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- The value of investments can go down as well as up, so you may get back less than you invest.
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# Important information

## Performance of instruments and indices cited in this presentation (%)

	28.02.2014 – 28.02.2015	28.02.2015 – 28.02.2016	28.02.2016 – 28.02.2017	28.02.2017 – 28.02.2018	28.02.2018 – 28.02.2019
MSCI USA Net Total Return USD Index	14.6	-6.8	23.5	16.4	4.3
MSCI AC World Total Return Index	7.6	-12.0	21.5	18.8	-0.8
Bloomberg Barclays Global-Aggregate Index Unhedged USD	-2.8	0.6	0.8	6.0	-0.6
Fidelity Multi-Asset Open Defensive Fund	7.5	-2.2	12.3	0.2	2.3
Fidelity Multi-Asset Open Strategic Fund	7.3	-3.6	17.5	2.1	3.0
Fidelity Multi-Asset Open Growth Fund	7.0	-5.2	21.8	4.3	1.3
Fidelity Multi-Asset Open Adventurous Fund	7.2	-7.2	27.0	5.5	0.7
Fidelity Multi-Asset Open World Fund	12.2	-3.8	35.5	7.1	2.1

Source: Bloomberg, 28 February 2019. Returns given in local currency terms, unless otherwise stated. Returns for Fidelity Multi-Asset Open funds are shown for the Y Acc share class and are net of fees.

Past performance is not a reliable indicator of future returns.

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Key principles of multi-asset investing

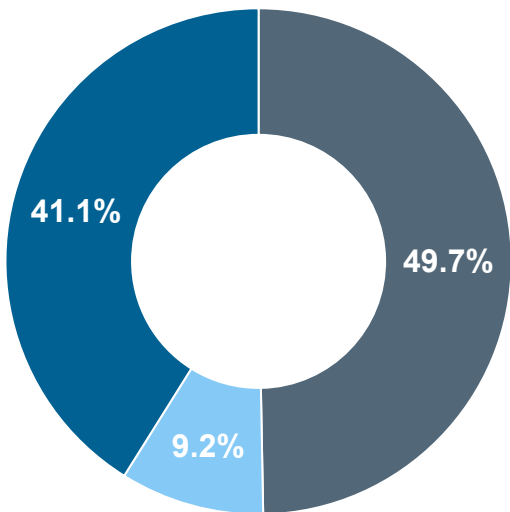
What's going on in markets?

Fidelity Multi-Asset Open range

# Key principles of multi-asset investing

## What exactly is multi-asset investing?

Investing across multiple asset classes to achieve diversification and reduce risk



### Growth assets

Assets which deliver capital growth and generate long-term returns

### Diversifying assets

Assets which offer diversification benefits and augment returns without adding risk

