

Fidelity Global Equities

4897

Morningstar Analyst Rating
Neutral

Morningstar Category
Equity World Large Growth

Category Index
MSCI World Ex Australia NR AUD

Total Assets
237
Mil AUD

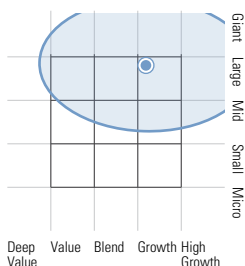
Inception Date
01/04/98

Domicile
AUS

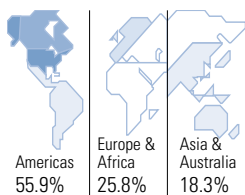
Currency
AUD

Morningstar Rating
★★★★

Equity Style Map

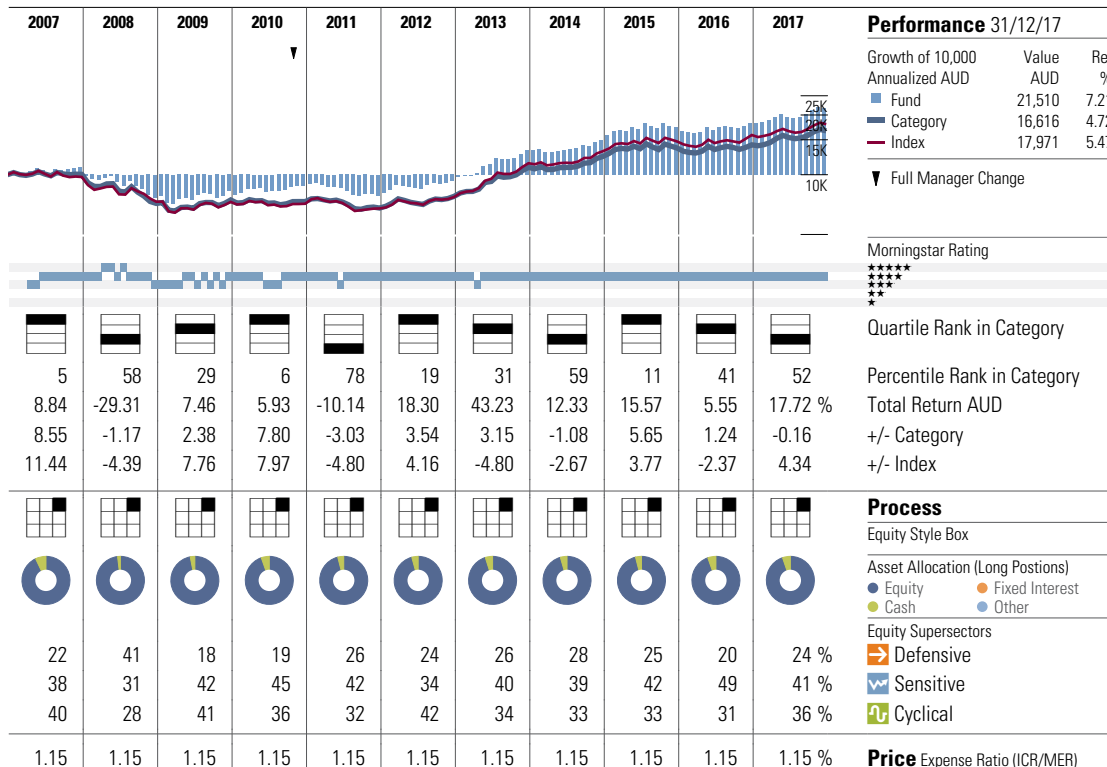


Equity Region Exposure



People

Amit Lodha	10/10
Total Named Managers	1



Reputable shop delivers an acceptable global equity strategy

Analyst View

Sarah Fox
Analyst

Morningstar Analyst Rating **Neutral**

Morningstar Pillars

Process Page 2-3	● Neutral
Performance Page 4	● Neutral
People Page 5	⊕ Positive
Parent Page 6	⊕ Positive
Price Page 7	● Neutral

Role in Portfolio: Core

Morningstar Analyst Rating

Morningstar evaluates mutual funds based on five key pillars, which its analysts believe lead to funds that are more likely to outperform over the long term on a risk-adjusted basis.

