

## Strategy

The fund is actively managed and aims to provide investors with a positive absolute return with low correlation to traditional asset classes over the medium to long term. The fund invests in a combination of diversified underlying strategies that will sit within equity hedge, fixed income and macro, opportunistic and arbitrage. Each strategy is selected based on its ability to provide returns which are uncorrelated to each other and/or traditional asset classes. The strategies aim to be diversified by asset class, manager and investment approach. Allocations to these strategies will be adjusted over time through a disciplined portfolio construction process that utilises both qualitative and quantitative investment inputs.

## Objectives & Investment Policy

**Objective:** The fund aims to provide an absolute positive return with low correlations to traditional asset classes over the medium to long term.

**Investment Policy:** The fund uses a combination of diverse investment strategies in order to achieve its objective, include arbitrage, equity hedge, fixed income and macro strategies. The strategies will be primarily implemented by taking long and short exposure to a range of asset classes such as equities, corporate and government investment grade and below investment grade bonds, infrastructure, property, commodities, money market instruments and currencies from anywhere in the world, including emerging markets. These investments may be denominated in any currency. The fund may invest in the following assets according to the percentages indicated: China A and B shares and listed onshore bonds (including urban investment bonds) (directly and/or indirectly): less than 30% (in aggregate) collateralised and securitised debt instruments: less than 20% eligible commodity exposure: up to 10% hybrids and contingent convertible (CoCo) bonds: less than 30%, with less than 20% in CoCos SPACs: less than 5%. The fund may also invest in China offshore bonds (including dim sum bonds). The fund's exposure to distressed securities is limited to 10% of its assets. The Investment Manager aims to outperform the benchmark.

**Investment Process:** In actively managing the fund, the Investment Manager combines qualitative and quantitative market analysis into a disciplined portfolio construction process to allocate investments across various strategies, such as long-short equity, arbitrage, fixed income and macro. Arbitrage strategies aim to profit from the price difference between instruments that are related and judged to be mispriced. This may involve the simultaneous purchase and sale of related financial instruments. Equity hedge strategies aim to profit from identifying undervalued stocks and either selling overvalued stocks or hedging the market risk associated with the undervalued stocks.

Fixed Income and Macro strategies are grouped together as strategies can cross both disciplines. Fixed Income strategies aim to produce consistent returns either within fixed income markets or through relative value strategies within markets such as corporate and emerging market bonds. Macro strategies traditionally use a top-down approach which studies macro-economic and political factors to invest in different asset classes across global markets. The Investment Manager takes into account Sustainability Risks in its investment process. For more information, see "Sustainable Investing and ESG Integration".

**Derivatives and Techniques:** The fund may use derivatives for hedging, efficient portfolio management and investment purposes. The fund may use long or short positions. The fund will take long positions in securities that are deemed to be undervalued and short those deemed to be overvalued. Short exposure will only be achieved through the use of derivatives.

**Benchmark:** Secured Overnight Financing Rate (SOFR). Used for: performance comparison, outperformance and performance fee calculation.

## Fund Facts

**Launch date:** 12.11.19

**Portfolio manager:** Matthew Quaife, Evelyn Huang

**Appointed to fund:** 12.11.19, 31.05.23

**Years at Fidelity:** 7, 3

**Fund size:** £ 50m

**Number of allocations in fund:** 11

**Fund reference currency:** US Dollar (USD)

**Fund domicile:** Luxembourg

**Fund legal structure:** SICAV

**Management company:** FIL Investment Management (Luxembourg) S.A.

**Capital guarantee:** No

## Share Class Facts

Other share classes may be available. Please refer to the prospectus for more details.

**Launch date:** 12.11.19

**NAV price in share class currency:** 1.171

**ISIN:** LU1989786808

**SEDOL:** BK9S4H9

**WKN:** A2PT3U

**Bloomberg:** FARMSWG LX

**Dealing cut-off:** 15:00 UK time (normally 16:00 Central European Time)

**Distribution type:** Accumulating

**Ongoing Charges Figure (OCF) per year:** 1.00% (30.04.23)

**OCF takes into account annual management charge per year:** 0.75%

## Share Class Risk and Reward Profile



This risk indicator is taken from the key information document at the relevant month-end. Because it may be updated during a month, please refer to the key information document for the most up-to-date information.

