

**Fidelity European Pension Plan
Association d'épargne pension**

**Audited financial statements
31 December 2022**

**and
Audit Report**

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**Fidelity European Pension Plan
Association d'épargne pension**

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Fidelity European Pension Plan Association d'épargne pension

Managers' report

General information

Fidelity European Pension Plan ("the Association") is a pension savings association established in Luxembourg since 9 September 2020, regulated by the Commission de Surveillance du Secteur Financier (CSSF) and registered at the Registre de commerce et des Sociétés of Luxembourg number I16. The Association is an IORP under the rules of Directive 2003/41/EC and also offers pan-European administrative and account holding services for pension plans.

The Association obtained authorisation for a Luxembourg compartment on 19 November 2020 which was launched on 1 January 2021. The first transfer-in to the Luxembourg compartment was effected on 12 January 2021.

The Association has appointed FIL (Luxembourg) S.A. as central administrator.

Investment solutions

The Association provides defined contribution pension plans in Euro through unit-linked life funds. Members are free to self-select from 22 funds selected by a dedicated Investment Committee or invest into a default "Lifecycle Strategy - Luxembourg" which provides a managed investment strategy using 7 of the funds selected by the Investment Committee (indicated in the LS-L column in the table below):

Fund	ISIN	Asset class	LS-L
Fidelity PIMCO GIS Global Bond Life Fund - EUR Hedged	IE00BMCC4F03	Bonds	Y
Fidelity PIMCO GIS Low Average Duration Life Fund - EUR Hedged	IE00BMCC4G10	Bonds	
Fidelity European Multi Asset Income Life Fund - EUR	IE00BM95B175	Multi-asset	
Fidelity Euro Bond Life Fund - EUR	IE00BM959W49	Bonds	Y
Fidelity Sustainable Euro Cash Life Fund - EUR (prev. Fidelity Euro Cash Life Fund - EUR)	IE00BM959V32	Cash	Y
Fidelity Global Corporate Bond Life Fund - EUR Hedged	IE00BM959T10	Bonds	
Fidelity iShares Europe Equity Index Life Fund - EUR	IE00BM95B399	Equity	
Fidelity iShares Euro Aggregate Bond Index Life Fund - EUR	IE00BM95B407	Bonds	
Fidelity iShares World Equity Index Life Fund - EUR	IE00BMCC4942	Equity	
Fidelity iShares Global Government Bond Index Life Fund - EUR	IE00BMCC4C71	Bonds	
Fidelity iShares North America Equity Index Life Fund - EUR	IE00BMCC4B64	Equity	
Fidelity European High Yield Bond Life Fund - EUR	IE00BM959X55	Bonds	Y
Fidelity Emerging Markets Equity Life Fund - EUR	IE00BM959S03	Equity	Y
Fidelity Global Multi Asset Defensive Life Fund - EUR (prev Fidelity Global Multi Asset Tactical Defensive Life Fund - EUR)	IE00BM95B068	Multi-asset	
Fidelity Global Multi Asset Growth & Income Life Fund - EUR (prev Fidelity Global Multi Asset Tactical Moderate Life Fund - EUR)	IE00BM95B282	Multi-asset	
Fidelity World Life Fund - EUR	IE00BM959N57	Equity	Y
Fidelity T. Rowe Price US Blue Chip Equity Life Fund - EUR	IE00BMCC4D88	Equity	
Fidelity Sustainable Asia Equity Life Fund - EUR	IE00BM959R95	Equity	
Fidelity Global Multi Asset Dynamic Life Fund - EUR	IE00BM959Z79	Multi-asset	
Fidelity European Growth Life Fund - EUR	IE00BM959P71	Equity	
Fidelity Emerging Market Debt Life Fund - EUR Hedged	IE00BM959Y62	Bonds	Y
Fidelity Sustainable Europe Equity Life Fund - EUR (prev. Fidelity Euro Blue Chip Life Fund - EUR)	IE00BM959Q88	Equity	

**Fidelity European Pension Plan
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Managers' report (continued)

Business review

The Association currently providing plans to three pension sponsors through its Luxembourg compartment.

Macroeconomic environment

The impact of ongoing events in Ukraine on the Association's business, markets and customers is being carefully monitored in order to respond effectively to all developments.

Fidelity International ("FIL") is monitoring the situation very closely, with all relevant teams across FIL meeting regularly in order to react swiftly and ensure the needs of its clients continue to be met. FIL has a comprehensive Business Continuity Programme in place globally across all business functions, and despite the potential for volatility in financial markets there are not expected to be direct material impacts on the financial performance and position of the Association.

Future development and outlook

The Association is actively marketing for new sponsor companies not only in Luxembourg, but with a view to passporting the Association's services to other EU countries.

Financial Risk Management

The Association is subject to financial risks including market risk and credit risk. The Association does not use derivative financial instruments and does not apply hedge accounting.

