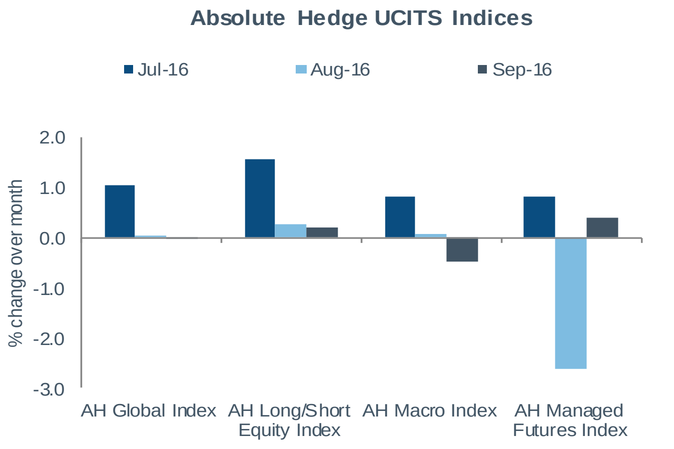
Source: BofA Merrill Lynch, 30.09.2016.
Index: EMUL (Euro Large Cap Investment Grade)

Source: Fidelity (30/09/2016)

INVESTMENT ENVIRONMENT: ALTERNATIVES

Positive quarter for cash-benchmarked funds

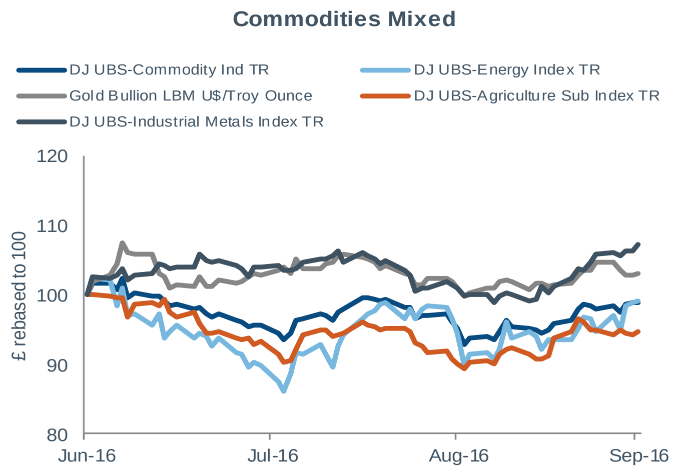
Two main indices representing cash-benchmarked assets – AH Global UCITS Index and UCITS Alternative Index Global – rose over the third quarter of 2016. However, returns for three of the absolute return strategies, represented by three Absolute Hedge sub-indices, were mixed. Equity long/short strategies rose 2.0% and global macro strategies rose by 0.4% over the quarter. Gains were concentrated in July, when advances in both equity and bond markets supported performance. In contrast, managed futures strategies declined by 1.5% over the period, mainly losing ground in August when Federal Reserve (Fed) Chairperson Janet Yellen said that the case for an increase in the federal funds rate had strengthened. This hurt the long exposure to government bond futures. Positions in commodities also weighed on the performance of these strategies.



Source: Absolute Hedge, 30.09.2016

Commodities underperformed other asset classes

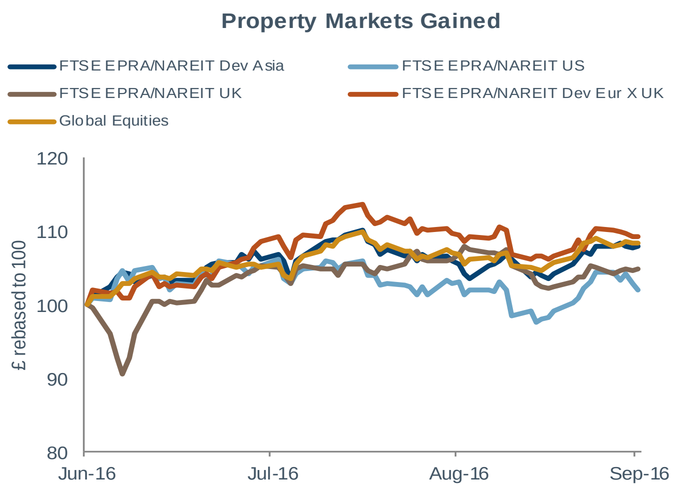
Commodities declined over the quarter, although the performance of individual segments was mixed. Agricultural commodities were lower as abundant supply following four years of bumper harvests led to a fall in grain prices. Elsewhere, oil prices rose in September after the Organisation of the Petroleum Exporting Countries (OPEC) informally agreed to reduce output for the first time in eight years. However, the energy sector ended the quarter largely unchanged. Gold prices were also flat, although the US Fed's decision to keep interest rates unchanged and rising investor anxiety over Deutsche Bank's finances provided some support towards the end of the period. Among industrial metals, lead and tin benefited from tighter supply and falling inventories, while nickel prices gained after the Philippines suspended half of its mining operations for failing to meet environmental standards. Copper prices, however, fell amid concerns over subdued demand and continued supply.



