

Fidelity Global Low Volatility Equity Fund

Product series



Low volatility strategies are designed to help ‘smooth the ride’, giving equity investors the opportunity to earn meaningful investment returns while reducing the downside risk of their investment. This simply means that your investment in equities should be less volatile and, when the market falls, the percentage your investment falls should be less than the market.

“ While equity investing can be a strong option in such circumstances, many investors can be put off by the potential downside risk that large equity allocations can introduce. In these situations, low-volatility equity investing can present a compelling alternative—reducing downside risk potential while compromising little on long-term returns.”¹

Why invest?

- 1** A diversified, core portfolio of 100 to 250 global equities. It aims to achieve long-term capital growth with lower risk than the market.
- 2** Leverages insights from Fidelity’s extensive global research platform, overlaid with sophisticated quantitative risk tools to build an ‘optimal portfolio’.
- 3** Aims to outperform the market with volatility of 60% to 80% of the MSCI World Index NR.

Winning by not losing

The Fidelity Global Low Volatility Equity Fund is a core strategy that aims to provide long-term capital growth in excess of the MSCI World Index while targeting an overall lower risk profile, lower than its benchmark. The typical volatility is expected to be around 60% to 80% of the MSCI World Index NR.

FIL Responsible Entity (Australia) Limited (ABN 33 148 059 009, AFSL No. 409340) is the responsible entity for the Fund. Fidelity Institutional Asset Management is responsible for the strategy

and the research. Both companies are part of the Fidelity Investments Group of which FMR LLC is the ultimate holding company.

The Fund uses a unique combination of research from our 400 investment experts and quantitative tools to choose the best stocks for the portfolio.

The Fund is expected to exhibit various style or allocation exposures over time, including both positive and negative exposures to such factors as growth, value, momentum and quality relative to the market.

A marriage of fundamental stock selection and quantitative portfolio construction

Many low volatility equity strategies in the market are based on quantitative historical data, which is backward looking. Fidelity's Global Low Volatility Equity Fund uses a combination of both quantitative (backward-looking) and fundamental analysis (forward-looking) to assess the risk profile of a stock and build its portfolio.

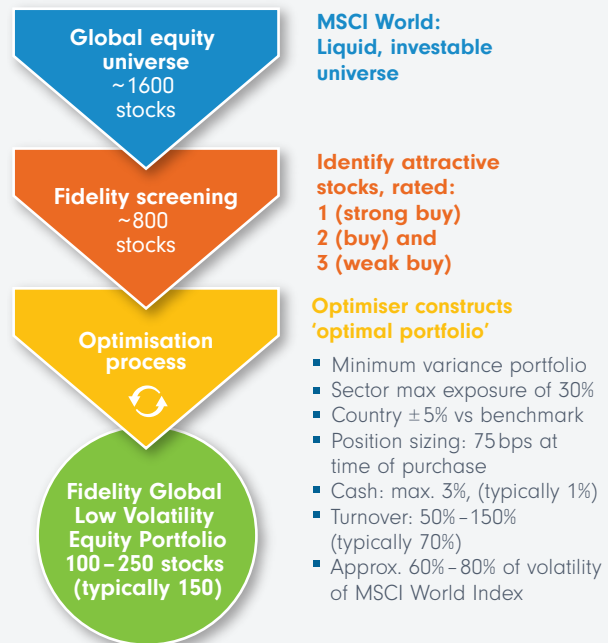
	Typical approach	Fidelity's approach
Stock selection	<ul style="list-style-type: none"> Style-based broad universe selection Single over-arching model 	<ul style="list-style-type: none"> Deep industry knowledge Diverse investment themes from 400+ analysts
Risk management	<ul style="list-style-type: none"> Focused on standard deviation Possible model errors in rare yet impactful events that elude historical testing 	<ul style="list-style-type: none"> Focused on downside risk Adaptive responses to rare yet impactful events with custom analysis

Source: Fidelity Investments.

Active selection process

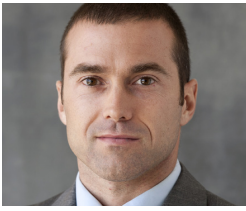
Using analysis and insights from the manager's 170 investment research professionals worldwide, buy-rated stocks are identified for potential inclusion in the Fund. We believe that using only 'buy' rated stock ideas results in a portfolio well placed to perform strongly over time, with the added benefit of significantly reducing the risk normally associated with equity investing.

