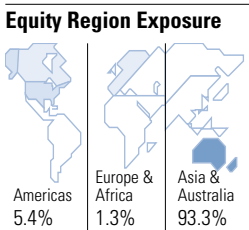
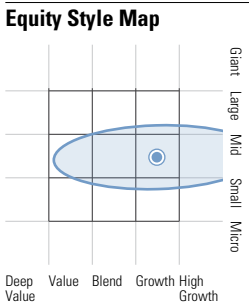


Fidelity Future Leaders 19893

Morningstar Analyst Rating
Gold

Morningstar Category Equity Australia Mid/Small Blend	Category Index S&P/ASX Small Ordinaries TR AUD	Total Assets 327 Mil AUD	Inception Date 22/07/13	Domicile AUS	Currency AUD	Morningstar Rating ★★★★★
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People

James Abela	07/13
Total Named Managers	1

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Performance 30/06/19
											Growth of 10,000 Annualized AUD Value Ret % Fund 23,346 15.42 Category 17,892 10.34 Index 16,040 8.32
											Process Equity Style Box Asset Allocation (Long Positions) Equity Fixed Interest Cash Other
											Price Expense Ratio (ICR/MER) 1.20 1.20 1.20 1.20 — %
											Quartile Rank in Category Percentile Rank in Category Total Return AUD +/- Category +/- Index

A top pick in the small-cap space

Analyst View

Michael Malseed

Senior Analyst

Morningstar Analyst Rating **Gold**

Morningstar Pillars

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

Role in Portfolio: Supporting

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



Jul 22, 2019 | Our conviction in Fidelity Future Leaders has strengthened to the highest level. This strategy stands out from the field as one of the best options in the small-cap Australian equities category. Portfolio manager James Abela has developed one of the most disciplined and well-articulated investment processes in the segment, and he has demonstrated exceptional skill constructing portfolios that can deliver superior returns through a variety of market conditions.

With an inception in 2013, the track record of the retail share class is only modest in length, but Abela has been managing the same strategy internally at Fidelity since mid-2009. His investment career has spanned two decades, and he is one of the longest-tenured managers at Fidelity Australia, having joined as a research analyst under Paul Taylor in 2004. While Fidelity has suffered from a bout of analyst turnover in recent years, this strategy's success is highly dependent on Abela's own judicious investment skill. Admittedly key-person risk is high, but we have faith Abela will continue to exhibit loyalty to his cur-

rent employer and investors for many years to come.

The investment process screens companies based on the three pillars of viability, sustainability, and credibility, which helps to avoid the common blowups in small caps. Portfolio construction is structured around quality, momentum, transition, and value. Abela alters the composition of these four segment weightings over time, within set ranges, which results in the portfolio tilting to growth or value, depending on financial market and economic conditions. With around \$800 million in strategy assets, this isn't the most nimble fund, but unlike some peers, Abela mostly deals in very liquid investments. Indeed, Fidelity sees total capacity at \$1.3 billion, which is reasonable for the ex-50 investment approach. The cost is reasonable given there is no performance fee on top of the 1.2% base given the benchmark hasn't been an overly difficult hurdle for the average small-cap manager to beat. Overall, Fidelity Future Leaders is among the very best strategies in the domestic mid/small-cap space.

Fidelity Future Leaders 19893

Morningstar Analyst Rating
Gold

Process: Approach

Morningstar Category
Equity Australia Mid/Small Blend

Category Index
S&P/ASX Small Ordinaries TR AUD

Index Proxy
iShares S&P/ASX Small Ordinaries ETF

Fundamental bottom-up research combined with the portfolio manager's individual style.

Process Pillar + Positive

Jul 22, 2019 | Fidelity has no distinct house investment style; portfolio managers are expected to develop their own approach.

