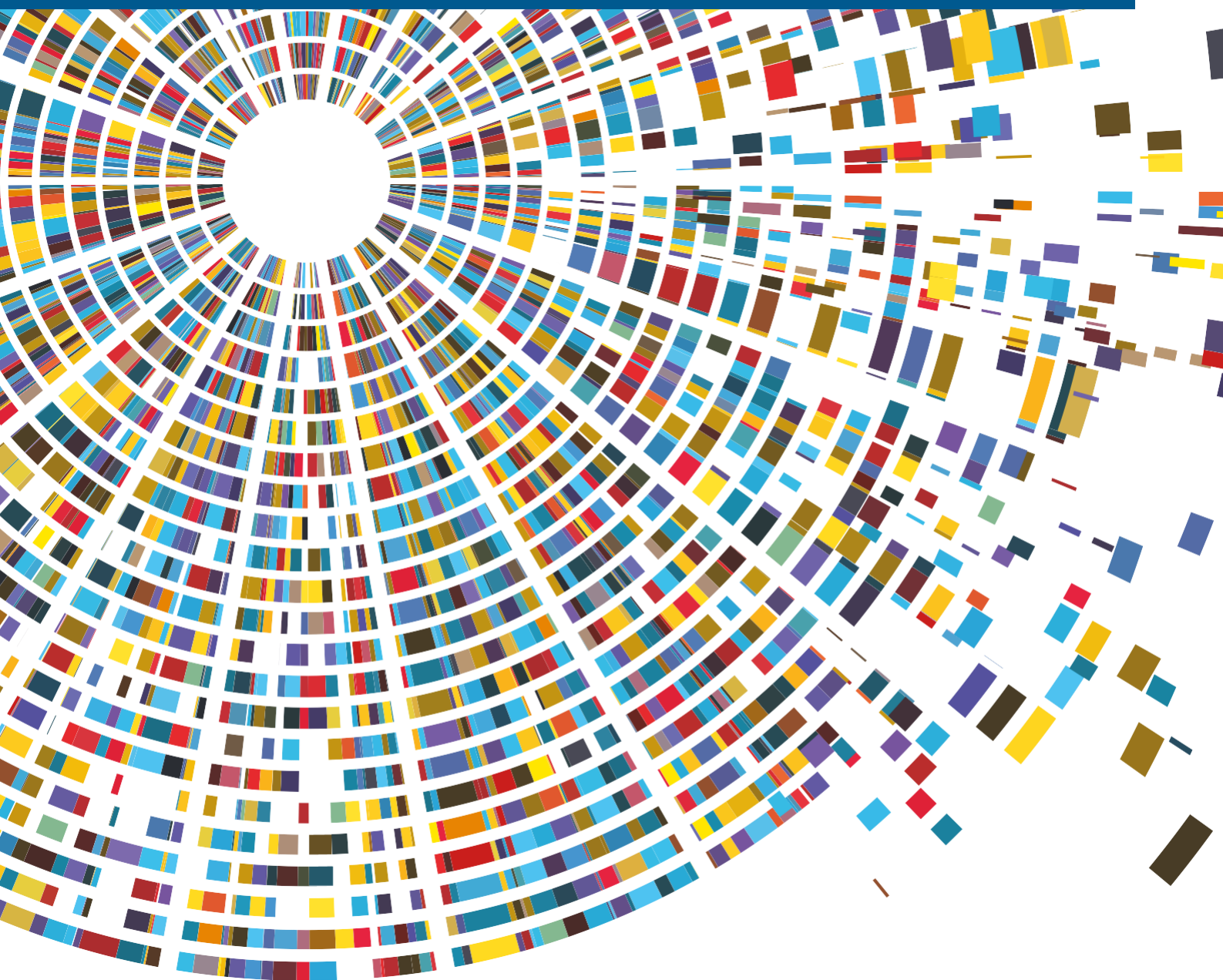


# Fidelity Multi Asset Allocator range

## About this report

This report aims to provide you with an update on how our Multi Asset Allocator Fund range has performed over the last quarter, how each fund is positioned and what's been happening in markets over that time. The data covers the fourth quarter of 2024 (October to December).

Please contact your adviser if you have any questions on the content included.



# Important information

The value of investments and the income from them can go down as well as up, so you may get back less than you invest. Past performance is not a reliable indicator of future results. This information is not a personal recommendation for any particular investment. If you're unsure about the suitability of an investment for your personal circumstances, you should speak to an authorised financial adviser of your choice.

- The Fidelity Multi Asset Funds use financial derivative instruments for investment purposes, which may expose the funds to a higher degree of risk and can cause investments to experience larger than average price fluctuations.
- The investment policy of these funds means they invest mainly in units in collective investment schemes. Changes in currency exchange rates may affect the value of investments in overseas markets.
- Investments in emerging markets can be more volatile than other more developed markets.
- There is a risk that the issuers of bonds may not be able to repay the money they have borrowed or make interest payments.
- When interest rates rise, bonds may fall in value. Rising interest rates may cause the value of your investment to fall. The price of bonds with a longer lifetime until maturity is generally more sensitive to interest rate movements than those with a shorter lifetime to maturity. The risk of default is based on the issuers ability to make interest payments and to repay the loan at maturity. Default risk may therefore vary between government issuers as well as between different corporate issuers.
- High Yield Bonds are considered riskier. They have an increased risk of default which could affect both income and the capital value of the fund investing in them.
- Investors should note that the views expressed may no longer be current and may have already been acted upon.
- Reference to specific securities should not be construed as a recommendation to buy or sell these securities and is included for the purposes of illustration only.