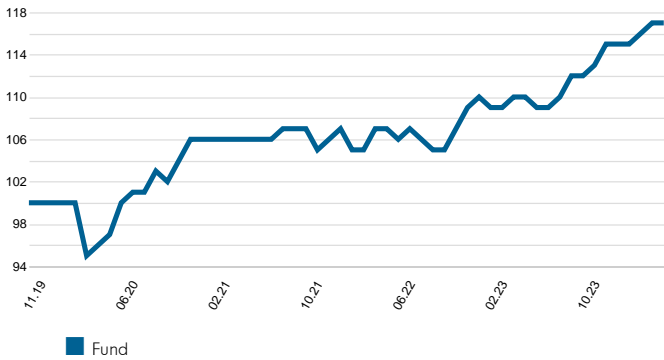
- Historical data may not be a reliable indication for the future.
- The risk category shown is not guaranteed and may change over time.
- The lowest category does not mean a "risk free" investment.
- The risk and reward profile is classified by the level of historical fluctuation of the Net Asset Values of the share class, and within this classification, categories 1-2 indicate a low level of historical fluctuations, 3-5 a medium level and 6-7 a high level.
- The value of your investment may fall as well as rise and you may get back less than you originally invested.
- The fund may invest in instruments denominated in currencies other than the fund base currency. Changes in currency exchange rates can therefore affect the value of your investment.

## Important Information

The value of your investment may fall as well as rise and you may get back less than you originally invested. The use of financial derivative instruments may result in increased gains or losses within the fund. 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. When referring to sustainability - related aspects of the promoted fund, the decision to invest should take into account all characteristics or objectives of the promoted fund as detailed in the Prospectus. Information on sustainability-related aspects is provided pursuant to SFDR at <https://www.fidelity.lu/sfdr-entity-disclosures>.

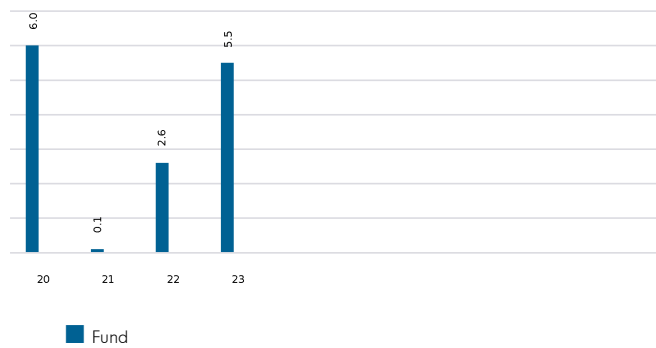
Past performance does not predict future returns. Currency hedging is used to substantially reduce the risk of losses from unfavourable exchange rate movements on holdings in currencies that differ from the dealing currency. The investment which is promoted concerns the acquisition of units or shares in a fund, and not in a given underlying asset owned by the fund.

### Cumulative performance in GBP (rebased to 100)

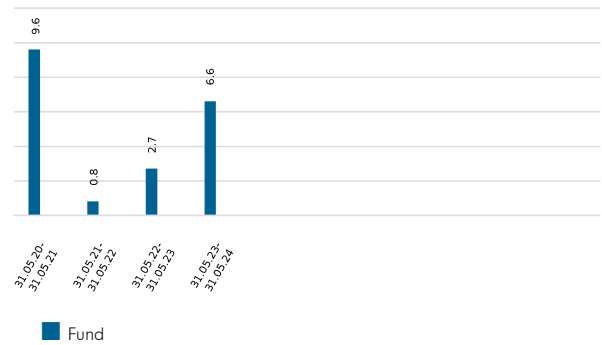


Performance is shown for the last five years (or since launch for funds launched within that period).

### Performance for calendar years in GBP (%)



### Performance for 12 month periods in GBP (%)



### Volatility & Risk (3 years)

|  |      |                                      |       |
|--|------|--------------------------------------|-------|
| <b>Annualised Volatility: fund (%)</b> | 3.14 | <b>Annualised Alpha</b>              | 3.71  |
| <b>Relative Volatility</b>             | 1.81 | <b>Beta</b>                          | -0.09 |
| <b>Sharpe Ratio: fund</b>              | 1.05 | <b>Annualised Tracking Error (%)</b> | 3.66  |
| <b>Sharpe Ratio: index</b>             | 1.99 | <b>Information Ratio</b>             | -0.04 |
|  |      | <b>R<sup>2</sup></b>                 | 0.00  |

Calculated using month-end data points. Definitions of these terms can be found in the Glossary section of this factsheet.

### Performance to 31.05.24 in GBP (%)

|                               | 1m  | 3m  | YTD | 1yr | 3yr  | 5yr | Since 12.11.19* |
|-------------------------------|-----|-----|-----|-----|------|-----|-----------------|
| <b>Fund cumulative growth</b> | 0.0 | 2.2 | 2.1 | 6.6 | 10.4 | -   | 17.1            |
| <b>Fund annualised growth</b> | -   | -   | -   | 6.6 | 3.3  | -   | 3.5             |

The Index does not take account of currency hedging. There may be a greater difference between the past performance of the share class and the Index than for other share classes in the fund. Source of fund performance and volatility and risk measures is Fidelity. Performance is excluding initial charge. Basis: nav-nav with income reinvested, in GBP, net of fees. If you took an initial charge of 5.25% from an investment, this is the equivalent of reducing a growth rate of 6% per annum over 5 years to 4.9%. This is the highest initial charge applicable, if the initial charge you pay is less than 5.25%, the impact on the overall performance will be less. Market indices are sourced from RIMES and other data is sourced from third-party providers such as Morningstar.