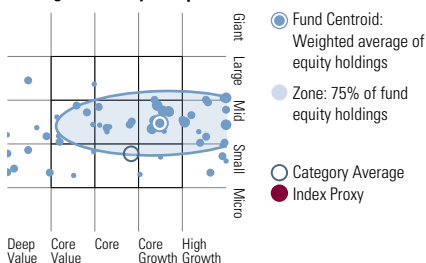
James Abela's sensible investment philosophy is based on a blended approach, with no intended tilt to value or growth but with a bias to quality. The cornerstone of the investment pro-

cess is thorough company research, making the portfolio manager highly dependent on the research analyst team. Key aspects of this fundamental stock analysis approach are site visits, management meetings, investigating competitors, industry structure analysis, financial modelling, and valuation assessment. Fidelity believes this approach provides valuable insights into a company's future prospects. Once the initial research and rating is completed, even more comprehensive analysis is undertaken on stocks rated as investable, which are companies that show strong

viability (pricing power, strong opportunities, and high return on equity), sustainability (solid industry position, strong positive cash flow, and ability to withstand competitive pressures), and credibility (quality of the business and management). The portfolio manager then reviews the company research, investment thesis, and valuation models. Ultimately, Abela has sole responsibility for investment decisions, using analyst recommendations and his own convictions.

Equity Style 31/03/19

Holdings-Based Style Map

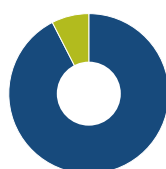


Equity Style Box Factors

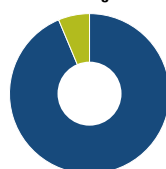
	Fund	3-Yr Avg	Category	Proxy
Market Cap				
Giant/Large	13.0	16.3	2.7	0.3
Mid	71.6	67.9	41.3	32.3
Small/Micro	15.4	15.8	56.0	67.3
Avg Market Cap Bil AUD	4.6	3.7	1.8	1.6
Value Measures				
Price/Prospect. Earnings	20.3	19.6	16.7	15.9
Price/Book	2.2	2.4	2.0	1.8
Price/Sales	2.7	2.3	1.5	1.4
Price/Cash Flow	12.8	11.8	9.9	7.5
Dividend Yield	2.7	3.0	3.2	3.5
Growth Measures				
Long-Term Earnings %	11.1	11.6	11.6	9.1
Historical Earnings %	6.9	9.4	1.4	1.8
Sales %	1.9	-3.0	-1.7	3.1
Cash Flow %	13.6	-0.4	6.8	3.1
Book-Value %	7.0	3.2	5.4	4.5

Asset Allocation (Net Positions) 30/06/19

Current Allocation



3-Year Average



Assets %	Fund	3-Yr Avg	Category	Proxy
● Australian Equity	92.5	93.7	0.0	0.0
● International Equity	0.0	0.0	0.0	0.0
● Aus. Fixed Interest	0.0	0.0	0.0	0.0
● Int'l Fixed Interest	0.0	0.0	0.0	0.0
● Cash	7.5	6.3	0.0	0.0
● Other	0.0	0.0	0.0	0.0

Region Exposure 31/03/19

Market Type Equity %	Fund	3-Yr Avg	Category	Proxy
Developed	100.0	100.0	99.6	100.0
Emerging	0.0	0.0	0.4	0.0

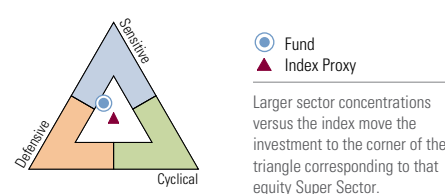
Top 5 Countries Equity %	Fund	3-Yr Avg	Category	Proxy
Australia	84.2	88.9	90.4	93.6
New Zealand	9.1	6.2	7.0	4.1
United States	5.4	3.8	1.9	2.3
France	1.3	0.1	0.1	0.0