Analyst Rating Spectrum



Jan 24, 2018 | Fidelity Global Equities is a sound choice backed by a solid team, but in a competitive universe, this approach doesn't shine. This strategy is managed by Amit Lodha out of Fidelity's London office. Lodha is a capable portfolio manager, having been with Fidelity for more than a decade, first as an analyst, then as a sector-based portfolio manager, before taking over this strategy in 2010. He benefits from tapping into Fidelity's deep and experienced analyst pool and working closely with his fellow London-based global-sector portfolio managers for idea generation.

Lodha has implemented a dual track investment approach here. Approximately 70% of the portfolio is focused on quality names exhibiting sustainable pricing power, such as those with a technological advantage, while the other 30% focuses on shorter-term opportunities to trade valuation anomalies, such as energy stocks in early 2016. We appreciate the aim of the style-agnostic approach is to deliver excess returns through all market conditions and time horizons.

However, in practice the portfolio has struggled to deliver consistently, swinging between periods of excellent and lacklustre performance. Stock selection has been the main driver of returns but occasional stumbles in both the quality and value trading portfolio have contributed to a lumpy year-on-year return profile versus Morningstar Equity World Large Growth peers and the MSCI All Country World Index during Lodha's tenure. Furthermore, the short-term value component can result in elevated turnover, particularly during times of heightened market volatility. That said, we are pleased to see turnover has trended down since 2014, but we believe this has more to do with a lessening opportunity set of deep-discount trades as market valuations have risen than it does with a change in the manager's approach.

This strategy has had pockets of bright spots, but, relative to a strong peer group, a lack of consistency over the long term engenders some reservation here.

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Process: Approach

Morningstar Category
Equity World Large Growth

Category Index
MSCI World Ex Australia NR
AUD

Index Proxy
Vanguard MSCI Index
Intl ETF

The manager looks for stocks with sustainable pricing power and valuation opportunities.

Process Pillar ● Neutral

Jan 24, 2018 | Fidelity places emphasis on company-specific research carried out by its army of analysts. Grouped by regions and sectors, these analysts develop views on firms that are different from the consensus as the result of proprietary research, company meetings, and detailed financial modelling. Fidelity's portfolio managers world-

wide have access to this research, which is stored centrally.

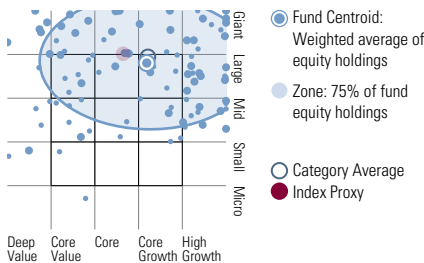
This strategy follows a dual-track investment approach, with a minimum of 70% of the portfolio focused on companies with sustainable pricing power (for example, Alphabet), while 30% is focused on valuation anomalies brought about by over/underestimation of the impact of changes at company/industry levels or not fully understanding the complexity of a firm's business model. The valuation opportunities can by their nature be shorter-term and contribute to a higher-than-

average turnover.

The portfolio manager also targets firms that generate returns that exceed their cost of capital or those with positive earnings momentum. Factors influencing sell decisions include valuations being reached, violations of the original thesis, and Fidelity's view becoming consensus opinion. The resultant portfolio adopts a style-agnostic approach to security selection, combining the portfolio manager's broad macroeconomic evaluation and beliefs with the bottom-up analysis of his colleagues.