### Hedging assets

Assets with a low market correlation to protect during risk-off periods

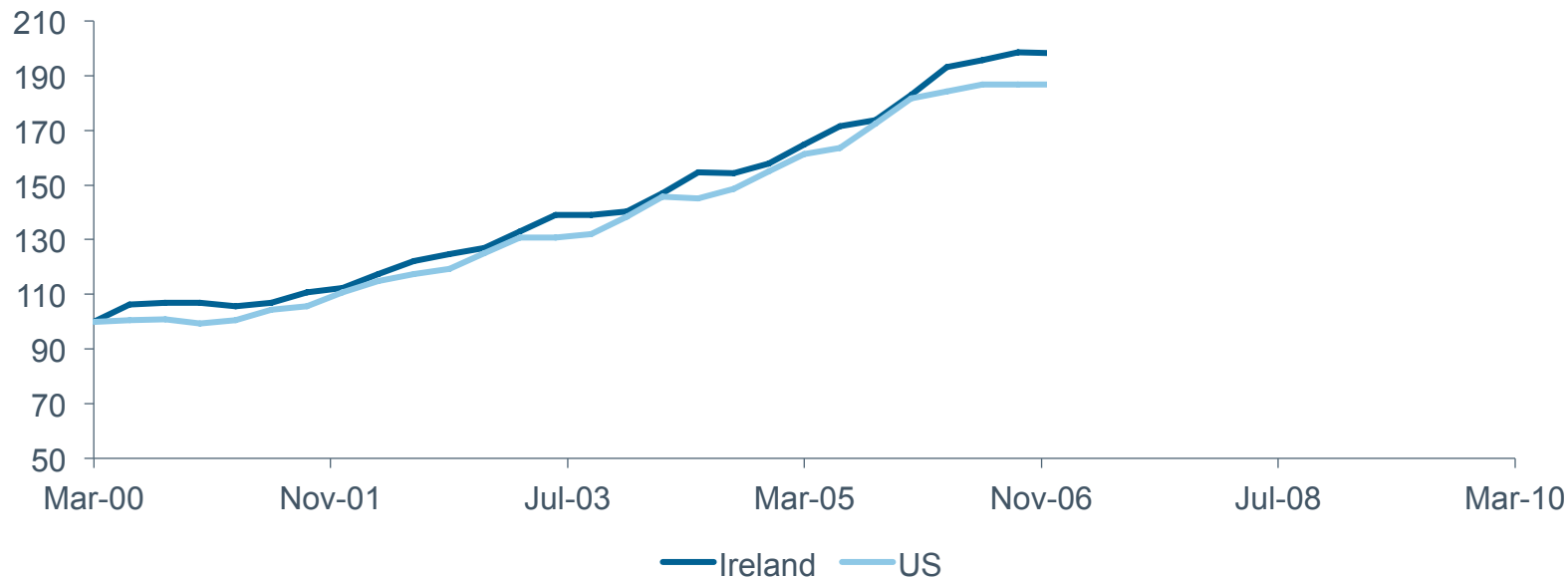
Source: Fidelity International, 2019. Reflects asset allocation breakdown in Fidelity Multi Asset Open Strategic Fund as at 28 February 2019.



# Key principles of multi-asset investing

## Advantages of a diversified approach to investing

### Residential property prices from 2000 – 2010



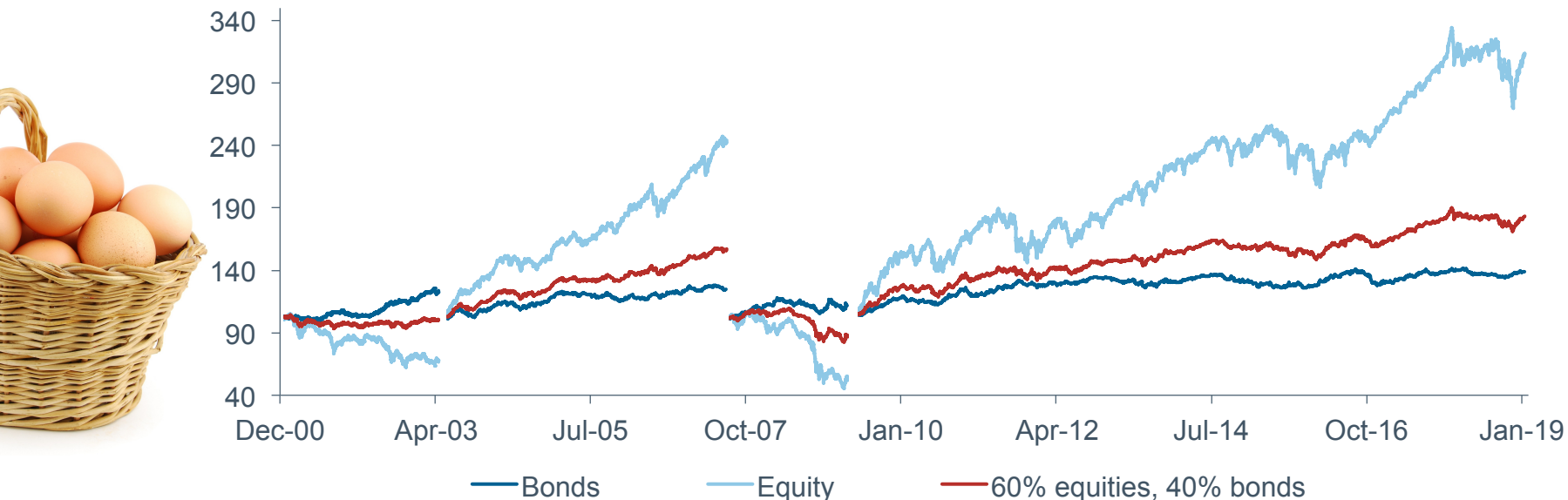
Source: Bloomberg, BIS Residential Property Prices Index Ireland, BIS Residential Property Prices Index US. Data shown from 31 March 2000 to 31 March 2010.