The Association takes a proactive approach to the identification and assessment of risk, and uses risk information to enhance informed decision making and develop appropriate mitigation strategies. The directors monitor risks associated with the Association and work closely with Fidelity risk management department to identify potential risks and deal with them.

Market risk

The Association is exposed to various types of market risk, including interest rate risk relating to bank deposits and market risk arising from the Association's holdings in investments.

Credit risk

The Association has implemented policies that require credit checks where appropriate on potential counterparties. This policy limits the potential for large overdue accounts and bad debts. Additionally, financial instruments exposure may only be to approved counterparties. Cash balances and investments in money market deposits are held only with banks with whom the FIL Limited Group has strong, well-established relationships.



Luxembourg
13 June 2023



Audit report

To the Board of Directors of the Association of
Fidelity European Pension Plan

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Fidelity European Pension Plan (the “Association”) as at 31 December 2022, and of the results of its operations and changes in its net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

What we have audited

The Association’s financial statements comprise:

- the statement of net assets as at 31 December 2022;
- the statement of operations and changes in net assets for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier” (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the “Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the financial statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Association in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

Other information

The Board of Directors of the Association is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our audit report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors of the Association for the financial statements

The Board of Directors of the Association is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Association determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Association is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Association either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Association;



- conclude on the appropriateness of the Board of Directors of the Association's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Association to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 19 June 2023

Nicolas Grillot

**Fidelity European Pension Plan
Association d'épargne pension**

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Fidelity European Pension Plan
Association d'épargne pension

Statement of net assets as at 31 December 2022

	Note(s)	2022 EUR	2021 EUR
ASSETS			
Investments at market value	3	8,126,794	9,197,124
Other receivables		158,144	68,708
Cash at bank and other assets		20,414	25,445
Total assets		8,305,352	9,291,277
LIABILITIES			
Technical provisions	3		
Technical provisions for retirement benefits		8,128,371	9,197,124
Other liabilities		176,981	94,153
Total liabilities		8,305,352	9,291,277

The accompanying notes are an integral part of these financial statements

Fidelity European Pension Plan
Association d'épargne pension

Statement of operations and changes in net assets for the year ended 31 December 2022

	Note(s)	2022 EUR	2021 EUR
Contribution	4	617,862	8,436,617
Benefits paid	5	(104,542)	(32,646)
Net realised gain / (loss)		73,049	34,765
Movement in net unrealised gain / (loss) on investments		(1,639,879)	758,388
Result from net investment income/ (expense)		(1,053,510)	9,197,124
Movements in provision for retirement benefits		1,053,510	(9,197,124)
Income			
Plan fees	6	50,973	51,109
		50,973	51,109
Expenses			
Other expenses	7, 9	(123,128)	(82,179)
Tax expenses	8	(6,090)	(5,350)
Service agreement	10	78,245	36,419
		(50,973)	(51,109)
Net result of the year		0	0

The accompanying notes are an integral part of these financial statements

**Fidelity European Pension Plan
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Luxembourg Compartment

**Fidelity European Pension Plan
Association d'épargne pension**

Luxembourg compartment

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**Fidelity European Pension Plan
Association d'épargne pension**

Luxembourg compartment

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**Fidelity European Pension Plan
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Luxembourg compartment

Key figures

	31 December 2022 EUR	31 December 2021 EUR
Opening balance	9,197,124	-
Prior year adjustment	(16,819)	-
Transfers in	10,940	7,873,678
Gross contributions	606,921	562,939
Benefits paid	(104,542)	(32,646)
Investment gains and (losses)	(1,566,830)	793,153
<i>Of which realised</i>	73,049	34,765
Total pension assets	8,126,794	9,197,124

The adjustment mainly relates to reclassification of an unvested asset initially classified as investment in 2021.

FIDELITY EUROPEAN PENSION PLAN
Association d'épargne pension

Notes to the financial statements 31 December 2022

Note 1 – General information

Fidelity European Pension Plan association d'épargne pension (the "Association") is a pension savings association established as an association d'épargne pension with multiple compartments in accordance with the law of 13 July 2005 on institutions for occupational retirement provision in the form of a pension savings company with variable capital (SEPCAV) and a pension savings association (ASSEP) ("the Law"), and in accordance with the amended law of 8 June 1999 on occupational pension schemes. The Association was established on 9 September 2020 for an unlimited period of time with its registered office established in Luxembourg city.

The purpose of the Association is the collection of funds and their investment with a view to spreading the investment risks and optimising the yield from the management of its assets while conferring to its Affiliate Members and Beneficiaries the benefit of a capital sum allocated in respect of retirement or the expectation of reaching retirement.

