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Performance for 12 month periods in USD (%)

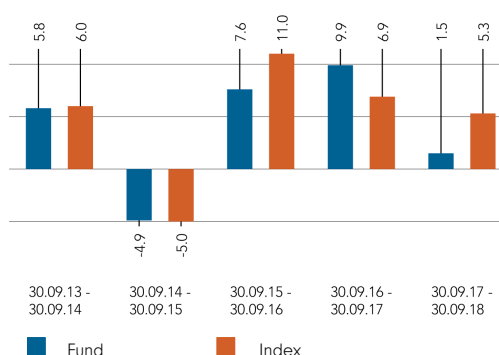
## Performance over quarter in USD (%)

Fund	1.2
Market index	2.1

50% Bloomberg Barclays Global Aggregate Bond Index (Hedged); 50% MSCI AC WORLD (N)

Market index is for comparative purposes only.

Source of fund performance is Fidelity. Basis: nav-nav with income reinvested, in USD, net of fees. Other share classes may be available. Please refer to the prospectus for more details.



## Market Environment

Global equities advanced over the third quarter of 2018, led by US markets, as encouraging corporate earnings and easing trade tensions between the US and Europe supported sentiment. However, continued trade tensions between the US and China, as well as concerns around emerging markets led to elevated volatility. On the monetary policy front, the US Federal Reserve (Fed) raised interest rates for the third time this year in September. The Bank of England increased its key interest rate for the second time in a decade, while risks that the UK will exit the European Union without any trade, customs and regulatory measures to smoothen the transition (i.e. a no-deal Brexit) rose. The Bank of Japan introduced greater flexibility to its bond buying programme, allowing the ten-year Japanese government bond yields to trade in a wider range. Against this backdrop, the US outperformed other regions by a wide margin. Emerging markets lagged their developed market peers as the strong US dollar, trade frictions, and economic crises in Turkey and Argentina weighed on investor sentiment. Global bonds posted mixed returns, with corporate bonds outperforming government bonds. In credit markets, spreads tightened and the US outperformed other regions, supported by strong economic data. High yield bonds, particularly in the US, were supported by strong earnings momentum and a positive macroeconomic picture. US companies are still enjoying windfall gains from the tax reform approved earlier in the year, as well as an additional boost from higher oil prices. Returns in US dollar terms were undermined by its appreciation against the yen, sterling and the euro.

## Fund Performance

The fund generated positive absolute returns over the quarter, largely on account of its equity holdings. Fixed income and alternatives holdings also contributed marginally to returns.

## Equity holdings supported performance

Stock selection in the health care and information technology sectors, as well as an underweight stance in communication services stocks supported returns from the underlying global equity holdings. The allocation to European and Japanese equities as well as to financials stocks boosted performance. Elsewhere, stock selection in the energy sector and the underweight allocation to communication services supported returns from the underlying US manager. This was partly offset by the underlying Asian dividend strategy and by equity hedges in the technology and health care sectors.

## Fixed income holdings advanced

The underlying US and Asian high yield bond holdings supported returns. Hybrid bonds also advanced. However, this was partly offset by emerging market debt (local currency), which was negatively impacted by the strength of the US dollar.

## Alternatives positions added value

Social and energy infrastructure holdings aided performance over the quarter.

## Fund Positioning

The fund is managed using a team-based approach and aims to add value over the index, mainly via strategy selection (manager selection) and, to a lesser extent, through tactical asset allocation (asset class selection). We select underlying strategies by building asset class specific model portfolios, while our tactical allocation to asset classes is determined using proprietary models and qualitative inputs.

## Top level allocation changed

The outlook for financial markets has turned gradually more cautious in view of risks in the current late-cycle environment. Tightening US monetary conditions, slowing Chinese growth, trade issues and rising crude oil prices present headwinds to the global economy and financial markets. The managers continue to favour a defensive stance, taking profits from assets that have done well and adding to defensive asset classes where they see value.

## Changes to underlying holdings

The allocation to equities was reduced, mainly by lowering the exposure to the underlying European and global equity managers. Elsewhere, the managers took profits from positions in US high yield, which performed well this year. They also reduced positions in European high yield bonds as the phasing out of quantitative easing limits the upside potential for the asset class. Instead, they added to Asian high yield and emerging market debt (hard currency), where valuations were attractive. Alternative holdings were also increased. These are favoured for their high yields and returns, which are uncorrelated to those of traditional asset classes.

## Important Information

Past performance is not a reliable indicator of future results. The fund's returns can be affected by fluctuations in currency exchange rates.

The value of investments and any income from them may go down as well as up and an investor may not get back the amount invested. The use of financial derivative instruments may result in increased gains or losses within the fund. Liquidity is a measure of how easily an investment can be converted into cash. Under certain market conditions assets may be difficult to sell. 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.



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## Attribution

Performance attribution is produced in the currency shown below. For funds with multiple share classes, the attribution return reflects the aggregate performance across all the share classes. It may therefore deviate from the published return for a particular share class. When using the analysis for hedged share classes, please consider that the attribution is shown before the impact of hedging.

The contributions shown in the table are before the impact of charges. If charges are applied, their effect is captured in the "Other" category in the table and will also be reflected in the fund return.

Currency of attribution US Dollar (USD)

Three month relative return (%) -0.82

## Contribution Summary (% TNA)

3 months

## CONTRIBUTIONS TO RELATIVE RETURN

Sub-Asset Class	Allocation Selection	Asset Class Selection	Total Relative Contribution
Global Equities	-0.11	0.43	0.32
UK Equities	0.00	0.15	0.14
Emerging Markets Equities	0.00	0.09	0.09
Japan Equities	0.06	-0.01	0.05
Alternatives	0.08	-0.03	0.05
Financials	0.02	0.01	0.03
Commodities	0.04	-0.03	0.01
Utilities	0.00	0.01	0.01
Global Fixed Income	0.23	-0.23	0.00
Telecommunication Services	0.00	-0.01	-0.01
Consumer Industrials	0.00	-0.02	-0.02
Cash & Other Assets	0.01	-0.03	-0.02
UK Fixed Income	0.01	-0.03	-0.02
Industrials	0.00	-0.05	-0.05
Europe ex UK Equities	-0.08	0.02	-0.06
Pacific ex Japan Equities	-0.05	-0.05	-0.10
US Sector Futures Overlay	-0.11	0.00	-0.11
Information Technology	0.00	-0.12	-0.12
Health Care	0.00	-0.15	-0.15
North America Equities	0.00	-0.88	-0.88
Uninvested Cash and Other			-0.01
<b>Total</b>			<b>-0.82</b>

Allocation Selection refers to the manager's choice of underlying pools.

Asset Class Selection refers to the manager's decisions regarding asset classes.

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