The Fund's portfolio manager then uses a proprietary optimisation tool to construct a portfolio of typically 150 lowly correlated stocks – to build a low volatility portfolio that aims for 60% to 80% of volatility of the MSCI World Index.



Source: Fidelity Investments.

The Managers



Zach Dewhirst, CFA
Portfolio Manager

Zach Dewhirst is a portfolio manager at Fidelity Institutional Asset Management® (FIAM®) managing equity portfolios, including US Total Market Equity, Large Cap Value and the FIAM suite of Low Volatility strategies.

Prior to assuming his current responsibilities, he was a quantitative analyst responsible for conducting research to build and enhance the quantitative stock selection models used to manage various FIAM portfolios.

Before joining Fidelity in 2007, Zach served as a quantitative research manager at PanAgora Asset Management and as a quantitative equity investment associate at Putnam Investments.

Zach earned a Bachelor of Science in quantitative economics from Tufts University and his Master of Business Administration from the Massachusetts Institute of Technology Sloan School of Management. He is also a CFA® charterholder.



Benjamin Treacy, CFA
Institutional Portfolio Manager

Benjamin Treacy is an institutional portfolio manager at Fidelity Investments, covering US and Quantitative Equity strategies.

Prior to assuming his current responsibilities, Ben was a Director, Investment Analysis at Fidelity Management and Research Company where he was responsible for product management, product development, and analytical support for Fidelity mutual funds.

Before joining Fidelity in 2000, he was an investment specialist at Standish, Ayer & Wood, Inc. in Boston.

Ben earned a Bachelor of Arts in economics from the University of Massachusetts, Amherst and a Master of Business Administration from Babson College. He is also a CFA® charterholder.

Proven track record

The managers of the Fidelity Global Low Volatility Equity Fund have a proven track record in managing a comparable low volatility strategy in the US over the past eight years. With a long-term track record of outperforming its peers in the US market, this Fund was launched here in Australia in 2017 with the view to offer this expertise to Australian investors.

The FIAM advantage

Fidelity is one of the largest active asset managers in the world, with assets under management of more than US\$2.8 trillion.

1

We have a team of more than 400 investment professionals connecting ideas across asset classes, sectors and regions to see things others may miss.

2

We pursue the philosophy of stock picking on the basis of fundamental data and actively manage our funds. We test them with our own money before they enter the market.

3

As a privately owned, independent asset management company we've been providing our customers with innovative investment solutions for more than 70 years.

Fund facts

Objective	To achieve returns in excess of the MSCI World Index NR [†] over the medium to long term
Benchmark	MSCI World Index NR [†]
Inception	15 December 2017
Number of stocks	100 to 250
Buy/sell spread	±0.20%
Management costs	0.65% p.a.

[†] 'NR' at the end of the benchmark name indicates the return is calculated including reinvesting net dividends. The dividend is reinvested after deduction of withholding tax, applying the withholding tax rate to non-resident individuals who do not benefit from double taxation treaties.

How to invest

Whether you're a first-time investor or an investment professional, you can access Fidelity's investment expertise in the way that best suits your individual needs:

Direct investment

You can invest directly with Fidelity as an investor or adviser. Fidelity accepts direct investments with a minimum of \$25,000. You can apply online or using our paper application.

Invest via mFund

All of our managed funds are available on mFund Settlement Service. This service allows you to buy, hold and sell units in Fidelity managed funds through a process similar to buying and selling shares.

You can easily buy (apply for) and sell (redeem) units via a broker and the transactions are settled using CHESSE, the ASX electronic settlement system.

Invest via a platform

You can invest with Fidelity via a platform, which is generally offered through a financial planner.

A platform bundles a range of managed funds and investments as one single product to provide consolidated administration, tax, and distribution reporting.

2020 Morningstar Australia Fund Manager of the Year

[fidelity.com.au](https://www.fidelity.com.au)



All information is as at 31 December 2020 unless otherwise stated.

1. <https://www.fidelity.com.au/funds/fidelity-global-low-volatility-equity-fund/related-documents/whitepaper-prudent-growth-with-low-volatility-equity-investing/>

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