Key Ratios 31/03/19

	Fund	3-Yr Avg	Category	Proxy
Net Margin %	26.0	20.6	15.7	18.5
ROA %	12.8	9.8	8.8	8.2
Debt/Total Capital %	23.7	22.9	25.3	25.0
ROE %	18.8	16.6	15.0	14.1

Sectors 31/03/19

Sector Delta



Equity Sectors	Fund	3-Yr Avg	Category	Proxy
Defensive	16.8	16.9	14.1	16.5
Consumer Defensive	4.6	3.0	6.7	9.5
Healthcare	10.6	12.3	6.0	6.6
Utilities	1.6	1.6	1.4	0.4
Sensitive	36.8	32.9	34.5	25.1
Communication Serv.	0.0	1.1	1.5	2.5
Energy	6.2	4.2	3.6	2.7
Industrials	12.4	12.0	15.3	8.3
Technology	18.2	15.6	14.0	11.6
Cyclical	46.4	50.2	51.4	58.4
Basic Materials	15.8	19.2	15.6	20.8
Consumer Cyclical	10.1	14.5	19.0	15.0
Financial Services	6.9	11.2	11.6	10.5
Real Estate	13.5	5.3	5.3	12.0

Economic Moat 31/03/19

	Fund	3-Yr Avg	Category	Proxy
Wide Moat	3.4	4.6	2.3	2.3
Narrow Moat	52.3	41.1	35.6	33.3
No Moat	44.3	54.3	62.1	64.5
Coverage Ratio	69.5	70.9	48.0	59.4

Fidelity Future Leaders 19893

Morningstar Analyst Rating
Gold

Process: Portfolio

Morningstar Category
Equity Australia Mid/Small Blend

Category Index
S&P/ASX Small Ordinaries TR AUD

Index Proxy
iShares S&P/ASX Small Ordinaries ETF

A strategically targeted portfolio mix aims for consistency through the cycle.

Process Pillar + Positive

Jul 22, 2019 | The portfolio-construction procedures place significant emphasis on achieving balance and diversity, with the objective being consistent returns through the economic cycle. Stocks in the strategy's portfolio represent four key segments (quality/strong franchise, upward cyclical momentum, transition/fundamental change, and

value/out of favour) based on James Abela's investment philosophy and approach. Abela strategically structures the portfolio to have 30% to 50% in quality stocks, 20% to 40% in momentum stocks, 10% to 30% in transition stocks, and 0% to 20% in value stocks. Quality stocks typically come from the healthcare, technology, and consumer discretionary sectors. Numerous competitors claim to adopt a similar strategy, but very few consistently apply the methodology as diligently.

Fidelity's portfolio guidelines help diversification by restricting stock weightings to

plus/minus 5% from the benchmark and industry/sector weightings to plus/minus 10%. The fund may also invest in companies outside the benchmark, to a maximum of 10%, with the exception of stocks in the S&P/ASX 50 Index. Ultimately, there are 40 to 70 stocks included in the portfolio. Fidelity's portfolio managers are also given discretion to include stocks where they complete the majority of the research work but only to a maximum of 10% of the portfolio (but typically less than 10%).

Similarity to Index Proxy 31/03/19

Index Proxy Overlap		Number of Equity Holdings		Top Five Index Holdings		Fund %	Proxy %	Top Five Index Sectors		Fund %	Proxy %
	Fund	53	WiseTech Global Ltd	0.93	2.29	Basic Materials	15.84	20.81			
	Index Proxy	198	NIB Holdings Ltd	—	1.89	Consumer Cyclical	10.10	15.00			
	Fund Overlap With Index Proxy	23	Saracen Mineral Holdings Ltd	1.44	1.59	Real Estate	13.52	12.03			
	Asset Overlap	16.0%	Appen Ltd	2.47	1.54	Technology	18.17	11.60			
			Regis Resources Ltd	—	1.52	Financial Services	6.94	10.53			

