

Fidelity Global Low Volatility Equity Fund

Quarterly report

As at 30/09/2021

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Fund description

A diversified core portfolio of 100-250 global equities the fund aims to achieve long-term capital growth with lower risk than the market. The Fund invests in a portfolio of 100-250 global stocks which we believe will exhibit lower volatility, selected through a unique combination of Fidelity's research from our 400 investment experts and quantitative tools. By reducing the effect of down markets, the fund aims to outperform the index with improved compound returns over time.

Fund facts

Portfolio manager: Zach Dewhirst

Benchmark: MSCI World Index NR

Inception date: 15/12/2017

Fund size: AU\$79.70M

Management cost: 0.65% p.a.

Buy/sell spread: 0.20%/0.20%

Portfolio guidelines

Cash: Maximum 5% cash allocation

Top 10 holdings (%)

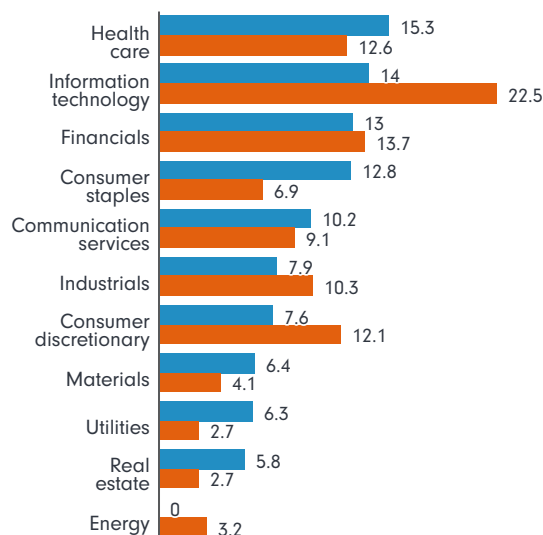
	Fund	B'mark
Sg Holdings Co Ltd	1.1	0.0
Lilly (Eli) & Co	1.1	0.3
Alphabet Inc	1.1	2.7
Target Corp	1.0	0.2
Hoya Corp	1.0	0.1
Fujifilm Holdings Corp	1.0	0.1
Cboe Global Markets Inc	1.0	0.0
Danaher Corp	1.0	0.3
Netflix Inc	0.9	0.5
T-mobile US Inc	0.9	0.1

Performance %

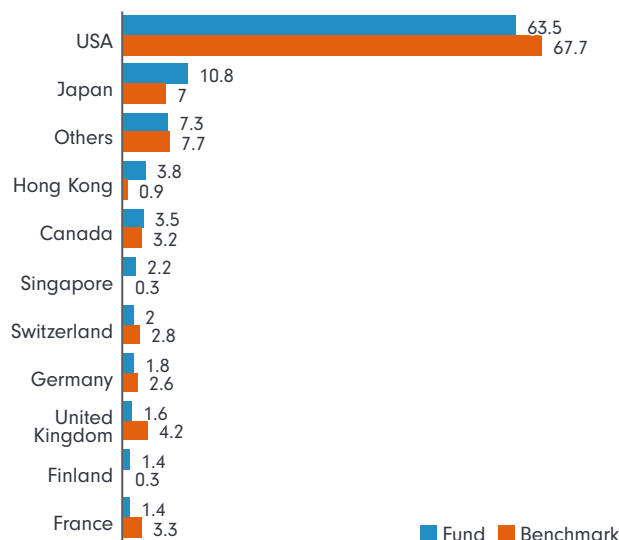
	1 mth	3 mth	6 mth	1 yr	3 yrs p.a.	5 yrs p.a.	Since Inception p.a (15/12/2017)
Fidelity Global Low Volatility Equity Fund	-4.00	2.71	10.16	10.87	8.61	-	9.21
MSCI World Index NR	-3.02	3.92	13.60	27.82	13.20	-	13.78
Excess return	-0.98	-1.21	-3.44	-16.95	-4.59	-	-4.57

Total net returns represent past performance only. **Past performance is not a reliable indicator of future performance.** Total returns (net) have been calculated using exit prices and take into account the applicable buy/sell spread and are net of Fidelity's management costs, transactional and operational costs and assumes reinvestment of distributions. No allowance has been made for taxation or for any fees charged by operators of master trusts or wrap accounts through which the products are offered. Returns of more than one year are annualised. Returns of the Fund can be volatile and in some periods may be negative. The return of capital is not guaranteed.

Industry breakdown %



Geographic breakdown %



Fidelity funds are available on platforms and mastertrusts via financial advisers. Investors who wish to place at least \$25,000 in a single fund can invest with us directly. For further information, please visit www.fidelity.com.au or call Client Services on 1800 044 922.