# Market commentary



Global equities posted positive returns during the quarter. Donald Trump's victory in the US presidential election, interest rate cuts by the US Federal Reserve (Fed), along with strong economic growth, supported investor sentiment. However, markets came under pressure after the Fed signalled a more cautious path for interest rate cuts in 2025 due to sticky inflation data.

Global bonds posted negative returns broadly. Government bond yields moved higher across developed markets, as investors adjusted their expectations on interest rate cuts. Markets also saw high volatility due to various political events. On the monetary policy front, both the US Fed and the European Central Bank (ECB) delivered two 0.25% interest rate cuts each as expected. Investment grade bonds generated negative returns on the back of rising yields, while high yield bonds posted positive results due to attractive yield income.

*Chris Forgan Sarah-Jane Cawthray*

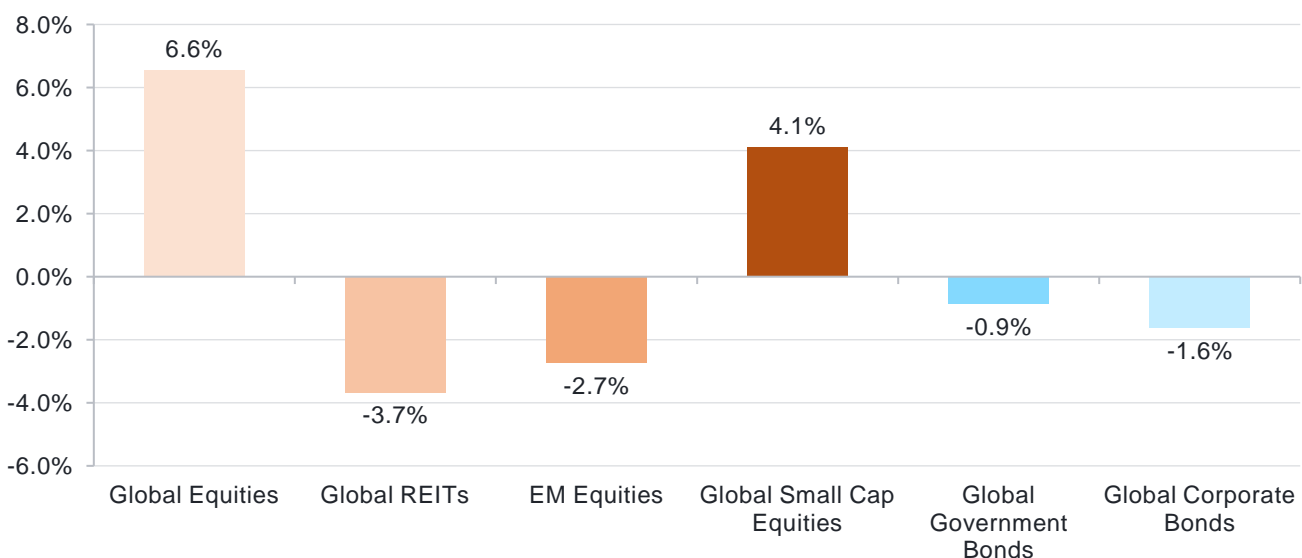
**Chris Forgan and Sarah-Jane Cawthray**

Portfolio Managers, Fidelity Multi Asset Allocator range

## How different asset classes performed over Q4

To help provide context to your own investment, the below chart shows how different asset classes have performed over the last quarter.

- Global equities posted positive returns on the back of strong economic growth particularly in the US, political stability and interest rate cuts by the Fed that supported investor sentiment.
- Interest rate sensitive sectors such as global Real Estate Investment Trusts (REITs) registered negative returns amid expectations of higher for longer interest rates due to sticky inflation.
- Emerging market (EM) equities ended lower amid worries around the US trade policies under Trump presidency, particularly targeting China.
- Global small cap equities also gained over the period.
- Global government bonds generated negative returns amid a rise in government bond yields.
- Global corporate bonds also declined due to a rise in yields across developed markets.



Source: Fidelity International, Bloomberg as at 31 December 2024.

**Global Equities:** MSCI World (NDDUWI Index), **Global REITs:** FTSE EPRA Nareit Developed Index Net TRI GBP (TRNLG Index), **Emerging Market Equities:** MSCI EM (NDUEEGF Index), **Global Small Cap Equities:** MSCI World small cap (NCUDWI Index), **Global Government Bonds:** Bloomberg Global Aggregate Treasuries Total Return Index Hedged GBP (LGTRTRGH Index), **Global Corporate Bonds:** Bloomberg Barclays Corporates Total Return GBP Hedged (LGCPTRGH Index). The funds are managed without reference to a benchmark. Performance shown is in GBP terms.






# How the range is diversified across providers

One of the distinguishing features of this range is that we use strategies from different providers to deliver the market rate of return across different asset classes.

While deciding on the inclusion or exclusion of certain asset classes, our focus is on offering exposure to those asset classes that offer persistent long-term value.

Here are some examples of the fund providers we have exposure to across the portfolios.

	Asset Class	Managers	Rationale for inclusion
Growth Assets	Global Equities	 <b>BlackRock</b> <b>Xtrackers</b>	Core part of the portfolio which drives investment returns and is typically higher risk
	Global REITs	<b>BlackRock</b> <b>Amundi</b> <small>ASSET MANAGEMENT</small>	Offers a diversified source of growth
	EM Equities		Offers the highest expected return and provides diversifying sources of growth
	Global Small Cap Equities	<b>BlackRock</b> 	Offers a higher expected return than mid or large capitalised equities
Defensive Assets	Global Government Bonds	 	Offer low expected correlation to equities and low expected volatility
	Global Corporate Bonds	<b>BlackRock</b> 	Offer a mix of risk factors and increased returns with low expected volatility

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# Where's your money invested?