Portfolio Holdings 31/03/19

Previous Portfolio Date	Equity Holdings	Bond Holdings	Other Holdings	Assets in Top 10 Holdings	Turnover Ratio (Reported)
28/02/19	53	0	1	35%	—

Top 10 Holdings	Country	Assets % 31/03/19	Assets % 28/02/19	Index % 31/03/19	Days Trading	Morningstar Rating for Stocks	Economic Moat	Sector	1-Yr Total Ret % (AUD)
✱ Cash Offset	AUS	7.66	—	—	—	—	—	—	—
Altium Ltd	AUS	5.23	5.60	—	<1	—	—	Technology	53.27
⊕ ResMed Inc DR	USA	4.26	4.38	—	<1	★★	Narrow	Healthcare	21.77
Charter Hall Group	AUS	3.71	3.33	—	<1	★	Narrow	Real Estate	71.27
Magellan Financial Group Ltd	AUS	3.60	3.62	—	<1	★	Narrow	Financial Services	125.91
⊕ Cleanaway Waste Management Ltd	AUS	3.37	3.24	—	<1	—	—	Industrials	39.67
⊖ The a2 Milk Co Ltd	NZL	3.22	3.83	—	<1	★★	Narrow	Consumer Defensive	31.65
⊕ WorleyParsons Ltd	AUS	3.18	3.41	—	<1	★	None	Energy	-9.64
⊕ ALS Ltd	AUS	3.11	3.06	—	<1	★	None	Industrials	0.33
BlueScope Steel Ltd	AUS	2.90	2.92	—	<1	★★★	None	Basic Materials	-29.37

Change since previous portfolio: ⊕ Increase ⊖ Decrease ✱ New

Fidelity Future Leaders 19893

Morningstar Analyst Rating
Gold

Performance

Morningstar Category
Equity Australia Mid/Small Blend

Category Index
S&P/ASX Small Ordinaries TR AUD

Strong medium-term performance.

Performance Pillar + Positive

Jul 22, 2019 | Fidelity Future Leaders' performance since inception in July 2013 from a medium-term perspective has been very solid. The fund achieved strong outperformance against relevant benchmarks (S&P/ASX Mid/Small Accumulation Index and S&P/ASX Small Ordinaries Accumulation Index) and most peers in calendar years 2014

and 2015. The solid performance in the year to 31 Dec 2015 was largely because it held industrials/consumer stocks with strong growth attributes, including food producer Bellamy's Australia, IT company Aconex, and gaming machine manufacturer Aristocrat Leisure, while having an underweighting to the mining sector. In 2016, the strategy's underperformance was due to an underweighting in materials stocks, as commodity prices rose from lows, pushing share prices higher. However, performance bounced back strongly in 2017, 2018, and 2019 year to date with outper-

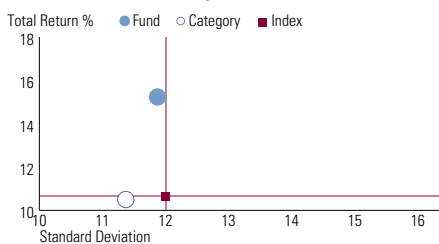
formance against Morningstar Category peers and the index. Key contributors to the strong performance were Altium, WiseTech Global, and Pro Medicus. Although the fund is yet to traverse a full market cycle, it has successfully navigated the volatility and major events during the past few years, with overall promising performance.

Morningstar Rating and Risk 30/06/19

Period	Total Ret %	Morningstar Ret vs Cat	Morningstar Risk vs Cat	Morningstar Rating
3 Years	15.23	High	Above Avg	★★★★★
5 Years	15.78	Above Avg	Avg	★★★★★
10 Years	—	—	—	—
Overall Morningstar Rating				★★★★★