Equity Style 30/11/17

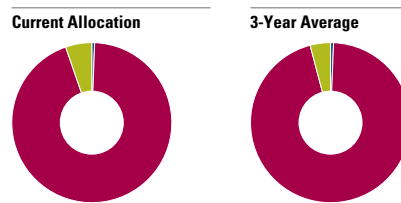
Holdings-Based Style Map



Equity Style Box Factors

	Fund	3-Yr Avg	Category	Proxy
Market Cap				
Giant/Large	73.5	75.7	86.4	86.8
Mid	24.2	22.5	12.4	13.2
Small/Micro	2.3	1.8	1.2	0.1
Avg Market Cap Bil AUD	51.1	47.6	60.7	79.8
Value Measures				
Price/Prospect. Earnings	18.7	20.0	19.4	17.9
Price/Book	2.4	2.3	2.8	2.4
Price/Sales	1.7	1.8	2.1	1.8
Price/Cash Flow	9.8	9.1	10.1	8.2
Dividend Yield	1.6	1.7	1.8	2.3
Growth Measures				
Long-Term Earnings %	11.4	10.9	10.7	9.7
Historical Earnings %	3.2	2.7	4.4	2.4
Sales %	-1.4	1.2	-0.5	-1.1
Cash Flow %	-1.7	-2.3	7.2	0.3
Book-Value %	4.9	3.7	2.7	3.0

Asset Allocation (Net Positions) 31/12/17



Assets %	Fund	3-Yr Avg	Category	Proxy
● Australian Equity	0.6	0.6	0.0	0.0
● International Equity	94.1	95.3	0.0	100.0
● Aus. Fixed Interest	0.0	0.0	0.0	0.0
● Int'l Fixed Interest	0.0	0.0	0.0	0.0
● Cash	5.3	4.1	0.0	0.0
● Other	0.0	0.0	0.0	0.0

Region Exposure 31/12/17

Market Type Equity %	Fund	3-Yr Avg	Category	Proxy
Developed	89.9	92.1	90.7	99.5
Emerging	10.1	7.9	9.3	0.5

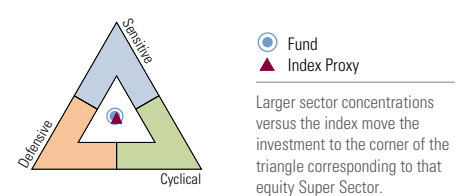
Top 5 Countries Equity %	Fund	3-Yr Avg	Category	Proxy
United States	52.5	55.7	49.4	60.5
United Kingdom	8.9	8.1	6.7	6.8
Japan	8.6	9.2	6.4	9.2
Germany	5.9	2.8	3.8	3.8
India	3.4	4.2	1.2	0.0

Key Ratios 31/12/17

	Fund	3-Yr Avg	Category	Proxy
Net Margin %	14.5	11.8	15.1	14.1
ROA %	6.0	5.5	7.6	6.6
Debt/Total Capital %	37.2	36.5	36.0	39.1
ROE %	16.1	13.9	19.6	18.9

Sectors 31/12/17

Sector Delta



Equity Sectors	Fund	3-Yr Avg	Category	Proxy
Defensive	23.8	24.1	28.2	24.0
Consumer Defensive	13.0	10.8	12.2	9.3
Healthcare	10.8	13.2	14.6	11.8
Utilities	0.0	0.0	1.4	3.0
Sensitive	40.6	42.8	35.6	37.9
Communication Serv.	3.5	4.9	3.1	3.9
Energy	6.5	7.2	4.4	6.4
Industrials	7.7	8.9	10.8	11.8
Technology	22.9	21.8	17.4	15.9
Cyclical	35.6	33.1	36.2	38.0
Basic Materials	6.9	6.1	5.0	5.1
Consumer Cyclical	6.4	6.8	13.9	11.6
Financial Services	21.3	19.4	16.9	18.5
Real Estate	1.0	0.8	0.4	2.9

Economic Moat 31/12/17

	Fund	3-Yr Avg	Category	Proxy
Wide Moat	32.2	37.1	50.2	39.0
Narrow Moat	39.8	41.2	33.0	40.3
No Moat	27.9	21.7	16.8	20.7
Coverage Ratio	70.5	70.5	85.2	86.4

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Neutral

Process: Portfolio

Morningstar Category
Equity World Large Growth

Category Index
MSCI World Ex Australia NR
AUD

Index Proxy
Vanguard MSCI Index
Intl ETF

Style-agnostic, favouring potentially mispriced stocks.