To help manage risk, the range has been constructed in a way which provides diversification, both geographically and across asset classes, with funds ranked in order of long-term risk. Each of the five funds in the range offers a clear long-term risk and return profile, distinguished by the balance between two asset groups: Growth and Defensive assets.

What you'll see in the table below, are the percentages of your total holding in each of the investments listed. Please contact your adviser if you have any questions.

## ■ Growth Assets

Potential to deliver capital growth and generate long-term returns.

## ■ Defensive Assets

Help to protect the portfolio, typically with low or negative correlation across the growth asset group.

Asset Classes %	Allocator				
	Defensive Fund	Strategic Fund	Growth Fund	Adventurous Fund	World Fund
<b>Growth Assets</b>	19.8	39.8	59.6	79.3	99.4
Global Equities	14.0	28.1	42.0	56.1	70.2
Fidelity Index World Fund	14.0	28.1	30.1	30.1	30.2
iShares Core MSCI World UCITS ETF	0.0	0.0	0.0	0.0	10.0
Xtrackers MSCI World UCITS ETF	0.0	0.0	11.9	26.0	30.1
Global REITs	1.9	3.8	5.6	7.4	9.4
iShares Developed Markets Property Yield UCITS ETF	0.5	0.5	0.7	0.7	0.9
Amundi Index FTSE EPRA NAREIT Global UCITS ETF	1.4	3.3	4.9	6.7	8.6
<b>Emerging Market Equities</b>	2.0	4.1	6.1	8.1	10.2
Fidelity Index Emerging Markets Fund	2.0	4.1	6.1	8.1	10.2
<b>Global Small Cap</b>	1.9	3.9	5.7	7.6	9.6
iShares MSCI World Small Cap UCITS ETF	0.6	1.2	1.7	2.3	3.0
L&G Global Small Cap Equity Index Fund	1.3	2.7	4.0	5.3	6.6
<b>Defensive Assets</b>	79.9	60.1	40.0	19.9	0.0
Global Government Bonds	48.0	36.1	24.1	12.0	0.0
HSBC Global Government Bond Index Fund	32.6	24.6	16.2	8.1	0.0
Fidelity Index Global Government Bond Fund	15.4	11.4	7.9	4.0	0.0
Global Corporate Bonds	31.9	24.0	15.9	7.9	0.0
iShares Global Corporate Bond Index Fund	10.3	7.7	5.1	2.5	0.0
HSBC Global Corporate Bond Index Fund	21.6	16.4	10.8	5.4	0.0

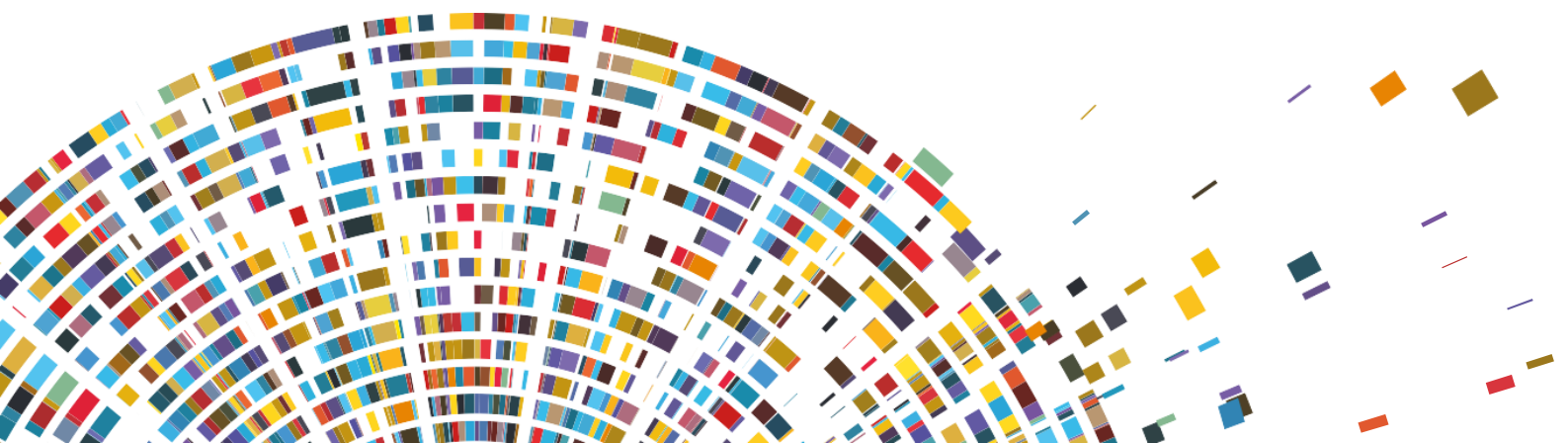
Source: Fidelity International, 31 December 2024. These numbers are based on the actual asset allocation of the Fidelity Multi Asset Allocator range. The weights might differ from long-term strategic asset allocation due to market movements over the month. Totals are subject to rounding differences. These numbers do not include exposure to cash.

In the tables below, you will see how your investment is spread across different industry sectors. Below that is a breakdown of how the bonds that the funds invest in are rated. These ratings typically assign a letter grade to each bond that indicate their credit quality. The higher a bond's rating (such as AAA), the lower the interest rate it will carry, due to lower risk.

