

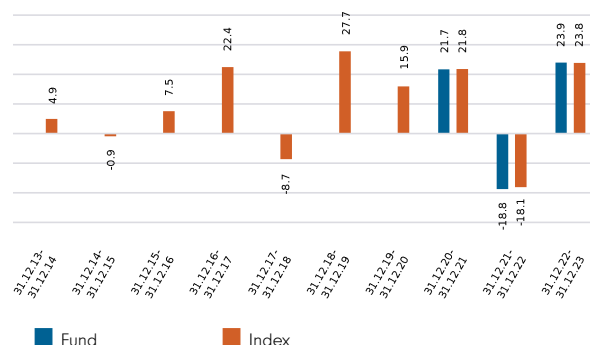
Portfolio manager: Hiten Savani, Daniel Swift

## Performance over quarter in USD (%)

<b>Fund</b>	11.3
<b>Market index</b>	11.4
MSCI World Index (Net)	
Market index is for comparative purposes only.	

Source of fund performance is Fidelity. Other share classes may be available. Please refer to the prospectus for more details.

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



## Market Environment

Global equities started the quarter on a weak note as subdued corporate earnings, elevated bond yields and prevailing geopolitical concerns weighed on sentiment. However, markets rebounded sharply in light of moderating inflation and resilient economic data, reinforcing the view that central banks have reached the peak of their tightening cycles. Unchanged policy rates in major developed markets and dovish remarks by the US Federal Reserve raised hopes for a soft landing, which further supported the rally. Against this backdrop, equities in Europe ex-UK and the US gained strongly. Emerging markets also ended higher but underperformed developed markets. At a sector level, optimism around artificial intelligence buoyed information technology stocks. Meanwhile, energy stocks fell amid weak crude oil prices.

## Fund Performance

The fund's Acc-USD share class delivered strong positive returns of 11.27% (net) in the fourth quarter, but underperformed the MSCI World Index (N), which returned 11.42%. The fund underperformed, primarily due to stock selection in industrials and health care and an overweight exposure to financials. Conversely, stock selection in consumer discretionary, materials and utilities added to relative returns.

### Health care weakened performance

Overweight positioning in Japanese pharmaceutical company Astellas Pharma detracted from relative performance as it revised its full year earnings guidance downwards, although this was not a surprise given (non-cash) amortisation costs related to the acquisition of US-based drugmaker Iveric Bio earlier in the year.

### Selected energy stocks held back gains

Shares in oilfield services company Schlumberger declined after third quarter results that were in line with estimates, but slightly lower in quality. With fuel demand improving drastically, and so the prices of oil, Schlumberger expects a continuing demand for the next few years.

### Consumer discretionary added relative value

Shares in American chain of fast casual restaurants Chipotle Mexican Grill rose after the company reported quarterly earnings that beat expectations, helped by higher menu prices. The company's comparable restaurant sales increased more than the market estimates.

## Fund Positioning

This enhanced index fund is managed by the Fidelity Systematic Investing team and is constructed using a rigorous and repeatable investment process. It is designed to provide sustainable broad Global equity exposure with low active risk and a tracking error of below 2%. This fund leverages Fidelity's unique fundamental research and proprietary sustainable ratings. It is expected to behave similarly to the index, with broadly neutral sector and regional positions, with security selection being the predominant driver of risk. The portfolio is designed to outperform its benchmark, with an alpha target of +1% gross per annum through the market cycle, i.e., more than five years.

### Core Active Positions

At a sector level, financials, communication services and consumer discretionary are the key overweights. Conversely, the key underweights are industrials, information technology and consumer staples. At a stock level, the fund has key overweight positions in global financial services company JPMorgan Chase & Co., innovative medical device company Insulet and American multinational payment card services company Visa. On the other hand, key underweight positions include electric vehicles giant Tesla, pharmaceuticals company Eli Lilly and diversified medical products company Johnson & Johnson.

### Key trades

We initiated new positions in Japanese human resources company Recruit Holdings and streaming service leader Netflix. Elsewhere, we increased exposure to Insulet and Visa. Conversely, we closed position in American retail company Walmart.

## Important Information

Past performance does not predict future returns. The fund's returns may increase or decrease as a result of currency fluctuations. 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.

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