Risk Analysis 30/06/19

3-Year Return and Risk Analysis



3-Year Risk Measures

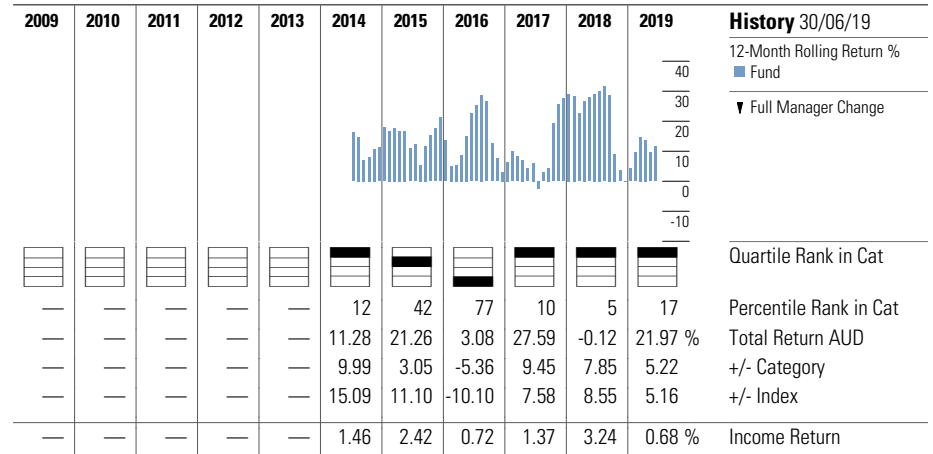
	Fund	Category	Index
Standard Deviation	11.87	11.37	12.01
Sharpe Ratio	1.11	0.75	0.76
R-Squared	78.45	73.22	—
Beta	0.88	0.80	—
Alpha	5.20	1.19	—

Max Drawdown 01/08/13 to 30/06/19

	Fund	Category	Index
Max Drawdown (%)	-11.47	-13.93	-14.00
Peak Date	09/18	09/18	09/18
Valley Date	12/18	12/18	12/18
Max Drawdown (Months)	4	4	4

Upside/Downside 01/08/13 to 30/06/19

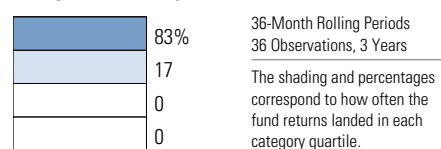
	Fund	Category	Index
Upside Capture Ratio	100.82	89.36	100.00
Downside Capture Ratio	52.64	68.52	100.00



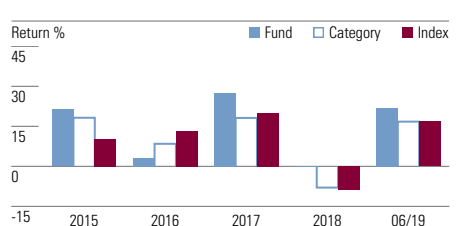
Returns 30/06/19

	Total Ret %	Investor Ret %	% Rank in Cat	Cat Ret %	Index Ret %
1 Year	11.62	16.24	13	3.65	1.92
3 Years	15.23	18.05	5	10.21	10.66
5 Years	15.78	18.14	11	9.91	9.26
10 Years	—	—	—	12.23	6.30
Tenure 07/13	15.35	—	—	11.71	8.48
Inception 07/13	15.35	—	—	11.71	8.48

Rolling Return Summary



Calendar Year Returns



Year	Fund %	Category	Index %
2015	21.26	18.21	10.16
2016	3.05	8.44	13.18
2017	27.59	18.14	20.02
2018	-0.12	-7.97	-8.67
06/19	21.97	16.75	16.81

Fidelity Future Leaders

19893

Morningstar Analyst Rating
 **Gold**

People

Morningstar Category
Equity Australia Mid/Small Blend

Category Index
S&P/ASX Small Ordinaries TR AUD

A skilful manager, but there's been too much turnover in Fidelity's analyst team.