Sector breakdown %	Allocator				
	Defensive Fund	Strategic Fund	Growth Fund	Adventurous Fund	World Fund
<b>Growth Assets</b>					
Information Technology	4.4	8.7	13.1	17.6	22.1
Financials	2.9	5.9	8.9	11.9	14.9
Real Estate	2.3	4.6	6.8	9.1	11.5
Health Care	1.7	3.3	5.0	6.7	8.4
Industrials	2.0	4.0	6.1	8.1	10.2
Consumer Discretionary	2.1	4.2	6.3	8.5	10.7
Consumer Staples	0.9	1.9	2.8	3.8	4.7
Communication Services	1.4	2.7	4.1	5.5	6.9
Energy	0.7	1.4	2.1	2.8	3.5
Materials	0.6	1.2	1.8	2.5	3.1
Utilities	0.4	0.9	1.3	1.8	2.2
Other	0.3	0.6	0.7	0.8	0.8
Grand total	<b>19.7</b>	<b>39.6</b>	<b>59.1</b>	<b>79.0</b>	<b>99.0</b>

Credit Rating breakdown %	Allocator				
	Defensive Fund	Strategic Fund	Growth Fund	Adventurous Fund	World Fund
<b>Defensive Assets</b>					
AAA	4.5	3.4	2.3	1.1	0.0
AA+	23.1	17.4	11.6	5.8	0.0
AA-	7.7	5.8	3.9	1.9	0.0
AA	0.7	0.5	0.3	0.2	0.0
A+	5.9	4.5	3.0	1.5	0.0
A-	6.1	4.6	3.0	1.5	0.0
A	7.2	5.4	3.6	1.8	0.0
BBB+	6.6	4.9	3.3	1.6	0.0
BBB-	4.8	3.6	2.4	1.2	0.0
BBB	6.6	5.0	3.3	1.6	0.0
BB+	0.3	0.2	0.1	0.1	0.0
BB-	0.0	0.0	0.0	0.0	0.0
Unassigned	6.6	5.0	3.3	1.6	0.0
Grand total	<b>80.0</b>	<b>60.2</b>	<b>40.0</b>	<b>20.0</b>	<b>0.0</b>

Source: Fidelity International, Bloomberg PORT, 31 December 2024. Data is on a look-through basis. Equity sectors are classified as per GICS breakdowns, fixed income as per Bloomberg classifications. Totals are subject to rounding differences. For illustrative purposes only. Data from Bloomberg PORT is subject to change.



# Fidelity Multi Asset Allocator Defensive Fund

## Fund facts

### Peer group comparison

IA Mixed Investment 0-35% Shares

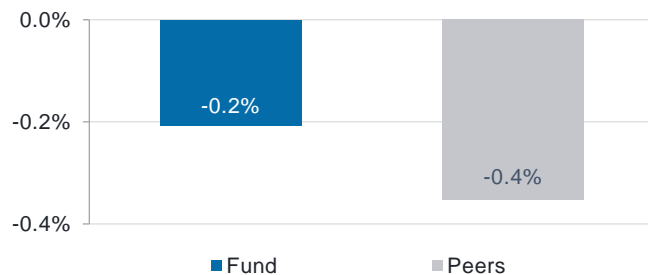
### Total fund size

£108m

### Fund launch date

10 October 2011

## Performance over Q4



## Positioning changes

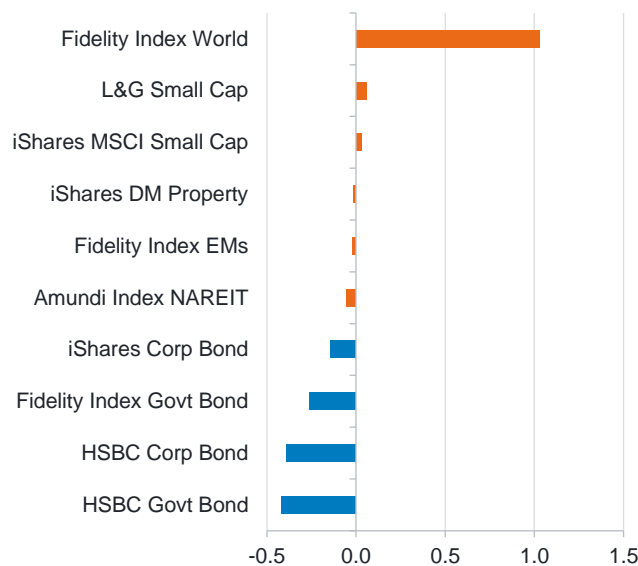
Our long-term positioning across the portfolio remains unchanged, with 80% of the portfolio invested in lower risk defensive assets and 20% in higher risk growth assets.

There were no changes to the underlying holdings during the quarter.

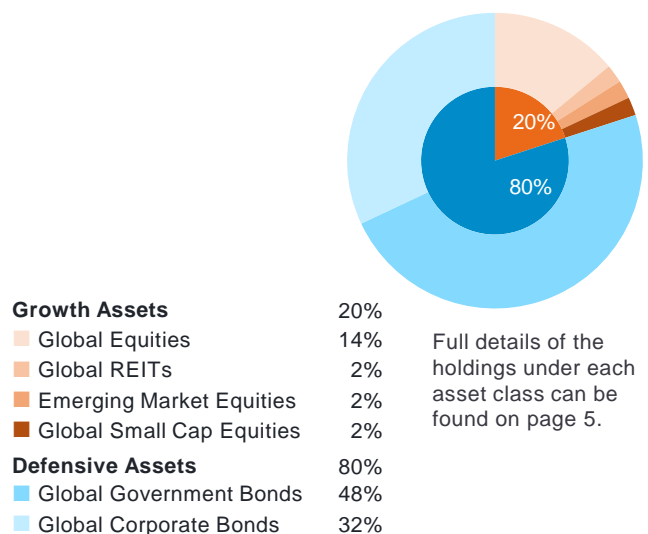
## Performance over the last five years

	Dec 2019-20	Dec 2020-21	Dec 2021-22	Dec 2022-23	Dec 2023-24
Fund	6.7%	1.9%	-13.0%	7.5%	4.9%
Peers	4.0%	2.6%	-10.2%	6.1%	4.4%

## Contribution to Q4 returns<sup>1</sup>



## Asset class breakdown



## What detracted from performance?

- Holdings in the global government bonds detracted from performance as sticky inflation and strong economic data led key central banks to assume a cautious stance on future rate cuts and led markets to adjust their interest rate cut expectations.
- Global corporate bonds weighed on fund returns as yields rose across major economies.
- Interest rate-sensitive holdings such as global REITs also detracted from performance.