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# Key principles of multi-asset investing

## Advantages of a diversified approach to investing

### Performance comparison: equity versus bonds



Source: Fidelity International, Bloomberg, 28 February 2019. Indices – Bonds: Bloomberg Barclays Global-Aggregate Index Unhedged USD, Equity: MSCI ACWI Total Return USD, Mix shown for 60% equities and 40% bonds.

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# Key principles of multi-asset investing

Why do different assets behave differently from each other?



# Key principles of multi-asset investing

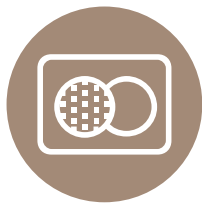
Enabling access to a wide range of investments



Equities



Bonds



Credit



Property



Commodities



Alternatives

# Key principles of multi asset investing

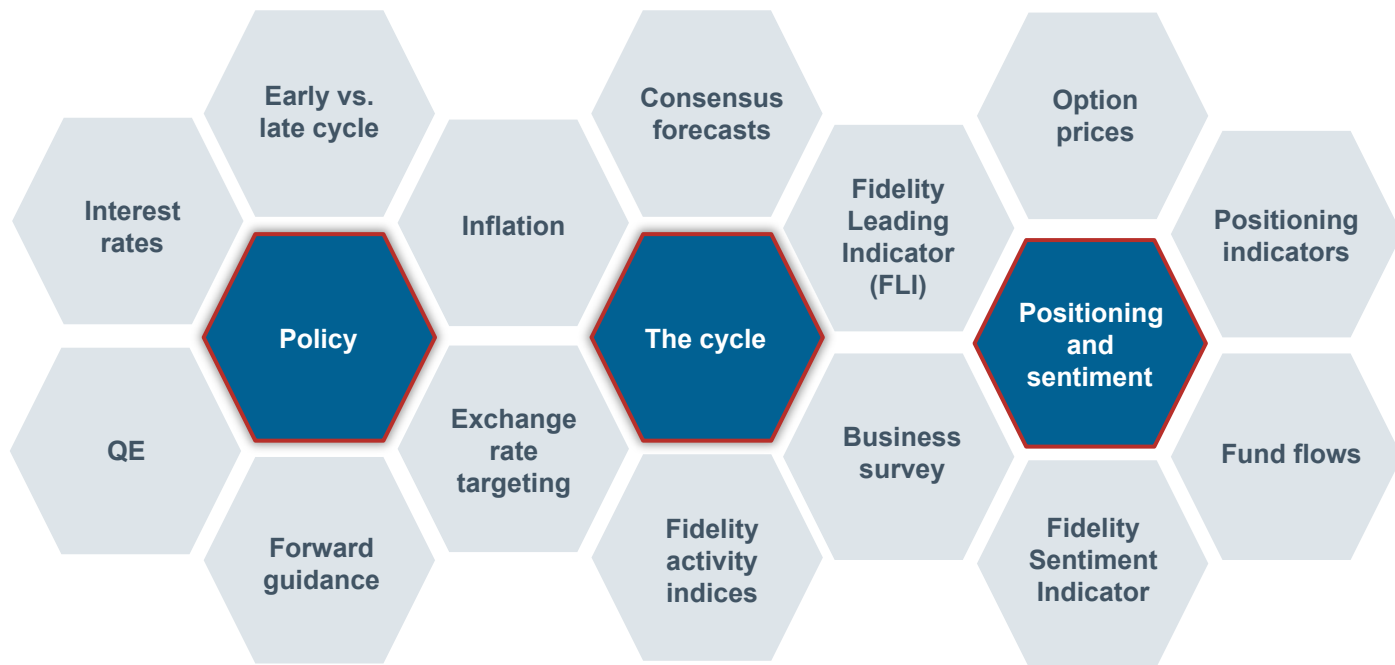
Deciding where and how much to invest

Navigating the ever changing market environment



# Key principles of multi-asset investing

Determining a suitable tactical asset allocation from a wide range of inputs



# Key principles of multi-asset investing

## Selecting the best active managers from the industry

### Quantitative analysis

Monthly analysis based on holdings

### Qualitative analysis

Regular phone contact to check for changes

Face-to-face meetings at least twice per year

### Analyst recommendation

Updated research note published every 120 days

### Discussion and challenge

Weekly team meeting

Bi-weekly research review discussion

Monthly review with Portfolio Managers

### Operational due diligence

Identify corporate risks or red flags

Regular contact with managers

Formal review annually

Short list of the industry's highest-skilled active managers

Judgemental sell discipline








# Do you know what you're paying for?

Investors end up paying a range of fees for similar services

## What do you pay for?

- **Efficient access to a range of asset classes** including those which are inaccessible to individuals