Process Pillar ● Neutral

Jan 24, 2018 | Under Amit Lodha's guidance, Fidelity Global Equities has adopted a style-agnostic approach. A loose macroeconomic overlay helps to frame longer-term themes, such as looking to add value through strengthening the value chain and taking advantage of favourable demographics in areas such as healthcare--though indi-

vidual stock selection is the crux of portfolio construction. The portfolio is diversified, holding 80-120 names with the top 10 positions constituting roughly 20% of the overall portfolio. Turnover in the past has been high relative to peers, at times spiking above 100% per year, although this has trended down since 2014. Lodha has wide latitude when it comes to active weightings at the sector/region levels, and accordingly these will swing around over time. The manager is happy to invest further down the market-cap spectrum if he finds attractive ideas and has tended to have un-

derweightings when it comes to mega-caps. Global equities can make up a significant part of a well-diversified portfolio. Within an investor's allocation to global equities, this fund is a suitable core holding. By this, we mean it could make up more than half (and potentially all) of the exposure being filled. We believe that it is well diversified, free from an overwhelmingly strong bias to any particular sector, and without excessive exposure to exotic securities.

Similarity to Index Proxy 30/11/17

Index Proxy Overlap		Number of Equity Holdings		Top Five Index Holdings		Fund %		Proxy %		Top Five Index Sectors		Fund %		Proxy %	
<p>Circle size represents number of holdings.</p>	Fund	96	Apple Inc	2.24	2.30	Financial Services	21.27	18.49							
	Index Proxy	1,582	Microsoft Corp	1.71	1.58	Technology	22.90	15.89							
	Fund Overlap With Index Proxy		Amazon.com Inc	—	1.23	Industrials	7.67	11.80							
	Holdings Overlap	73	Facebook Inc A	—	1.08	Healthcare	10.78	11.79							
Asset Overlap	15.2%	Johnson & Johnson	—	0.96	Consumer Cyclical	6.42	11.59								

Portfolio Holdings 30/11/17

Previous Portfolio Date	Equity Holdings	Bond Holdings	Other Holdings	Assets in Top 10 Holdings	Turnover Ratio (Reported)
31/10/17	96	0	1	17%	62%

Top 10 Holdings	Country	Assets % 30/11/17	Assets % 31/10/17	Index % 30/11/17	Days Trading	Morningstar Rating for Stocks	Economic Moat	Sector	1-Yr Total Ret % (AUD)
✳ Cash Offset	GBR	3.94	—	—	—	—	—	—	—
Apple Inc	USA	2.24	2.25	2.30	<1	★★★	Narrow	Technology	37.24
JPMorgan Chase & Co	USA	2.17	2.12	0.95	<1	★★	Narrow	Financial Services	16.92
Alphabet Inc A	USA	1.89	1.92	0.79	<1	★★★★	Wide	Technology	23.06
Microsoft Corp	USA	1.71	1.74	1.58	<1	★★★★	Wide	Technology	29.81
SAP SE	DEU	1.50	1.54	0.29	<1	★★	Narrow	Technology	20.53
Wells Fargo & Co	USA	1.46	1.47	0.69	<1	★★★★	Wide	Financial Services	4.51
⊕ Qualcomm Inc	USA	1.44	0.99	0.25	<1	★★★★	Narrow	Technology	-5.92
⊕ Roche Holding AG Dividend Right Cert.	CHE	1.38	1.21	0.46	<1	★★★★★	Wide	Healthcare	5.73
Ocado Group PLC	GBR	1.38	1.13	—	<1	—	—	Consumer Defensive	52.39

Change since previous portfolio: ⊕ Increase ⊖ Decrease ✳ New

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Neutral

Performance

Morningstar Category
Equity World Large Growth

Category Index
MSCI World Ex Australia NR AUD

Slightly ahead of the category and benchmark under this portfolio manager's watch.

Performance Pillar ● Neutral

Jan 24, 2018 | Since Amit Lodha took charge of this strategy in October 2010, returns have beaten the MSCI All Country World Index and the Morningstar Equity World Large Growth Category average (to Nov 2017). There have been periods of excellent performance which have contributed to superior peer relative three-year rolling returns.