## What supported performance?

- Holding in a strategy that tracks the performance of an index focused on large and mid-sized companies in major developed markets enhanced gains due to its exposure to US equities.
- Allocation to global small-cap equities also supported performance.

Source: Fidelity International, as at 31 December 2024. Attribution from 01 October to 31 December 2024. Figures are subject to rounding.

<sup>1</sup>This attribution analysis is indicative only and is based on the base currency of the fund. It gives the proportional contribution of different assets to total returns. Adding up the contributions will not give the return for any single share class of the fund. Performance shown for FIF Multi Asset Allocator Defensive Fund W-Acc share class, and the IA Mixed Investment 0-35% shares peer group in GBP, net of fees.

# Fidelity Multi Asset Allocator Strategic Fund

## Fund facts

### Peer group comparison

IA Mixed Investment 20-60% Shares

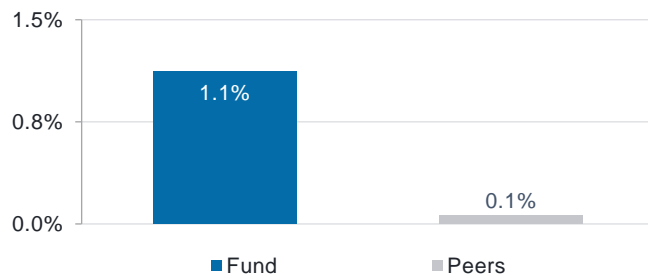
### Total fund size

£401m

### Fund launch date

10 October 2011

## Performance over Q4



## Positioning changes

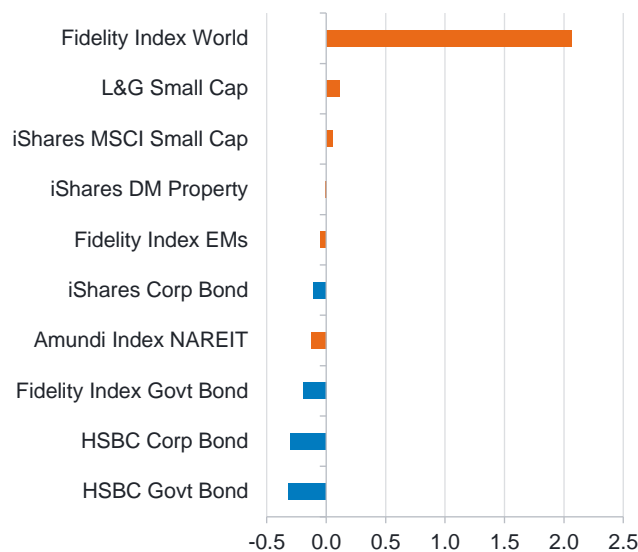
Our long-term positioning across the portfolio remains unchanged, with 60% of the portfolio invested in lower risk defensive assets and 40% in higher risk growth assets.

There were no changes to the underlying holdings during the quarter.

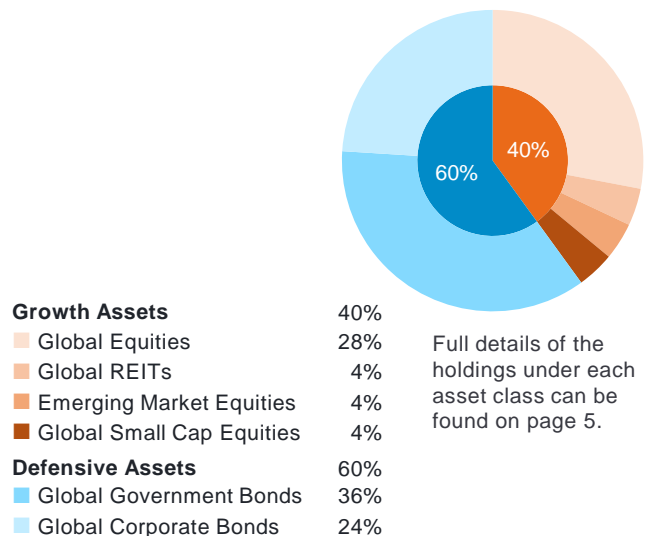
## Performance over the last five years

	Dec 2019-20	Dec 2020-21	Dec 2021-22	Dec 2022-23	Dec 2023-24
Fund	7.6%	6.3%	-12.0%	8.8%	7.4%
Peers	3.5%	6.3%	-9.6%	6.9%	6.2%

## Contribution to Q4 returns<sup>1</sup>



## Asset class breakdown



## What detracted from performance?

- Holdings in the global government bonds detracted from performance as sticky inflation and strong economic data led key central banks to assume a cautious stance on future rate cuts and led markets to adjust their interest rate cut expectations.
- Global corporate bonds weighed on fund returns as yields rose across major economies.
- Interest rate-sensitive holdings such as global REITs also detracted from performance.



## What supported performance?

- Holding in a strategy that tracks the performance of an index focused on large and mid-sized companies in major developed markets enhanced gains due to its exposure to US equities.
- Allocation to global small-cap equities also supported performance.