- **Economies of scale** through purchasing securities in high volumes
- **Professional managers** with vast experience and knowledge
- **Bottom-up research** conducted by a team of dedicated investment professionals

## Fees versus value... a headache for investors

	£100	£1,000	£5,000	£10,000	£30,000	£50,000	£100,000	£200,000
	£23	£6	£16	£28	£78	£128	£253	£503
	£138	£120	£120	£120	£120	£240	£240	£240
	£60	£54	£54	£54	£66	£106	£206	£406
	£35	£35	£35	£35	£105	£175	£350	£700
	£3	£4	£20	£40	£120	£200	£400	£800
	£2	£4	£18	£35	£105	£175	£350	£700
	£2	£3	£13	£25	£75	£125	£250	£500

Source: Fidelity International, 2019. Heat map data sourced from Which?, based upon an individual holding only open-ended funds and rarely trading. Individual cells represent the annual platform cost across seven providers assuming monthly contributions, with providers anonymised. Please note that this does not reflect the ongoing costs of investment, and is provided for illustrative purposes only.



# Attitude to risk

Nobody really likes risk, but are you able to tolerate it?

## Age

Retiring, or saving for your first home?



## Income

What level of income do you need to live?



## Short-term losses

How do you feel about losing money?



# Do it yourself, or hire a professional?

## Summary scorecard

	Individual	Professional
Knowing yourself and your goals	○○○○○●	○○●○○
Ability to identify a good manager	○○○●○	○○○○●
Evaluating portfolio risk	○○●○○	○○○○●
Knowledge of full opportunity set	○○○●○	○○○○●
Understanding linkages between macro and markets	○●○○○	○○○○●

# What's going on in markets?

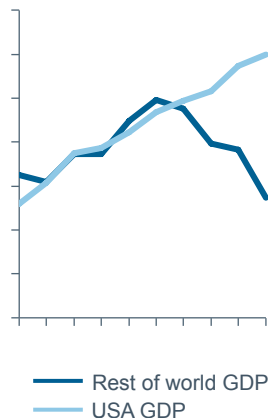
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# Drivers of performance in 2019 and beyond...

## Back from the brink, or worse to come?

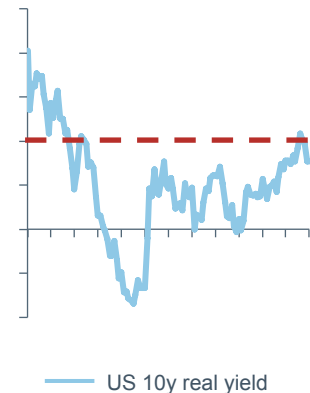
### Global growth

Convergence likely – from one side or both sides?