People Pillar Positive

Jul 22, 2019 | Portfolio manager James Abela has run Fidelity Future Leaders in pilot form since 2009 and this fund since 2013 but joined Fidelity in 2004 as a research analyst. He comes with considerable investment experience, including working as an equity research analyst at Constellation Capital. Abela normally spends a large por-

tion of his time consulting with Fidelity's analysts, studying company business models, and constructing the portfolio. The Sydney-based investment research team has experienced reasonable turnover during the past two years, with five research analyst and the director of research departing. Fidelity's equity research team has seen far too much turnover and experienced analysts have been replaced, largely, with less experienced analysts. Each analyst has coverage responsibilities for a specific sector, and these rotate every three years to ensure the production of

well-rounded insights. In addition, a team of five Delhi-based research specialists help the local investment team with day-to-day stock modelling and specialist research projects. Analysts are directly accountable for their calls, which, in conjunction with appraisals by Abela, constitute the major part of their incentive plans. In Abela's case, the greater part of his remuneration is linked to strategy performance, weighted toward three- and five-year returns.

Management Team

Number of Managers	Longest Tenure
1	6.00 Years

Advisor
FIL Limited

Subadvisor (0 of 0)

James Abela 07/13 to Present

Years of Experience	Current Funds Managed	Fund AUM
23	2	327 Mil AUD

Largest Funds Managed	Tenure Dates	Role	Net Assets Mil AUD	Portfolio Turnover %	Tenure Ret %	Index Ret %
Fidelity Future Leaders	07/13-to Present	Lead	327	—	15.35	8.48

Fidelity Future Leaders

19893

Morningstar Analyst Rating
Gold

Parent

Morningstar Category
Equity Australia Mid/Small Blend

Category Index
S&P/ASX Small Ordinaries TR 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	6,083.8	★★★★★	11.33	53	8.82	23	Low
Fidelity WS Plus Australian Equities	Equity Australia Large Blend	655.6	★★★★	11.54	48	—	—	Low
Fidelity Global Equities	Equity World Large Growth	351.8	★★★★★	15.12	40	14.18	32	Below Avg
Fidelity Asia	Equity Asia Pacific w/o Japan	335.8	★★★★★	16.74	5	17.24	1	Low
Fidelity Future Leaders	Equity Australia Mid/Small Blend	327.3	★★★★★	15.23	5	15.78	11	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 Global Emerging Markets	Equity Emerging Markets	34.7	★★★★★	16.47	3	12.22	4	Low
Fidelity Future Leaders	Equity Australia Mid/Small Blend	327.3	★★★★★	15.23	5	15.78	11	Below Avg
Fidelity Asia	Equity Asia Pacific w/o Japan	335.8	★★★★★	16.74	5	17.24	1	Low
Fidelity Hedged Global Equities	Equity World - Currency Hedged	9.2	★★★★	13.47	21	9.78	19	Below Avg
Fidelity China	Equity Greater China	105.8	★★★★★	15.99	1	17.19	1	—

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	6.2	★★★★	9.97	70	7.52	57	Above Avg
Perpetual WFIA-Fidelity Australian Eq	Equity Australia Large Blend	50.6	★★★★	10.05	70	7.58	55	Above Avg
BT WE Fidelity Australian Equities	Equity Australia Large Blend	62.7	★★★★	10.05	69	7.60	54	Above Avg
BT Lifetime SE-Fidelity Aus Equities	Equity Australia Large Blend	49.4	★★★★	10.20	70	7.87	44	—
Perpetual WFS-Fidelity Australian Eq	Equity Australia Large Blend	20.0	★★★★	10.28	69	8.17	33	—

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	6,083.8	Gold	11.33	53	8.82	23	Low
Fidelity Future Leaders	Equity Australia Mid/Small Blend	327.3	Silver	15.23	5	15.78	11	Below Avg
Fidelity Australian Opportunities	Equity Australia Large Blend	284.6	Silver	12.51	32	11.31	6	Low
Fidelity Asia	Equity Asia Pacific w/o Japan	335.8	Bronze	16.74	5	17.24	1	Low
Fidelity Global Emerging Markets	Equity Emerging Markets	34.7	Bronze	16.47	3	12.22	4	Low