Source: Datastream, 30.09.2016

Property underperformed equities

The global property market advanced during the third quarter of 2016, tracking gains recorded in the broader market. The continued accommodative monetary policy stance of global central banks helped to alleviate some of the concerns related to the short-term economic impact of the UK's decision to leave the European Union. The Hong Kong property market gained, led by a sharp surge in sales of new apartments as developers pushed new projects at lower prices. Chinese investors also returned to the Hong Kong market, given the steep rise in property prices in China and to diversify their wealth. Australian property prices were supported by prevailing low interest rates. Germany's housing market remains strong, mainly due to housing supply shortages and strong economic fundamentals. The UK property market remained steady despite uncertainty caused by the UK's 'Brexit' referendum. However, demand in London has reduced somewhat on account of higher taxes from April and as property prices have risen sharply.



Source: Datastream, 30.09.2016

Source: Fidelity (30/09/2016)

MARKET REVIEW

MARKET TOTAL RETURNS (%) STERLING

Equity Index Returns (%)	3 Months	12 Months
MSCI Europe ex UK	9.2	21.0
MSCI World	8.0	30.6
FTSE All Share	7.8	16.8
TOPIX	11.6	32.1
MSCI AC Asia Pac Ex Japan	13.0	38.1
MSCI Emerging Markets	12.3	36.7
Bond & Cash Index Returns (%)		
FTA Government >15 Years	4.2	23.0
FTSE A UK Gilts All Stocks	2.3	12.6
ML GBP Broad Market	3.5	13.6
Iboxx Sterling Overall Index	3.3	13.4
FTA Government Index-Linked > 5 Years	11.0	27.0
FTA Index-Linked Gilts	10.1	24.1
JP Morgan EMBI Global	6.7	36.2
ML Eurosterling Over 10 Years	9.2	21.8
Barclays Capital Global Aggregate ex UK/US Mortgage Backed Secs	0.1	6.6
ML Eurosterling Bond	6.0	14.2
FTA Government Less than 5 Year Gilts	0.2	2.7
Iboxx Sterling Non-Gilts Index	5.6	14.0
ML UK Corporate	6.9	15.8
GBP 7 Day LIBID	0.1	0.3
ML Sterling High Yield	6.2	11.0
Alternatives Index Returns (%)		
MSCI World Transport Infrastructure	6.0	31.9
FTSE EPRA/NAREIT Property Global $	4.4	35.1
HFRI Fund of Funds Composite	5.5	17.3
DJ AIG - Commodity Index (GBP)	-0.6	13.7

Source: Fidelity (30/09/2016)

MARKET OUTLOOK

UK Equities

- Following the UK's vote to leave the European Union (EU), the exchange rate has fallen and the outlook for economic growth in the short to medium term has weakened markedly. The sharp fall in sterling versus the US dollar post the vote could also lead to some upward pressure on UK inflation. Keeping these risks in mind, the Bank of England has hinted that if there is no further improvement in the outlook, interest rates could fall further. Both stock and currency markets are likely to remain volatile in the short term until fundamentals assert themselves. Nonetheless, the UK has a number of large global organisations with sound balance sheets that offer some protection in these times. Moreover, the positive aspect of the fall in stock prices is that overseas acquirers will look at potential merger and acquisition opportunities in the UK market.

Europe ex UK Equities

- The Brexit result has heralded a period of heightened macroeconomic and political uncertainty, although markets recovered after the initial sell-off. The uncertainty around the UK's future relationship with the European Union is likely to impact investment decisions, at least in the short term. It will be some time before the impact on growth for both the UK and the eurozone is known. Weaker import demand in the UK is expected as a result of the weaker sterling and the overall macroeconomic environment. This is likely to have an adverse impact on trade in the eurozone. Meanwhile, domestic demand in the eurozone is expected to remain resilient, supported by the European Central Bank's (ECB) accommodative monetary policies. In addition, expectations of looser fiscal policy in the eurozone should support the economy.