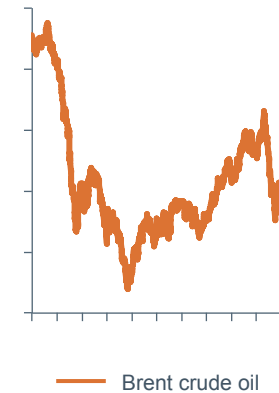
### Global rates

US 10 year treasury yield turning – more required



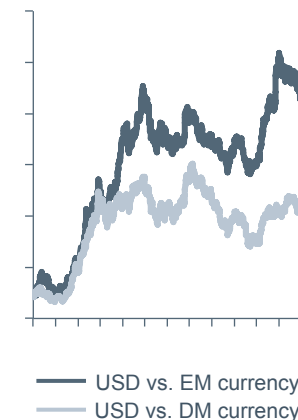
### Oil prices

Prices falling – a (largely) welcome development



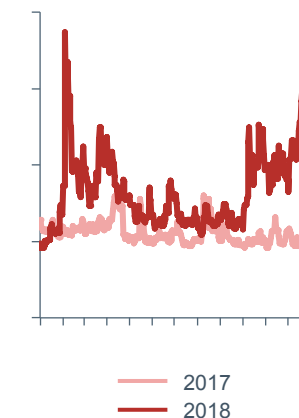
### US dollar

Tentative signs of topping – more required



### Volatility

Volatility likely to remain high – an issue for credit



Source: Fidelity International, Eikon, MSCI, Bloomberg, EIA, Haver Analytics, JPM, 28 February 2019. Global growth: MSCI USA Total Return Index, MSCI AC World Total Return Index. Global rates: US 10Y treasury real yield. Oil prices: Brent crude oil price per barrel. US dollar: USD vs. JPM EMCI, USD vs. DM 'DXY' Index. Volatility: VIX index.

For illustrative purposes only. Past performance is not a reliable indicator of future returns.

## Policy versus reality

Month	More optimistic	Less optimistic	No change
Dec-17	45%	45%	10%
Mar-18	50%	48%	10%
Jun-18	45%	47%	10%
Sep-18	45%	46%	10%
Dec-18	25%	42%	10%

# What matters from here?

Political uncertainty is an important wildcard

## Trump



## Brexit



## Europe



# Fidelity Multi-Asset Open range

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# Fidelity Multi-Asset Open range

## Five risk outcomes, accessing the industry's best active managers

### Risk-based strategies

- Designed to provide a range of risk-based outcomes

### Diversified

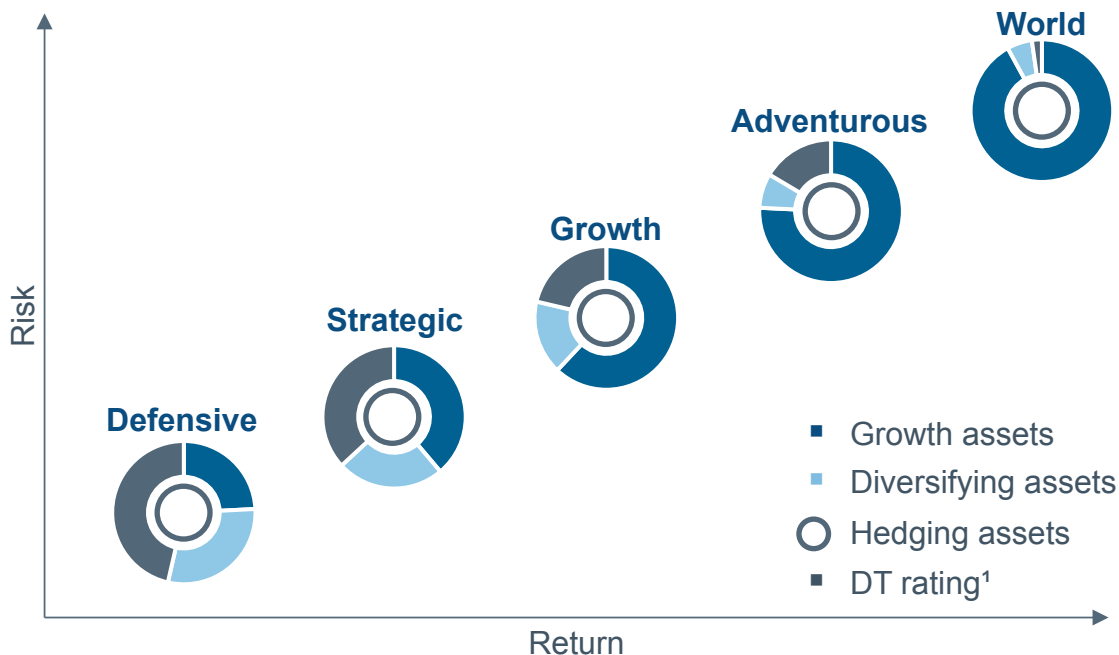
- Access to wide range of active investment strategies