Most Recent Fund Launches	Category Name	Net Assets Mil AUD	Inception Date	Total Return% Since Inception	ICR	Fee Level
OA Frontier TTR-Fidelity Australian Eq	Equity Australia Large Blend	9.4	2018-05-26	12.01	1.10	—
OnePath OA TTR-Fidelity Aust Eqs NEF	Equity Australia Large Blend	1.2	2018-05-26	10.37	2.85	—
OnePath OA TTR-Fidelity Aust Eqs EF/Sel	Equity Australia Large Blend	0.1	2018-05-26	11.07	2.10	—
ANZ OA TTR-Fidelity Australian Eqs EF	Equity Australia Large Blend	0.0	2018-05-26	11.07	2.10	—
ANZ OA TTR-Fidelity Australian Eqs DEF	Equity Australia Large Blend	0.0	2018-05-26	10.75	2.85	—

Fidelity Future Leaders

19893

Morningstar Analyst Rating
Gold

Price

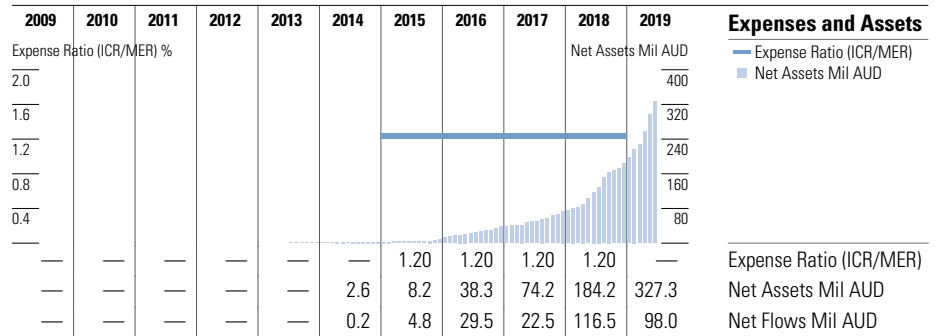
Morningstar Category
 Equity Australia Mid/Small Blend

Category Index
 S&P/ASX Small Ordinaries TR AUD

A reasonable management fee and no performance fee.

Price Pillar + Positive

Jul 22, 2019 | Fidelity Future Leaders charges a management fee of 1.20%, and there is no performance fee, so the overall package is very realistic and lower than average in terms of pricing when compared with peers.



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

Expense Breakdown

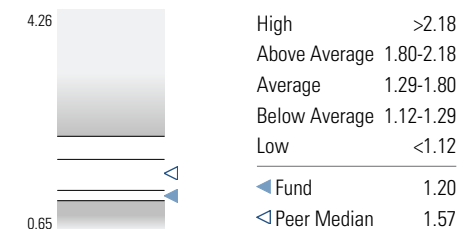
Indirect Cost Ratio (ICR)	
Annual Report 30/06/18	1.20
Performance Fee	
Actual Performance Fee	0.00
Hurdle	N. Ap
High Watermark	N. Ap
Selected Components	
Management	1.20
Tax Cost Ratio (3-Year)	—

Fee Level

Fee Level
 Below Avg

Peer Group
 Australian Equities - Small-caps 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 Future Leaders	FID0026AU	Equity Australia Mid/Small Blend	Below Avg	1.20	1.20 —	25,000	327.34	178.97

Morningstar Global Fund Report Disclosure

Currency

This Research Report is current as at the date on the report until it is replaced, updated or withdrawn. Our financial product research may be withdrawn or changed at any time as other information becomes available to us. This report will be updated if events affecting the report materially change.

Research Criteria

For further information as to:

- the scope and expertise of our research,
- the process by which products are selected for coverage,
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