North America Equities

- The US economy remains in good shape and should continue to improve at a moderate pace over the remainder of 2016. Growth is likely to be supported by improvements in the inventory cycle, the strong labour market leading to an improvement in wages, positive consumer sentiment and robust consumption. In the short to medium term, markets are likely to be volatile due to the uncertainty over the outcome of the US Presidential election and its impact on the economy. Interest rate action by the Federal Reserve (Fed) also remains in focus. The strong dollar continued to weigh on US companies that derive large portions of their earnings from overseas markets. Although the most recent quarterly earnings indicated that a majority of the companies beat earnings estimates in the second quarter of 2016, most corporates have lowered their earnings estimates for the third quarter. The sustainability of earnings growth is a concern given that profit margins are close to 40-year highs in most sectors.

Japan Equities

- The policy stance of Japanese authorities is supportive of a gradual cyclical recovery in the domestic economy and of financial markets in general. The Bank of Japan maintains a highly accommodative stance, although with fewer options for further easing. The Japanese government needs to make further progress in terms of structural reforms, but fresh fiscal stimulus will be forthcoming in the months ahead. Against this backdrop, there are signs that corporate earnings are bottoming out and valuations continue to look relatively cheap.

MARKET OUTLOOK

South East Asia Equities

- The growth outlook for the region has moderated in line with a more subdued global economy. Optimism for the region is supported by both long-term structural drivers, such as demographics, low household debt and rising income and consumption; and near-term tailwinds such as low interest rates, healthy government balance sheets and broad ranging policy reforms. For the region as a whole, the structural shift in favour of rising domestic consumption and falling reliance on exports to support growth continues to gather strength given that weak global trade flows are likely to continue. In China, tackling rising debt, mainly due to the easy credit extended to state-owned enterprises and industrial overcapacity, is the main focus of policy reforms. In India, the introduction of a uniform national tax code, the Goods & Services Tax, will enable the creation of a common national market, cut the cost of doing business and potentially transform India into a viable domestic manufacturing base with expected productivity gains. In ASEAN, Indonesia's tax amnesty law and the reduction of interest rates fuelled a stock market rally.

Emerging Market Equities

- Emerging markets are likely to be impacted by reform agendas, monetary policy decisions in the developed world, global commodity prices and geopolitical tensions. Investors will watch the upcoming US Presidential elections, how the US Federal Reserve (Fed) reacts to global growth fears and uncertainty associated with the UK's exit from the European Union. Nonetheless, from a longer term perspective, emerging markets continue to offer many opportunities, supported by structural growth drivers. This is because favourable demographics, infrastructure spending, rising incomes, lifestyle changes and associated consumer spending will continue to drive structural demand in these markets.

UK Corporate Bonds

- The UK economy faces a prolonged period of uncertainty, which is likely to hinder business investment and consumer spending, leading to a slowdown in growth. In such an uncertain environment, it is unlikely that UK government bond (Gilt) yields will rise significantly. Indeed, with the Bank of England (BoE) purchasing £60 billion of Gilts in the next six months, Gilt yields will remain well supported over the medium term. The low interest rate, low yield environment will create demand for corporate bonds, and investment grade bonds are in that sweet spot. However, deteriorating credit quality and liquidity conditions emphasise the need to remain selective.

UK Gilts

- The UK economy faces a prolonged period of uncertainty, which is likely to hinder business investment and consumer spending, leading to a slowdown in growth. After the latest round of easing, the Bank of England (BoE) is likely to keep a close watch on the economy to measure the effectiveness of its policy changes. Additionally, the central bank said it is ready to act if economic conditions worsen. With the BoE purchasing £60 billion of UK government bonds (Gilts) in the next six months, Gilt yields will remain well supported over the medium term.

UK Index-Linked

- UK index-linked bonds remain expensive on a fundamental basis, given that the UK economy is likely to face headwinds once the Brexit process begins, while domestic food prices remain under pressure. However, technical factors such as currency weakening are expected to overshadow fundamentals in the short run. As a result, the weak sterling would continue to push inflation breakevens wider. Against this backdrop, we moved to a neutral position in the asset class, and will prefer to wait for more attractive levels before taking positions again.