# Fidelity Multi Asset Allocator Growth Fund

## Fund facts

### Peer group comparison

IA Mixed Investment 40-85% Shares

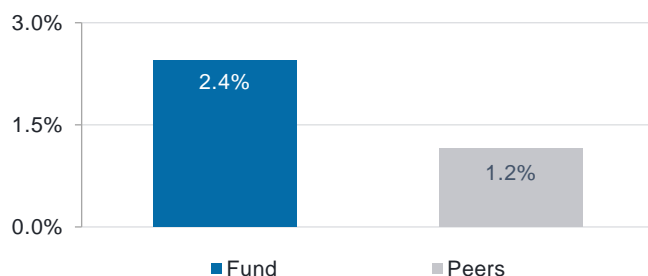
### Total fund size

£1117m

### Fund launch date

10 October 2011

## Performance over Q4



## Positioning changes

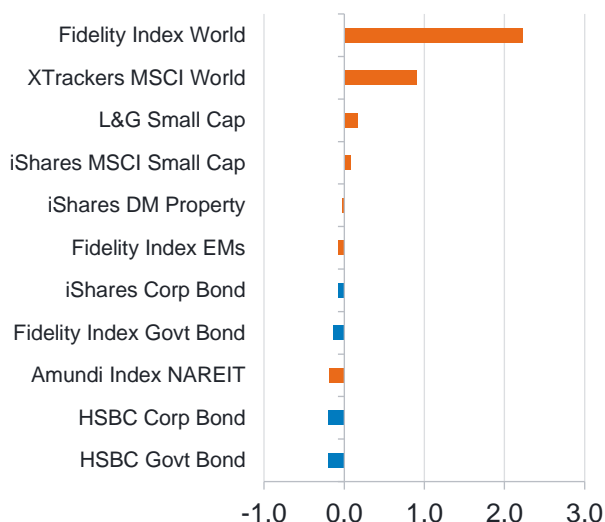
Our long-term positioning across the portfolio remains unchanged, with 60% of the portfolio invested in higher risk growth assets and 40% in lower risk defensive assets.

There were no changes to the underlying holdings during the quarter.

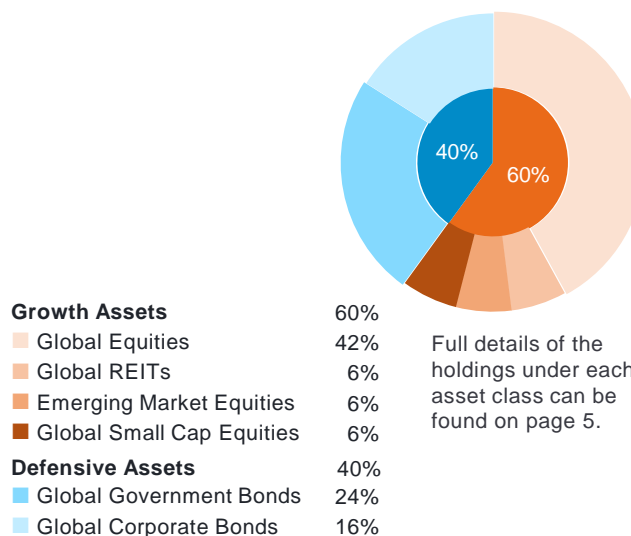
## Performance over the last five years

	Dec 2019-20	Dec 2020-21	Dec 2021-22	Dec 2022-23	Dec 2023-24
Fund	8.4%	10.9%	-10.9%	10.4%	10.4%
Peers	5.5%	11.1%	-10.2%	8.1%	8.9%

## Contribution to Q4 returns<sup>1</sup>



## Asset class breakdown



## What detracted from performance?

- Holdings in the global government bonds detracted from performance as sticky inflation and strong economic data led key central banks to assume a cautious stance on future rate cuts and led markets to adjust their interest rate cut expectations.
- Global corporate bonds weighed on fund returns as yields rose across major economies.
- Interest rate-sensitive holdings such as global REITs also detracted from performance.



## What supported performance?

- Holding in strategies that track the performance of indices focused on large and mid-sized companies in major developed markets enhanced gains due to their exposure to US equities.
- Allocation to global small-cap equities also supported performance.

Source: Fidelity International, as at 31 December 2024. Attribution from 01 October to 31 December 2024. Figures are subject to rounding.

<sup>1</sup>This attribution analysis is indicative only and is based on the base currency of the fund. It gives the proportional contribution of different assets to total returns. Adding up the contributions will not give the return for any single share class of the fund. Performance shown for FIF Multi Asset Allocator Growth Fund W-Acc share class, and the IA Mixed Investment 40-85% shares peer group in GBP, net of fees.