### Focus on capturing alpha

- Built to deliver value versus peers

### Flexibility

- Flexibility and a broad toolkit to capture opportunities

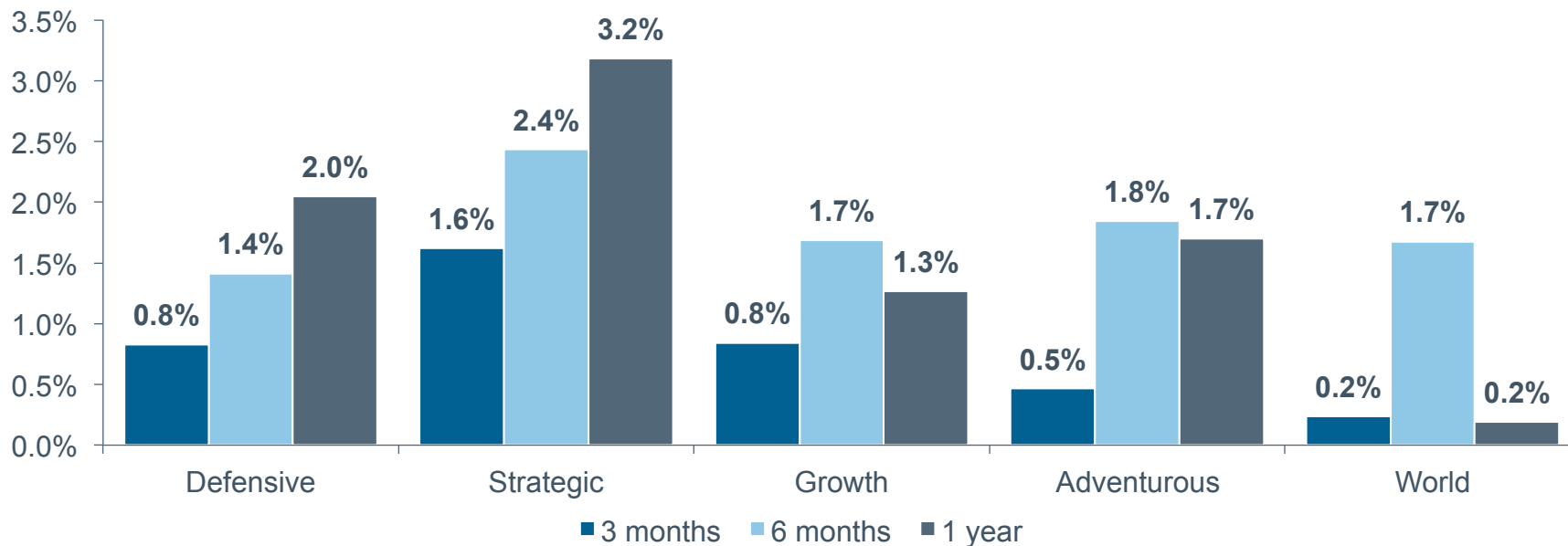


Source: Fidelity International, 2019. <sup>1</sup>DT rating is provided for indicative purposes only. The funds are not managed in order to maintain the specific DT rating. For illustrative purposes only, the asset mixes shown are based on central case estimates and may vary over time.



# Fidelity Multi-Asset Open range

## How does this translate to outperformance?



Source: Fidelity International, 28 February 2018 - 28 February 2019. Basis bid-bid with net income reinvested in GBP. Performance shown for the Y Acc Share Class. FIF MAO Defensive Index: IA Mixed 0–35%, launch date: 05 February 2013. FIF MAO Strategic Index: IA Mixed Investment 20–60% shares, launch date: 17 October 2003. FIF MAO Growth Index: IA Mixed Investment 40–85% shares, launch Date: 17 October 2003. FIF MAO Adventurous Index: IA Flexible Investment, launch date: 05 February 2013. FIF OW: IA Global, launch date: 05 February 2013. Totals are subject to rounding.

# Fidelity Multi-Asset Funds

## 5 year performance (%)

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