This Fund is unhedged and is subject to the risk of fluctuations in international stock markets and currencies. Management costs and the buy/sell spread are current as at the date shown above but may be subject to change in the future. Management costs include GST but exclude abnormal expenses and transactional and operational costs. Investors accessing the Fund through a master trust or wrap account will also bear any fees charged by the operator of such master trust or wrap account. Any apparent discrepancies in the numbers are due to rounding.

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Fund Performance

The materials and real estate sectors detracted from relative performance. In the materials sector, the overweight to the sector and the investments in Australian miner Fortescue Metals, British miner Rio Tinto, and Canadian miner Agnico Eagle Mines detracted from performance. Shares of all three companies declined as better-than-expected U.S. jobs data increased fears that the Federal Reserve would raise rates sooner than anticipated. Additionally, shares declined due to economic uncertainty within China's property sector. Additionally, iron ore demand decreased in China as the country cut steel production to lower carbon emissions. In the Real Estate sector, the investment in Hong Kong property developer Henderson Land Development detracted from performance. Henderson Land Development shares declined on concerns that China would tighten oversight over the property sector. Additionally, shares of both companies declined on fears that the highly indebted Chinese real estate developer Evergrande would default.

Among individual holdings, not owning iPhone and iPad manufacturer Apple, electric vehicle manufacturer Tesla, and the investment in U.S. video game maker Activision Blizzard detracted from performance. Apple shares rose on news the company planned to increase its 2021 iPhone production by 20%. Additionally, shares rose on positive investor sentiment leading up to quarterly results. While the quarterly results topped consensus estimates due to strong sales for iPhones, Macs, and iPads, shares declined slightly but not enough to offset gains after Apple warned that supply constraints related to ongoing semiconductor shortages could affect future sales and revenue. Shares of Tesla rose after releasing record quarterly profitability that topped Wall Street's expectations. The company produced about 206,000 vehicles in the second quarter,

more than twice its output from the same period last year. Tesla's free cash flow of US\$619 million more than doubled versus the prior quarter, representing the fifth consecutive quarter that figure was positive. Activision Blizzard shares declined as the company faced a lawsuit and employee backlash regarding allegations of sexual harassment and discrimination. Also, during the quarter, the U.S. Securities and Exchange Commission launched an investigation into how Activision Blizzard's management handled harassment and discrimination complaints. In September, the firm announced it would pay US\$18 million to settle claims brought by the U.S. Equal Employment Opportunity Commission.

The healthcare and consumer discretionary sectors contributed to performance. In the healthcare sector, the investments in Japanese high-tech and medical products manufacturer Hoya, Japanese imaging technology manufacturer Fujifilm, U.S. medical and industrial equipment manufacturer Danaher, and U.S. life sciences company Bio-Rad Laboratories contributed to performance. Hoya shares rose after the firm released first-quarter profit that topped analysts' estimates, boosted by strength in its information technology and life care businesses. Fujifilm shares rose after the company reported first-quarter operating profit that exceeded analysts' estimates, helped by a strong recovery in sales and lower costs. Additionally, the company raised its full-year guidance. Danaher shares rose after the company released strong financial results that exceeded Wall Street's expectations, led by strength from its life sciences division. Bio-Rad Laboratories shares rose after the company reported quarterly earnings and revenue that topped consensus estimates, boosted by a recovery in its underlying base business. Additionally, the company raised its sales guidance. In the Consumer Discretionary sector, the overweight to online retailer Amazon.com contributed to performance. Amazon.com shares declined after the company

announced strong quarterly earnings but revenue that fell short of the high end of its own projection for the first time in two years. During the quarter, growth in sales at Amazon's online stores eased to 16% versus the year-ago quarter, when consumers around the world shopped online for essential goods to limit exposure to the coronavirus.

Among individual holdings, not owning Japanese automation sensor manufacturer Keyence contributed to performance. Keyence shares rose as the company posted record first-quarter sales and earnings despite seasonal headwinds.

Position changes occurred across a range of sectors during the quarter. In the consumer staples sector, we initiated a position in U.S. discount retailer Wal-Mart and closed our position in U.S. food producer Conagra Brands. In the Materials sector, we initiated a position in German fragrances and flavors producer Symrise and closed our position in Dutch specialty chemicals producer DSM.

Major contributors (%)

As at 30/09/2021	Active pos.	Contribution
Hoya Corp	0.9	0.1
Fujifilm Holdings Corp	0.8	0.1
Danaher Corp	0.8	0.1
Bio-rad Laboratories Inc	0.8	0.1
Keyence Corp	0.6	0.1

Major detractors (%)

As at 30/09/2021	Active pos.	Contribution
Apple Inc	-4.2	-0.1
Tesla Inc	-0.9	-0.1
Activision Blizzard Inc	0.6	-0.1
Fortescue Metals Group Ltd	0.3	-0.1
T-mobile US Inc	0.8	-0.1

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