# Fidelity Multi Asset Allocator Adventurous Fund

## Fund facts

### Peer group comparison

IA Flexible

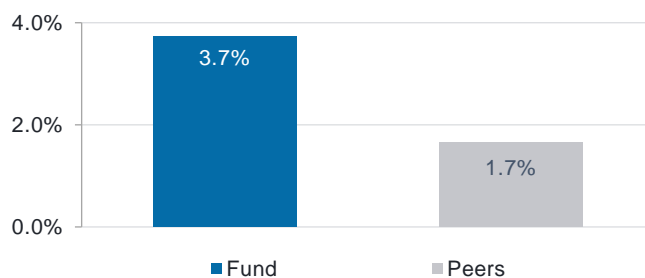
### Total fund size

£618m

### Fund launch date

5 December 2012

## Performance over Q4



## Positioning changes

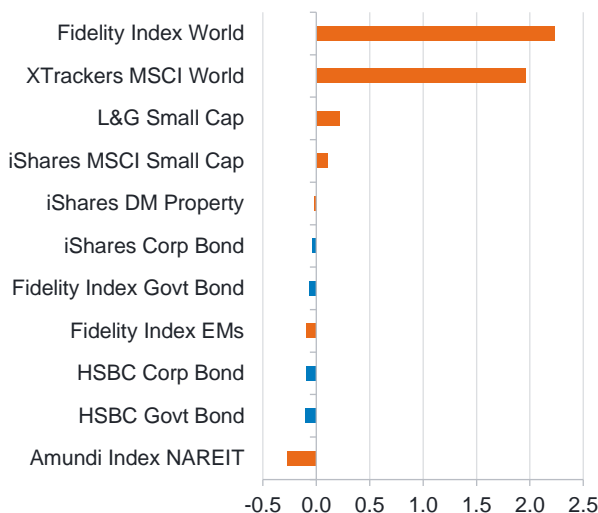
Our long-term positioning across the portfolio remains unchanged, with 80% of the portfolio invested in higher risk growth assets and 20% in lower risk defensive assets.

There were no changes to the underlying holdings during the quarter.

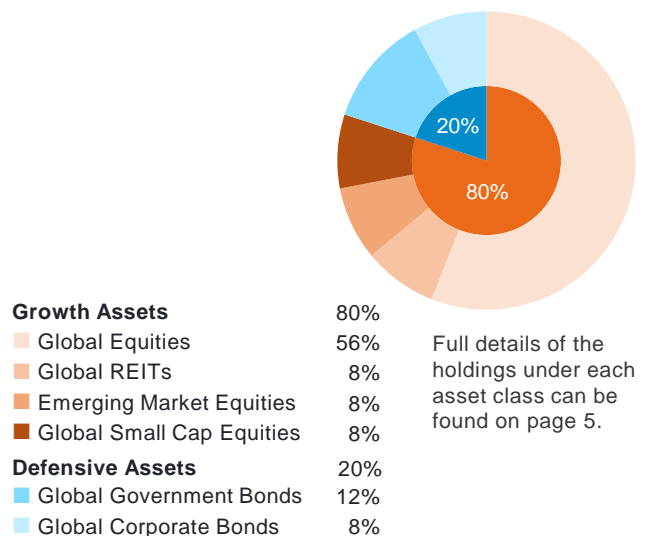
## Performance over the last five years

	Dec 2019-20	Dec 2020-21	Dec 2021-22	Dec 2022-23	Dec 2023-24
Fund	9.1%	15.8%	-9.7%	11.9%	13.5%
Peers	7.0%	11.4%	-9.1%	7.3%	9.1%

## Contribution to Q4 returns<sup>1</sup>



## Asset class breakdown



## What detracted from performance?

- Interest rate-sensitive holdings such as global REITs detracted from performance as sticky inflation led to expectations of delayed future rate cuts.
- Holdings in the global government bonds detracted from performance as sticky inflation and strong economic data led key central banks to assume a cautious stance on future rate cuts and led markets to adjust their interest rate cut expectations.
- Global corporate bonds and emerging market equities also weighed on fund returns.



## What supported performance?

- Holding in strategies that track the performance of indices focused on large and mid-sized companies in major developed markets enhanced gains due to their exposure to US equities.
- Allocation to global small-cap equities also supported performance.

Source: Fidelity International, as at 31 December 2024. Attribution from 01 October to 31 December 2024. Figures are subject to rounding.

<sup>1</sup>This attribution analysis is indicative only and is based on the base currency of the fund. It gives the proportional contribution of different assets to total returns. Adding up the contributions will not give the return for any single share class of the fund. Performance shown for FIF Multi Asset Allocator Adventurous Fund W-Acc share class, and the IA Flexible Investment peer group in GBP, net of fees.

# Fidelity Allocator World Fund

## Fund facts

### Peer group comparison

IA Global

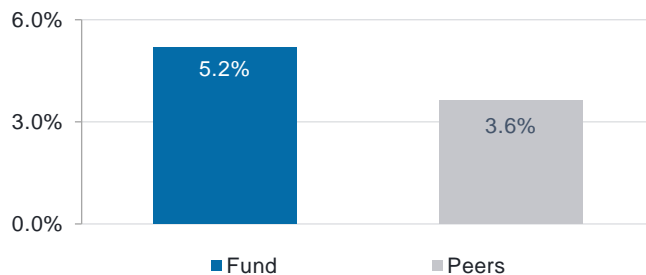
### Total fund size

£250m

### Fund launch date

5 February 2013

## Performance over Q4



## Positioning changes

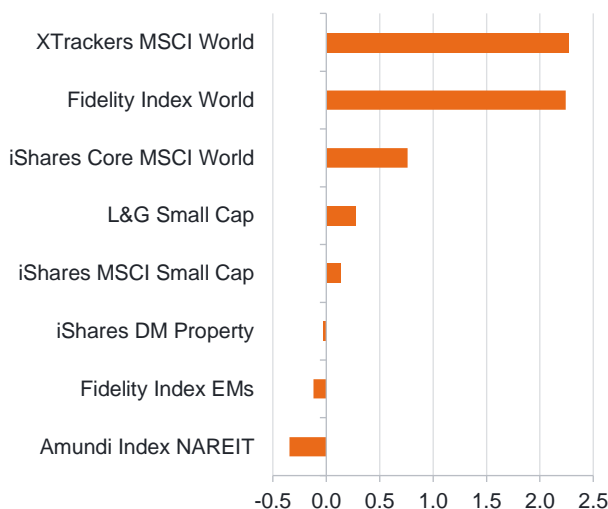
Our long-term positioning across the portfolio remains unchanged, with 100% of the portfolio invested in higher risk growth assets.

There were no changes to the underlying holdings during the quarter.