But there has been a lack of consistency year-on-year. The strategy lagged both the index and category in 2011, posting negative absolute returns. The year 2012 saw a bounceback, and while Lodha beat the majority of his peers in 2013, the strategy failed to keep pace with the strong market return. In 2014, positions in energy and financials dragged performance below the benchmark and peers. The year 2015 saw a return to form, with stock selection in technology names proving very profitable, while a rebound in a number of banking names that hurt in the prior year proved

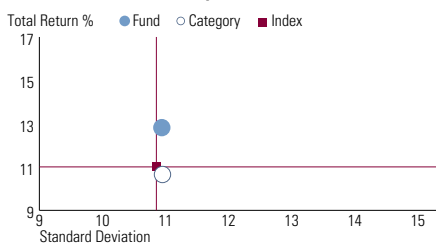
rewarding. Lodha edged ahead of his peer group in 2016 but lagged the benchmark. In a year marked by significant volatility, stock selection in healthcare and financials dragged on performance, outweighing the benefit of calls in technology. In the 12 months to Dec 2017, the strategy outpaced the benchmark but underperformed peers. Healthcare sector allocation hurt, as did the position in Newell Brands. Consumer discretionary and financial sector allocations contributed positively.

Morningstar Rating and Risk 31/12/17

Period	Total Ret %	Morningstar Ret vs Cat	Morningstar Risk vs Cat	Morningstar Rating
3 Years	12.82	Above Avg	Avg	★★★★
5 Years	18.23	Above Avg	Avg	★★★★
10 Years	7.05	Above Avg	Avg	★★★★
Overall Morningstar Rating				★★★★

Risk Analysis 31/12/17

3-Year Return and Risk Analysis



3-Year Risk Measures

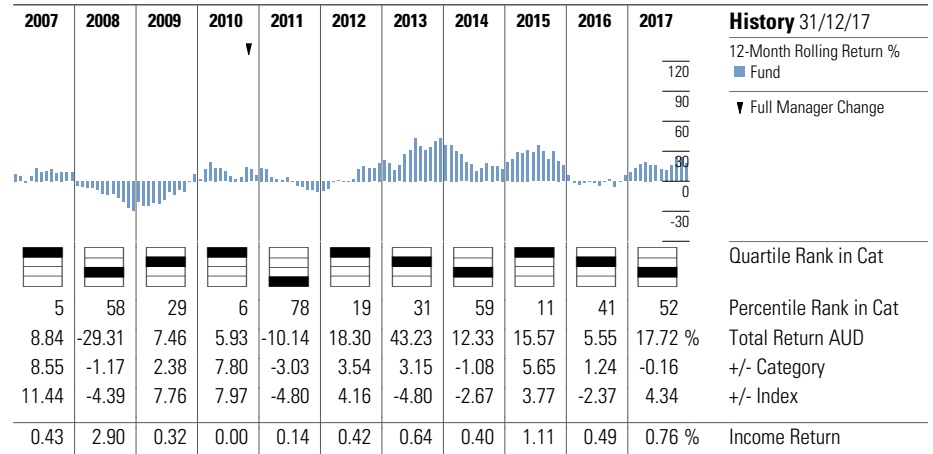
	Fund	Category	Index
Standard Deviation	10.94	10.95	10.86
Sharpe Ratio	0.98	0.80	0.84
R-Squared	95.05	85.96	—
Beta	0.98	0.93	—
Alpha	1.80	0.27	—

Max Drawdown 01/01/08 to 31/12/17

	Fund	Category	Index
Max Drawdown (%)	-34.16	-34.65	-33.87
Peak Date	01/08	01/08	01/08
Valley Date	03/09	03/09	03/09
Max Drawdown (Months)	15	15	15

