

Fidelity Global Low Volatility Equity Fund

Monthly report

As at 31/10/2022

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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\$36.97M

Management cost: 0.65% p.a.

Buy/sell spread: 0.20%/0.20%

Portfolio guidelines

Cash: Maximum 5% cash allocation

Top 10 holdings (%)

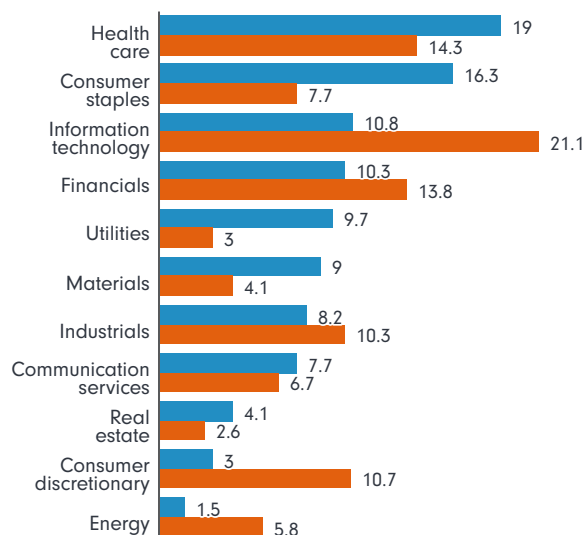
| | Fund | B'mark |
|-------------------------------|------|--------|
| T-mobile US Inc | 1.2 | 0.2 |
| Unitedhealth Group Inc | 1.2 | 1.1 |
| Merck & Co Inc | 1.1 | 0.5 |
| Cboe Global Markets Inc | 1.1 | 0.0 |
| Marsh & McLennan Cos Inc | 1.1 | 0.2 |
| Vertex Pharmaceuticals Inc | 1.1 | 0.2 |
| Regeneron Pharmaceuticals Inc | 1.0 | 0.2 |
| Dollar Gen Corp New | 1.0 | 0.1 |
| Berkshire Hathaway Inc Del | 1.0 | 0.8 |
| Amgen Inc | 1.0 | 0.3 |

Performance %

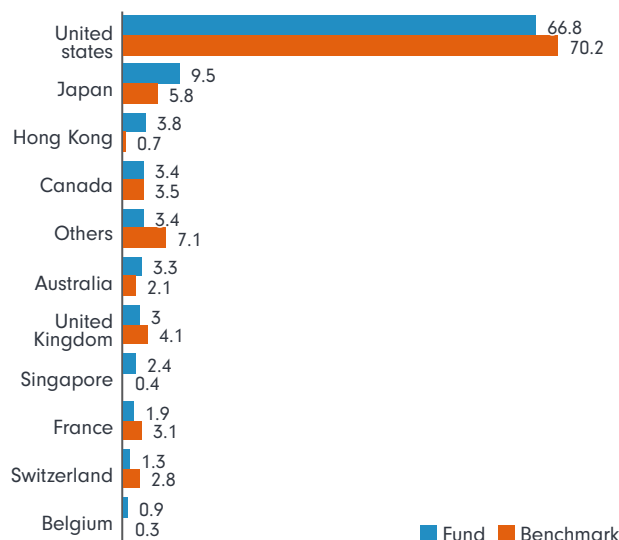
| | 1 mth | 3 mth | 6 mth | 1 yr | 3 yrs p.a. | 5 yrs p.a. | Since Inception p.a (15/12/2017) |
|--|--------------|-------------|-------------|-------------|--------------|------------|----------------------------------|
| Fidelity Global Low Volatility Equity Fund | 5.95 | 2.77 | 2.42 | 1.62 | 3.72 | - | 7.20 |
| MSCI World Index NR | 7.77 | 1.65 | 2.14 | -4.25 | 8.78 | - | 9.94 |
| Excess return | -1.82 | 1.12 | 0.28 | 5.87 | -5.06 | - | -2.74 |

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.

Monthly report

Market performance

The Fidelity Global Low Volatility Equity Fund underperformed the MSCI World Index during the month. Three out of eleven sectors contributed to relative performance. The financials and energy sectors were among the largest detractors from relative performance, while the consumer discretionary and communication services sectors contributed to performance.

Fund performance

In the financials sector, the investment in insurer **Assurant** detracted from performance. Assurant shares declined after the firm reported preliminary earnings that missed consensus estimates due to a challenging macro environment, foreign exchange

headwinds, elevated catastrophe losses and lower program volumes and higher claim costs. Additionally, the company lowered its earnings outlook.

In the energy sector, not owning U.S. integrated oil company **Exxon Mobil** detracted from performance. Shares of Exxon Mobil rose after the company signaled strong third-quarter earnings due to natural gas pricing.

Among individual holdings, the underweight investment in iPad and iPhone manufacturer Apple detracted from performance. **Apple** shares rose after the company released quarterly revenue and profit that topped Wall Street estimates lifted by strength of laptop computer sales.

In the consumer discretionary sector, not owning **Amazon.com** and U.S. electric vehicle manufacturer **Tesla** contributed to

performance. Shares of Amazon.com declined after the company forecast a slowdown in sales growth during the holiday season due to consumers and businesses spending less due to inflation. Tesla shares declined after the company reported quarterly car deliveries that were up more than 100,000 units from a year ago but fell short of analysts' expectations. Additionally, shares declined as Elon Musk agreed to purchase Twitter on its original terms.

In the communication services sector, not owning Facebook parent Meta Platforms contributed to performance. **Meta Platforms** shares declined after the company reported quarterly earnings that missed consensus estimates due to a slowdown in online ad spending, challenges from Apple's iOS privacy update and increased competition from TikTok. Additionally, the company issued a weak forecast for the fourth quarter.

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