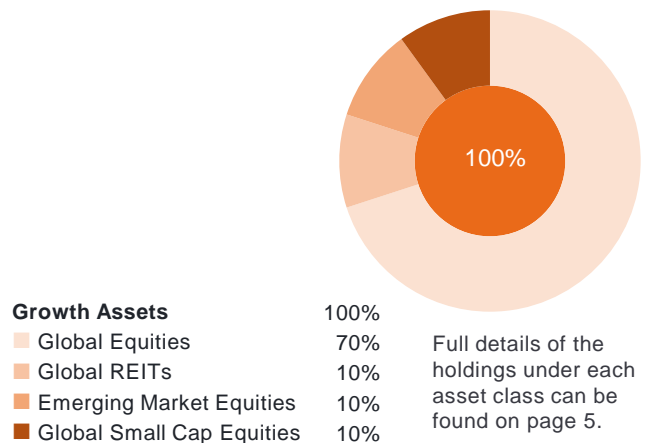
## Performance over the last five years

	Dec 2019-20	Dec 2020-21	Dec 2021-22	Dec 2022-23	Dec 2023-24
Fund	9.3%	20.8%	-8.7%	13.5%	16.6%
Peers	14.7%	17.5%	-11.3%	12.7%	12.8%

## Contribution to Q4 returns<sup>1</sup>



## Asset class breakdown



## What detracted from performance?

- Interest rate-sensitive holdings such as global REITs detracted from performance as sticky inflation led to expectations of delayed future rate cuts.
- The allocation to emerging market equities also detracted due to uncertainty around the US trade policies under a Trump presidency.



## What supported performance?

- Holding in strategies that track the performance of indices focused on large and mid-sized companies in major developed markets enhanced gains due to their exposure to US equities.
- Allocation to global small-cap equities also supported performance.

# Glossary

**Equities**

Also known as 'shares' or 'stocks'. Refers to a share in the ownership of a company.

**Bonds**

A bond is an instrument that represents a loan made by an investor to a borrower. Bonds are used by companies, municipalities, states, and sovereign governments to finance projects and operations.

**Fixed Income**

These are investments such as bonds which carry a predetermined and fixed rate of interest (coupon).

**Commodities**

An asset class which encompasses a range of physical assets including Oil and Gas, Metals and Agricultural Production.

**Developed Markets**

Countries that are most progressed in terms of their economy. Examples include UK, US, Canada, France, Germany, Italy, Japan and Australia.

**Emerging Markets**

A country that is becoming a developed nation and exhibits improving socio-economic factors. Examples include Argentina, Brazil, China, India, Indonesia, Mexico, Poland, South Africa, South Korea.

**Consumer Discretionary**

A sector classification which encompasses businesses that tend to be the most sensitive to economic cycles such as automobiles & components, household durable goods, textiles & apparel, hotels, restaurants, and other leisure facilities.

**Consumer Staples**

A sector classification which comprises of businesses that are less sensitive to economic cycles. It includes manufacturers and distributors of food, beverages, non-durable household goods and personal products.

**Inflation-linked Bonds**

Primarily issued by governments, these bonds are designed to help protect investors against inflation – by linking the principal amount invested as well as interest rate payments in line with the rate of inflation.

**Investment Grade Bonds**

The highest quality bonds as assessed by a credit ratings agency. To be deemed investment grade, a bond must have a credit rating of at least BBB (Standard & Poor's) or Baa3 (Moody's).

**High Yield Bond**

A bond with a credit rating below investment grade and generally higher risk with the potential for greater interest to be earned.

**Derivatives**

The collective name used for a broad class of financial instruments that derive their value from other underlying financial instruments.

**Credit Rating**

Indicates the creditworthiness of a bond. These ratings typically assign a letter grade to bonds that indicate their credit quality. The higher a bond's rating, the lower the interest rate it will carry, due to lower risk.

**Yield**

A measure of the income return earned on an investment. For equity shares, yield is the annual dividend payment. For bonds, yield is the annual interest as a percentage of the current market price.

**Growth Assets**

Growth Assets are assets which generate a return both from capital growth and from the distribution of profits as dividends. Typical Growth Assets are Equities (i.e. shares), Infrastructure and Property. Growth Assets carry the risk that the investor will lose money or not earn the expected return.

**Hedge Fund**

A collective name for funds targeting absolute returns through investment in financial markets or applying non-traditional portfolio management techniques. They can invest using a broad array of strategies, ranging from conservative to aggressive.

**Market Capitalization (cap)**

A measure of a company's size, calculated by multiplying the total number of shares in issue by the current share price. Companies are commonly grouped according to their size as small cap, mid cap or large cap. There is no consensus on the monetary boundaries of these ranges but as a rough guide: large cap is over \$10 billion, mid cap is \$2 billion – \$10 billion and small cap is \$250 million – \$2 billion.

**Real Estate Investment Trust (REIT)**

A real estate investment trust (REIT) is a company that owns, operates, or finances income-generating real estate. REITs pool the capital of numerous investors. This makes it possible for individual investors to earn dividends from real estate investments – without having to buy, manage, or finance any properties themselves.

**Risk Assets**

Assets that have a significant degree of price volatility, such as Equities, Commodities, High Yield Bonds, Real Estate, and Currencies.

**Federal Reserve**

The Federal Reserve System is the Central Bank of the United States.

**US Treasuries**

United States Treasury securities, often simply called Treasuries, are debt obligations issued by the United States government.

**Index**

A financial index is used to track the performance of a group of assets in a standardised way.

**Strategic asset allocation**

These are allocation weights that are constructed based on the long-term asset class forecasts with targets to maintain a set combination of asset classes.



**If you have  
questions about  
your investment,  
please contact  
your adviser.**



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