Upside/Downside 01/05/98 to 31/12/17

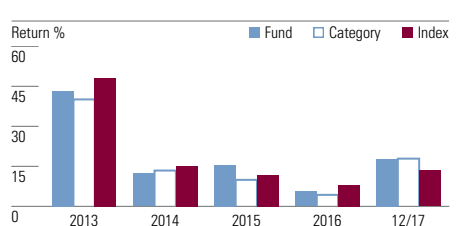
	Fund	Category	Index
Upside Capture Ratio	108.95	96.16	100.00
Downside Capture Ratio	101.16	97.04	100.00



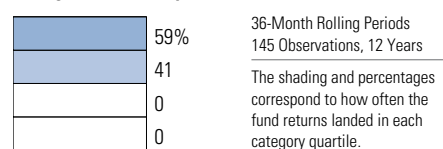
Returns 31/12/17

	Total Ret %	Investor Ret %	% Rank in Cat	Cat Ret %	Index Ret %
1 Year	17.72	17.66	52	17.88	13.38
3 Years	12.82	12.77	18	10.65	11.01
5 Years	18.23	17.20	22	16.56	18.42
10 Years	7.05	8.63	22	5.27	6.32
Tenure 10/10	13.90	—	—	12.35	14.01
Inception 04/98	5.86	—	—	4.18	4.43

Calendar Year Returns



Rolling Return Summary



Year	Fund %	Category	Index %
2013	43.23	40.08	48.03
2014	12.33	13.42	15.01
2015	15.57	9.92	11.80
2016	5.55	4.30	7.92
12/17	17.72	17.88	13.38

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Neutral

People

Morningstar Category
Equity World Large Growth

Category Index
MSCI World Ex Australia
NR AUD

The portfolio manager taps into the large, global pool of Fidelity analysts.

People Pillar + Positive

Jan 24, 2018 | London-based portfolio manager Amit Lodha has over 15 years' investment experience and has run this strategy since Oct. 1, 2010. He spent three years as a sector analyst at Citigroup, focussing on Indian technology, media, and telecommunications companies before joining Fidelity in 2003, where he took on a similar role.

Lodha then became portfolio manager for Fidelity Global Industrials from April 2008 to January 2011 and Fidelity Global Real Asset Securities from September 2009 until its merger with this strategy in 2016.

The 14-member team consists of portfolio managers covering global, sector-specific, emerging-markets, and U.S. equities, and they feed off each other's ideas. Stability had been a concern within the global sector managers previously, but this has been less of a concern in the past few years. The portfolio manager also uses

the knowledge and research of Fidelity's platoon of analysts from around the globe. As part of the separation of research between US-based Fidelity and Fidelity International, the offshore unit of Fidelity has put in place a well-resourced U.S. research capability based in London, led by John Townsend.

Management Team

Number of Managers	Longest Tenure
1	7.25 Years

Advisor
FIL Limited

Subadvisor (0 of 0)

Amit Lodha 10/10 to Present

Years of Experience	Current Funds Managed	Fund AUM
21	16	1,814 Mil AUD

Largest Funds Managed	Tenure Dates	Role	Net Assets Mil AUD	Portfolio Turnover %	Tenure Ret %	Index Ret %
Fidelity Global Focus Fund	10/10-to Present	Lead	739	278	12.38	11.52
Fidelity Global Focus Fund	10/10-to Present	Lead	643	200	9.60	11.52
Fidelity Global Equities Fund	10/10-to Present	Lead	237	123	13.90	14.01
Fidelity Inst Global Focus	10/10-to Present	Lead	177	—	13.39	11.52
Fidelity Hedged Global Equities	10/10-to Present	Lead	7	—	13.09	14.44

Fidelity Global Equities

4897

Morningstar Analyst Rating
Neutral

Parent

Morningstar Category
 Equity World Large Growth
 Category Index
 MSCI World Ex Australia NR AUD

We consider Fidelity International to be a high-calibre investment house with a focus on investment excellence.