\*Performance commencement date.

## Introduction

This factsheet contains information about the composition of the fund at a particular point in time. It aims to help you understand how the fund manager is positioned to achieve the fund's objectives.

The Top Allocations table shows the manager's choice of investment disciplines, funds or other holdings. It includes cash held as a strategic investment. Investment disciplines includes the use of "pools". For internal management purposes, Fidelity forms "pools" to co-manage assets from different funds. (These pools are not directly available to customers and do not constitute separate entities.)

The Top Positions table shows the largest individual investments. For equities, all investments, including derivatives, linked to a particular issuing company have been combined to form a total percentage holding for each company. Where a company is listed in two separate countries, each listing may be classified as a separate issuing company. Fixed income investments are listed by individual issue (and not by issuer) to reflect the characteristics of the individual bonds. All derivatives are included on an exposure basis. Cash investments are not shown in the table.

## Top Allocations (% TNA)

| Allocation   | % TNA |
|--|-------|
| Fidelity Funds - Absolute Return Multi Strategy MA Portfolio Management Pool | 24.0  |
| Fidelity Funds - Global Macro Pool   | 16.6  |
| Fidelity Funds - Absolute Return Global Equity Pool                          | 14.6  |
| Fidelity Funds - Systematic Global Macro Pool                                | 13.1  |
| Fidelity Funds - Institutional Asia Pacific (EX Japan) Opportunities         | 7.2   |
| Fidelity Funds - LPA Global Equity Income Pool                               | 5.5   |
| Fidelity Funds - Absolute Return European Equity Pool                        | 5.5   |
| Fidelity Funds - Fidelity Global Future Leaders Pool                         | 5.4   |
| Fidelity Funds - LPA Global Technology Pool                                  | 4.9   |
| Fidelity Funds - LPA World Pool  | 3.2   |

## Top Positions (% TNA)

|  | % TNA |
|--|-------|
| KOREA 10YR BND FU FUT JUN24 KAAM4              | 6.2   |
| NEW ZEALAND GOVERNMENT OF 3.5% 04/14/2033 REGS | 6.0   |
| UST BILLS 0% 07/02/2024                        | 5.1   |
| Fidelity Special Values PLC                    | 4.0   |
| NOTA DO TESOURO NACIONAL 10% 01/01/2035        | 3.3   |
| UST BILLS 0% 06/11/2024                        | 3.1   |
| UST BILLS 0% 08/22/2024                        | 2.7   |
| UST BILLS 0% 08/01/2024                        | 2.7   |
| UST BILLS 0% 06/13/2024                        | 2.7   |
| UST BILLS 0% 06/06/2024                        | 2.7   |

Figures may not always sum to totals due to rounding

## Glossary / additional notes

### Volatility & Risk

**Annualised volatility:** a measure of how variable returns for a fund or comparative market index have been around their historical average (also known as “standard deviation”). Two funds may produce the same return over a period. The fund whose monthly returns have varied less will have a lower annualised volatility and will be considered to have achieved its returns with less risk. The calculation is the standard deviation of 36 monthly returns presented as an annualised number. Volatility for funds and indices are calculated independently of each other.

**Relative volatility:** a ratio calculated by comparing the annualised volatility of a fund to the annualised volatility of a comparative market index. A value greater than 1 indicates the fund has been more volatile than the index. A value less than 1 shows the fund has been less volatile than the index. A relative volatility of 1.2 means the fund has been 20% more volatile than the index, while a measure of 0.8 would mean the fund has been 20% less volatile than the index.

**Sharpe ratio:** a measure of a fund’s risk-adjusted performance, taking into account the return on a risk-free investment. The ratio allows an investor to assess whether the fund is generating adequate returns for the level of risk it is taking. The higher the ratio, the better the risk-adjusted performance has been. If the ratio is negative, the fund has returned less than the risk-free rate. The ratio is calculated by subtracting the risk-free return (such as cash) in the relevant currency from the fund’s return, then dividing the result by the fund’s volatility. It is calculated using annualised numbers.

**Annualised alpha:** the difference between a fund’s expected return (based on its beta) and the fund’s actual return. A fund with a positive alpha has delivered more return than would be expected given its beta.

