In Hong Kong, this material is intended for Professional Investors only

Fidelity Funds – Global Multi Asset Income Fund

30 April 2024

For existing investors in the Fidelity Funds – Global Multi Asset Income Fund ('the Fund') only.
Thank you for investing in the Fund. We would like to use this opportunity to give you an update on the Fund's performance. Please note that this is not a product advertisement or solicitation for investment in the Fund.

How has the Fund performed in April 2024?

- The Fund returned -1.4%[1] (for the A-ACC-USD share class in USD terms) and -1.5%[1] (for the A-MINCOME(G)-SGD (SGD/USD hedged)* share class in SGD terms).

Reasons for performance

- Global equity and fixed income markets declined in April as market sentiment deteriorated from March due to the increased probability of higher for longer US interest rates and rising geopolitical tensions.
- The Fund delivered negative returns for the month. For core yield assets, our exposure to hybrid bonds detracted. However, our preference for short-dated investment grade and high yield bonds paid off as they held up better amid the rising rates. Our hedge positions in US Treasury and Emerging Markets (EM) FX also helped.
- For growing yield assets, core equity positions sold off during the month, however our allocations to dividend equities performed better. Japanese equities also did well, contributing positively.
- Among flexible assets, our allocations to healthcare and mid-caps underperformed the broad market, while the exposure to energy served as a good diversifier.
- For alternative yield assets, structured credit and floating rate credit were resilient, while real estate positions struggled.

Outlook / Expectations

- US growth remains robust and is considerably better than other major economies. We still favour US equities and remain overweight Japanese equities as earnings revisions and economic surprises are positive.
- We remain warry of taking outright credit risk due to the tightness of credit spreads, despite the supportive fundamentals. Carry is still generally attractive, and we prefer to be selective in specific parts of the market where we have more conviction.
- For government bonds, we prefer Bunds to US Treasuries as we believe the ECB may cut rates before the Fed. We remain neutral on Gilts and US inflation-linked Treasuries.

- In currencies, we continue to favour US dollar over the euro due to resilient US economy and the more dovish stance from the ECB compared to the Fed.
- For key positioning changes made in April, we added European equities futures while removed US equities futures. We also added exposure to Korean equities and reduced exposure to small caps equities.
- We topped up our exposure to energy on weakness and reduced duration exposure by selling investment grade bonds and bond futures. We bought Italian and Spanish government bonds, while sold Japanese treasury bills.

We remain confident that the Fund could, over the medium and long term, continue to meet its objectives of providing a **consistent yield over a market cycle and a lower drawdown compared to equity during difficult market conditions**.

Source: Fidelity International, as at 30 April 2024.

[1.] The stated returns are computed on a NAV-NAV basis, with dividends reinvested in their respective currencies. They do not take into account the amount of initial sales charge, which may be levied by your distributor. The stated returns will be reduced when the applicable sales charge is being taken into account. Please note that past performance is not indicative of future returns. The 1-year return, net of sales charge of 5% for the Fidelity Funds – Global Multi Asset Income Fund A-ACC-USD and A- MINCOME(G)-SGD (SGD/USD hedged) *share classes are -1.98% and -3.58% respectively.

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Singapore

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