Parent Pillar + Positive

Sep 20, 2017 | As a legal entity, Fidelity International Limited became independent of the US-based Fidelity Investments in 1980. It is owned mainly by management and members of the Johnson family (founders of FMR). There were commonalities and close operational ties between FIL and FMR in the early years post sep-

aration, but FIL is now nearly fully autonomous in all aspects of asset management--bar the US High Yield strategy (to be managed by a FIL team in due course, but currently subadvised by an FMR team), all strategies are managed by FIL teams. In keeping with its focus on proprietary fundamental research, the group has one of the largest research capabilities, with over 400 investment professionals and research support staff in the UK, Europe, and Asia. There has been investment in resources and infrastructure across all disciplines--equities, fixed income, and multiasset--and we

believe that they each have a clear structure and process in place to encourage investment excellence. We note that staff turnover has generally been respectably low, pointing to good staff retention. While there are some discrepancies in remuneration between disciplines, we deem each respective setup logical and broadly aligned with investors. The group has been guilty of questionable product launches in the past, but we believe that it now follows a more disciplined approach to product development.

Fund Family Details

Largest Funds	Category Name	Net Assets Mil AUD	Morningstar Rating Overall	Return % 3-Year	Rank in Cat % 3-Year	Return % 5-Year	Rank in Cat % 5-Year	Fee Level
Fidelity Australian Equities	Equity Australia Large Blend	5,852.6	★★★★★	8.56	40	11.34	17	Low
Fidelity WS Plus Australian Equities	Equity Australia Large Blend	532.9	★★★★★	9.09	30	—	—	Low
Fidelity Select Global Small Cap	Equity World Mid/Small	422.4	★★★★	11.87	32	18.35	64	Low
Fidelity Global Equities	Equity World Large Growth	237.5	★★★★★	12.82	18	18.23	22	Below Avg
CFS FC W Inv-Fidelity Aus Equities	Equity Australia Large Blend	231.1	★★	7.94	54	10.76	24	Below Avg

Best Performing Funds	Category Name	Net Assets Mil AUD	Morningstar Rating Overall	Return % 3-Year	Rank in Cat % 3-Year	Return % 5-Year	Rank in Cat % 5-Year	Fee Level
Fidelity Australian Opportunities	Equity Australia Large Blend	94.8	★★★★★	12.64	5	13.53	6	Low
Fidelity Asia	Equity Asia Pacific w/o Japan	115.2	★★★★★	17.71	1	18.46	1	Low
Fidelity Hedged Global Equities	Equity World - Currency Hedged	7.0	★★★★	12.14	5	14.44	45	Below Avg
Fidelity Global Emerging Markets	Equity Emerging Markets	8.8	★★★★★	11.77	7	—	—	Below Avg
Fidelity WS Plus Global Equities	Equity World Large Growth	10.5	★★★★★	12.94	17	—	—	Low

Worst Performing Funds	Category Name	Net Assets Mil AUD	Morningstar Rating Overall	Return % 3-Year	Rank in Cat % 3-Year	Return % 5-Year	Rank in Cat % 5-Year	Fee Level
ANZ OA IP-Fidelity Australian Equity EF	Equity Australia Large Blend	5.1	★★★★	7.28	65	10.01	45	High
Perpetual WFIA-Fidelity Australian Eq	Equity Australia Large Blend	23.3	★★★★	7.33	64	10.06	42	Above Avg
BT WE Fidelity Australian Equities	Equity Australia Large Blend	68.7	★★★★	7.40	63	10.02	45	Above Avg
Fidelity China	Equity Greater China	96.1	—	15.56	1	19.46	1	—
BT Lifetime SE-Fidelity Aus Equities	Equity Australia Large Blend	51.8	★★★★	7.55	61	10.00	44	—

Top Analyst Rated Funds	Category Name	Net Assets Mil AUD	Morningstar Analyst Rating	Return % 3-Year	Rank in Cat % 3-Year	Return % 5-Year	Rank in Cat % 5-Year	Fee Level
Fidelity Australian Equities	Equity Australia Large Blend	5,852.6	Gold	8.56	40	11.34	17	Low
Fidelity Australian Opportunities	Equity Australia Large Blend	94.8	Silver	12.64	5	13.53	6	Low
Fidelity Future Leaders	Equity Australia Mid/Small Blend	72.8	Silver	16.83	22	—	—	Below Avg
Fidelity Asia	Equity Asia Pacific w/o Japan	115.2	Bronze	17.71	1	18.46	1	Low
Fidelity Global Equities	Equity World Large Growth	237.5	Neutral	12.82	18	18.23	22	Below Avg