MARKET OUTLOOK

Overseas Bonds

- The macroeconomic backdrop remains challenging, with low growth and subdued inflation, and the chance of a meaningful acceleration in growth from the current sluggish levels appears to be limited. Growth in the US is likely to remain around the 1.5% level for the year as a whole. For the US Treasury market, the key short-term drivers will be the upcoming Federal Reserve (Fed) meetings and resulting monetary policy decisions. With inflation and wages starting to increase, the US Fed is expected to raise interest rates slowly, starting with a quarter point hike in December. In Europe, economic growth remains steady, albeit with a lack of inflation and subdued confidence. The region has been adversely impacted by the Brexit vote, with the UK accounting for 7% of the region's exports. Therefore, further stimulus and an extension of the European Central Bank's (ECB) quantitative easing programme from next March appears likely. This, along with the ECB's ongoing corporate bond purchase programme, should continue to support bonds yields in Europe.

Australia Equities

- Australian stock market is well positioned for financial year 2017, despite a number of potential economic headwinds. While key valuation metrics are in line with long-term averages, a number of factors should support even higher valuation multiples. In a low interest rate environment, investors are tolerant of higher price to earnings ratios given the significant difference between equity market and bond yields. There are also a number of companies with high quality earnings trading at average valuations, given that debt levels are low, balance sheets are strong, and boards and management teams are conservative.

Source: Fidelity (30/09/2016)

NOTES

Performance Notes

Fund Notes – Net

N1. This fund is part of the long-term pension business of FIL Life Insurance Limited.This fund is part of the long-term pension business of FIL Life Insurance Limited. Performance data is calculated on a NAV to NAV basis, net of fees. Source: Fidelity.

Benchmark Notes

B1. 100% LIBOR 6 Months. Source: fidelity

B2. Composite Benchmark: 60% FTSE All share, 13.34 FTSE AW USA, 13.33% FTSE Dev Europe ex UK, 6.665% FTSE AW Japan, 6.665% FTSE AW Asia Pacific ex Japan. source: fidelity

B3. 100% iboxx Sterling Non-Gilt Index

B4. 100% FTSE A UK Gilt Over 15 Year. Source: fidelity

B5. 100% 7 Day Libid. Source: Fidelity

B6. Composite: 35% MSCI World Index Net Total Return, 15% FTSE A UK Gilts Over 15 Years, 15%FTSE A UK ILG Over 5 Years, 15% iboxx Sterling Non-Gilt Index, 10% L&G Hybrid Property Composite, 10% JP Morgan Global (ex-UK) Traded Bond Index. Source: Fidelity

B7. 100% FTSE All Share. Source: Fidelity

B8. 100% MSCI World Index Net Total Return. Source: Fidelity

B9. 100% FTSE UK Gilt Index-Linked Over 5 Years Index. Source: Fidelity

Additional Notes

Benchmark returns of Fidelity funds are calculated on a total return basis with gross income reinvested. Source: Mellon Analytical Solutions, Salomon, Smith, Barney, Fidelity International & Datastream.

Market Performance Indicators

Market performance indicators in Market Returns page are FTSE All Share, MSCI Europe (ex UK), S&P 500, TOPIX, FTSE AW Asia Pacific (ex Japan, ex India, ex Pakistan), FTSE W World (ex UK), MSCI Emerging Markets, FTA Index-Linked Gilt (Over 5 Years), FTSE All Stocks, FTA Gilt (Over 15 Years), Lehman Brothers Global Aggregate ex UK ex US mortgage backed securities, CAPS UK Cash Index and CAPS Property Index.

Important Information

This document is intended only for persons or entity to which it is addressed.

Fidelity International refers to the group of companies which form the global investment management organisation that provides information on products and services in designated jurisdictions outside of North America.

Past performance is not a reliable indicator of future results.

Fidelity Life funds are part of the long-term business fund of FIL Life Insurance Limited. The funds may invest in or be reinsured into funds managed by non-Fidelity life insurance companies or fund managers. Such funds can be identified because the name of the non-Fidelity insurance company or fund manager will normally show in the name of the FIL Life Insurance Limited Fund. FIL Life may also invests in underlying Fidelity unit trusts and open ended investment company (OEIC) funds managed by FIL Investment Services (UK) Limited, authorised and regulated by Financial Conduct Authority.