Where provided for by mandatory applicable social and labour laws, the Association may confer to its Affiliate Members and Beneficiaries a life annuity allocated in respect of retirement or the expectation of reaching retirement, and/or additional benefits in the form of death benefits, disability benefits or compensation for cessation of employment, or in the form of aid or services in the event of illness, indigence or death and any other benefits provided for under Luxembourg or foreign mandatory social and labour laws and regulations applicable to the relevant pension scheme.

The Association may act as an agent or intermediary for the purpose of converting retirement benefits in the form of capital into a life annuity and to provide the Affiliate Members and Beneficiaries with additional benefits from other financial institutions or life insurance undertakings.

As at 31 December 2022 there was one active compartment: the Luxembourg Compartment was authorised on 19 November 2020 and launched on 1 January 2021. The pension plan (The Plan) for the Luxembourg compartment invests in unit linked life funds through a platform operated by FIL Life Insurance (Ireland) Designated Activity Company.

Affiliated Members are any employee, whether of the public sector or private sector, agents, directors, members or associates of any company, group or organisation, entity, including public or international organisations, as well as self-employed persons of any kind, of any country, whether such country is a member of the European Union or not, engaged in a professional activity of any kind, subject to any specific restriction provided for in the Luxembourg pension rules dated 1 January 2021. The pension rules determine the general rights and obligations of the Association, the Affiliated Members, the Beneficiaries and the Sponsor.

Beneficiaries are the Affiliated Members who have reached retirement and any right-holders as per the rules and conditions set out in the applicable pension rules and applicable laws.

Note 2 – Summary of significant accounting principles

These financial statements have been prepared and presented in accordance with legal and regulatory requirements applicable in Luxembourg to Pension Savings Associations (ASSEP) according to the below principles:

Basis of presentation

These financial statements are expressed in EUR.

FIDELITY EUROPEAN PENSION PLAN
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Notes to the financial statements 31 December 2022 (continued)

Note 2 – Summary of significant accounting principles (continued)

Provisions for retirement benefits

Provisions for retirement benefits represent the assets market value as at 31 December 2022. This provision is calculated at the end of the year according to the usually accepted principles and technical bases of the actuarial methods. The variations of the provisions for retirement benefits are included in the Statement of operations under "Movement in provisions for retirement benefits".

Income from investments

Income from investments, if any, is presented in the Statement of operations and changes in net assets.

Investment valuation

The value of the Plan investments is established with reference to the initial price set on launch of EUR 2.00 and changes to the market value of the underlying fund.

The figures for the year ending 31 December 2021 relating to unrealized gains and losses have been reclassified to ensure comparability with the figures for the year ending 31 December 2022.

Note 3 – Investments and Technical provisions

The detail of pension assets and technical provisions as at 31 December 2022 is as follows:

Pension Assets	Fair Value as at 31 December 2022 EUR	Fair Value as at 31 December 2021 EUR
Securities portfolio at market value	8,126,794	9,197,124
	8,126,794	9,197,124
Technical provisions	31 December 2022 EUR	31 December 2021 EUR
Provision for retirement benefits	8,128,371	9,197,124
	8,128,371	9,197,124

Note 4 – Contributions

Received contributions for the year ended 31 December 2022 are as follows:

Expressed in EUR	Total contributions	Incoming transfers	Contributions
Luxembourg compartment	617,862	10,940	606,921
	617,862	10,940	606,921

FIDELITY EUROPEAN PENSION PLAN
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Notes to the financial statements 31 December 2022 (continued)

Note 5 - Paid retirement benefits

The following amounts have been paid for retirement benefits during the year ended 31 December 2022:

Expressed in EUR	Retirement benefits 2022	Retirement benefits 2021
Luxembourg compartment	104,542	32,646
	104,542	32,646

Note 6 - Plan fees

Plan fees represent administration fees charged to the pension plan clients.

Note 7 - Other expenses

Other expenses	31 December 2022 EUR	31 December 2021 EUR
Audit fees	46,022	31,906
Director's fees	26,541	25,000
Regulator fees	11,000	10,000
Consultancy fees	3,071	-
Bank and custodian charges	36,494	15,273
	123,128	82,179

Note 8 - Taxes

The Association is subject to tax in accordance with the tax legislation in force in the Grand Duchy of Luxembourg. Income taxes may be payable as a result of non tax-deductible expenses.

Note 9 - Director's fees

No remuneration has been granted to directors employed by any Fidelity International company other than salaries paid for their day-to-day operational responsibilities. One director is not employed in this way and receives remuneration for services provided to the Association.

Note 10 - Service agreement

Further to the agreement drawn up with FIL (Luxembourg) S.A. all expenses not covered by non-investment income are paid by FIL (Luxembourg) S.A.

FIDELITY EUROPEAN PENSION PLAN
Association d'épargne pension

Notes to the financial statements 31 December 2022 (continued)

Note 11 - Statutory Auditor's fees

	31 December 2022	31 December 2021
	EUR	EUR
Audit fees	46,022	31,906

Note 12 – Subsequent events

There have been no subsequent events.