Most Recent Fund Launches	Category Name	Net Assets Mil AUD	Inception Date	Total Return % Since Inception	ICR	Fee Level
Suncorp BSuper Bus-Fidelity Aus Equities	Equity Australia Large Blend	6.1	2016-05-30	10.10	1.45	—
Suncorp BSuper Per-Fidelity Aus Equities	Equity Australia Large Blend	4.2	2016-05-30	10.10	1.40	—
Fidelity Global Dividend Growth	Equity World Large Blend	5.8	2015-07-29	3.63	1.15	Below Avg
Fidelity Hedged Global Dividend Growth	Equity World - Currency Hedged	1.5	2015-07-29	7.33	1.20	Below Avg
ANZ Smart Choice Super-Fidelity Aust Eq	Equity Australia Large Blend	1.2	2015-05-25	7.39	—	—

Fidelity Global Equities

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Morningstar Analyst Rating
Neutral

Price

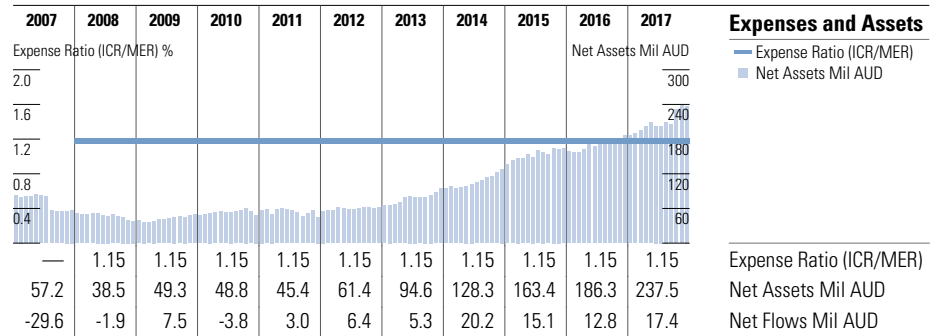
Morningstar Category
Equity World Large Growth

Category Index
MSCI World Ex Australia
NR AUD

About average.

Price Pillar ● Neutral

Jan 24, 2018 | Fidelity offers hedged and unhedged versions of this strategy. The hedged version has a 1.20% annual fee, while the unhedged strategy costs 1.15%. Both are on the cusp of the category median.



Expenses and Assets

— Expense Ratio (ICR/MER)
■ Net Assets Mil AUD

Expense Ratio (ICR/MER)
Net Assets Mil AUD
Net Flows Mil AUD

Expense Breakdown

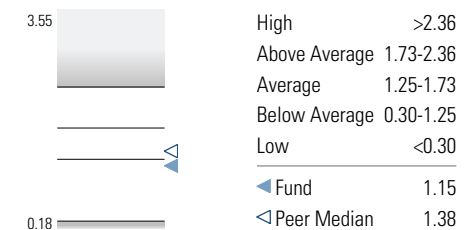
Indirect Cost Ratio (ICR)	
Annual Report 30/06/17	1.15
Performance Fee	
Actual Performance Fee	N. Ap
Hurdle	N. Ap
High Watermark	N. Ap
Selected Components	
Management	1.15
Tax Cost Ratio (3-Year)	—

Fee Level

Fee Level
Below Avg

Peer Group
Large-cap Global Equities
Min Initial Below 50,000

Fee Level Breakpoints



Share Class Information Largest 1 of 1

Share Class	APIR	Category Name	Fee Level	ICR	Fees (Max) — Mgmt Admin	Minimum Initial Inv	Assets Mil AUD	1-Yr Flow Mil AUD
Fidelity Global Equities	FID0007AU	Equity World Large Growth	Below Avg	1.15	1.15 —	25,000	237.47	17.37

Global Fund Report Disclosure Statement

Currency

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