**Beta:** a measure of a fund’s sensitivity to market movements (as represented by a market index). The beta of the market is 1.00 by definition. A beta of 1.10 shows that the fund could be expected to perform 10% better than the index in up markets and 10% worse in down markets, assuming all other factors remain constant. Conversely, a beta of 0.85 indicates that the fund could be expected to perform 15% worse than the market return during up markets and 15% better during down markets.

**Annualised tracking error:** a measure showing how closely a fund follows the index to which it is being compared. It is the standard deviation of the fund’s excess returns. The higher the fund’s tracking error, the higher the variability of fund returns around the market index.

**Information ratio:** a measure of a fund’s effectiveness in generating excess return for the level of risk taken. An information ratio of 0.5 shows the fund has delivered an annualised excess return equivalent to half the value of the tracking error. The ratio is calculated by taking the fund’s annualised excess return and dividing it by the fund’s tracking error.

**R<sup>2</sup>:** a measure representing the degree to which a fund’s return can be explained by the returns of a comparative market index. A value of 1 signifies the fund and index are perfectly correlated. A measure of 0.5 means only 50% of the fund’s performance can be explained by the index. If the R<sup>2</sup> is 0.5 or lower, the fund’s beta (and therefore its alpha too) is not a reliable measure (due to a low correlation between fund and index).

### Ongoing charges

The ongoing charges figure represents the charges taken from the fund over a year. It is calculated at the fund’s financial year end and may vary from year to year. For classes of funds with fixed ongoing charges, this may not vary from year to year. For new classes of funds or classes undergoing corporate actions (eg amendment to annual management charge), the ongoing charges figure is estimated until the criteria are met for an actual ongoing charges figure to be published.

The types of charges included in the ongoing charges figure are management fees, administration fees, custodian and depositary fees and transaction charges, shareholder reporting costs, regulatory registration fees, Directors fees (where applicable) and bank charges.

It excludes: performance fees (where applicable); portfolio transaction costs, except in the case of an entry/exit charge paid by the fund when buying or selling units in another collective investment undertaking.

For more information about charges (including details of the fund’s financial year end), please consult the charges section in the most recent Prospectus.

### Historic yield

The historic yield for a fund is based on its dividends declared over the preceding 12 months. It is calculated by summing the dividend rates declared in that period, divided by the price as at the date of publication. Declared dividends may not be confirmed and may be subject to change. Where 12 months of declared dividend data does not exist a historic yield will not be published.

### Sector/industry classification

**GICS:** The Global Industry Classification Standard is a taxonomy mainly used across MSCI and S&P indices in which each company is assigned by its principal business activity to one of 11 sectors, 24 industry groups, 69 industries and 158 sub-industries. More information is available at <http://www.msci.com/gics>

**ICB:** The Industry Classification Benchmark is a taxonomy mainly used across FTSE Russell indices in which each company is assigned by its principal business activity to one of 11 industries, 20 supersectors, 45 sectors and 173 subsectors. More information is available at <https://www.ftserussell.com/data/industry-classification-benchmark-icb>

**TOPIX:** Tokyo stock Price Index, commonly known as TOPIX, is a stock market index for the Tokyo Stock Exchange (TSE) in Japan, tracking all domestic companies of the exchange’s First Section. It is calculated and published by the TSE.

**IPD** means the Investment Property Databank who are a provider of performance analysis and benchmarking services for investors in real estate. IPD UK Pooled Property Funds Index - All Balanced Funds is a component of the IPD Pooled Funds Indices which is published quarterly by IPD.

### Independent Assessment

**Primary share class:** is identified by Morningstar when the analysis calls for only one share class per fund to be in the peer group. It is the share class Morningstar recommends as the best proxy for the portfolio for the relevant market and category/GIF combination. In most cases the share class chosen will be the most retail version (based upon actual management charge, inception date, distribution status, currency and other factors) unless a share class that is less retailed focused has a much longer track record. It is different to the oldest share class data point in that it is on an available for sale level and not all markets will have the oldest share class for sale in that region. The Primary share class is also based on category so each available for sale/category combination for the fund will have its own primary share class.

**Portfolio Turnover Rate (PTR) and Portfolio Turnover Cost (PTC), where shown:** SRDII does not define a methodology for these values; ours is as follows: **PTR** = (purchases of securities + sales of securities) minus (subscriptions of units + redemptions of units), divided by average fund value over the prior 12 months multiplied by 100. Any funds’ trading in Fidelity Institutional Liquidity Funds is excluded from the PTR calculation. **PTC** = PTR (capped at 100%) x transaction cost, where transaction cost is calculated as ex-post (i.e. prior 12 months) MiFID disclosure of portfolio transaction costs minus implicit costs.

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