

Fidelity Global Low Volatility Equity Fund

Quarterly report

As at 31/12/2020

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 (N)

Inception date: 15/12/2017

Fund size: AU\$69.66M

Management cost: 0.65% p.a.

Buy/sell spread: 0.25%/0.25%

Portfolio guidelines

Cash: Maximum 5% cash allocation

Top 10 holdings (%)

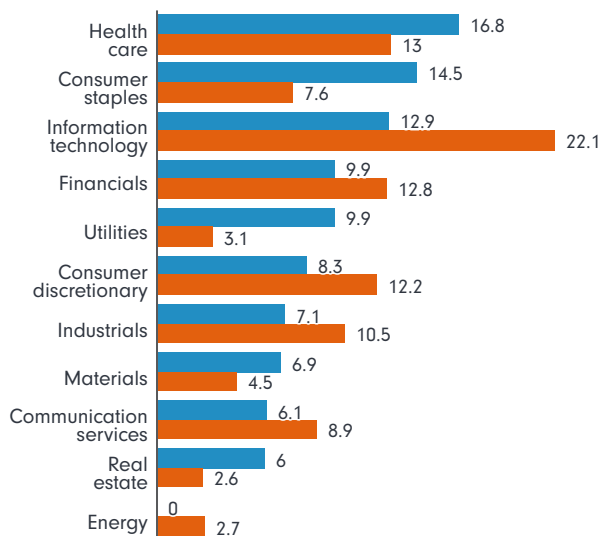
	Fund	B'mark
Sg Holdings Co Ltd	1.2	0.0
T-mobile US Inc	1.0	0.1
Hoya Corp	1.0	0.1
Danaher Corp	1.0	0.3
Anglo American Plc	0.9	0.1
Rio Tinto Plc	0.9	0.2
Take-two Interactv Softwr Inc	0.9	0.0
Agnico Eagle Mines Ltd	0.9	0.0
Alexion Pharmaceuticals Inc	0.9	0.1
Activision Blizzard Inc	0.9	0.1

Performance %

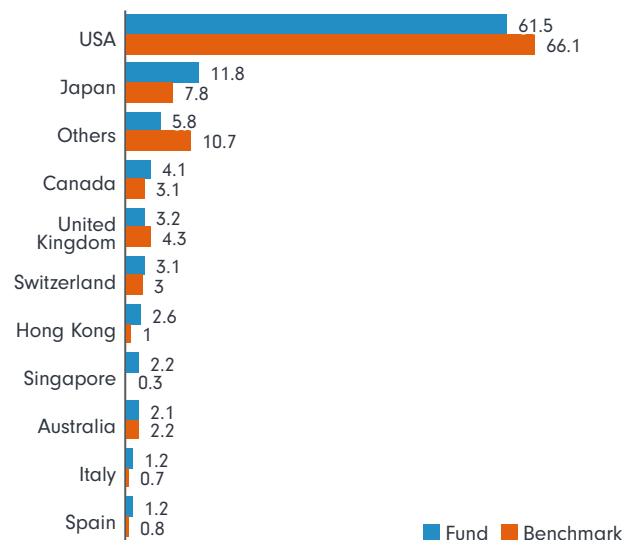
	1 mth	3 mth	6 mth	1 yr	3 yrs p.a.	5 yrs p.a.	Since Inception p.a (15/12/2017)
Fidelity Global Low Volatility Equity Fund	-2.08	-0.86	1.76	-1.63	8.12	-	7.58
MSCI World Index (N)	-0.46	5.85	9.74	5.58	11.04	-	10.39
Excess return	-1.62	-6.71	-7.98	-7.21	-2.92	-	-2.81

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.

Quarterly report

Market Performance

The global economy continued to make gains during the fourth quarter thanks to positive vaccine developments, with many countries posting record high GDP growth rates for Q3. In the U.S., third quarter GDP rose by 33.4%, rebounding from the worst drop on record in the second quarter. The U.S. Federal Reserve (The Fed) kept the Fed Funds rate at the 0-0.25% range for the duration of the quarter, and as of now does not anticipate changing the rate through 2023. The Fed also continued the course for its quantitative easing program. Eurozone equities rallied during the period, as the region's exposure to cyclical industries, such as energy and financials, helped drive growth. The European Union (EU) agreed to a Brexit trade deal with the UK during the quarter just before an extended deadline, which bolstered equities in both regions but more significantly in the U.K. Japan equities rallied thanks to vaccine news and the result of the U.S. presidential election. China lagged other emerging markets (EM) names during the quarter due to renewed tensions with the U.S. and an antitrust investigation into Alibaba, one of the largest companies in the country. Commodity based equities, especially in EM, benefitted from a weak dollar during the quarter. Agriculture led performance for commodities, followed closely by Industrial Metals.

Fund Performance

The materials and consumer discretionary sectors were among the primary sectors that detracted from relative performance. Investments in materials companies including Canadian miners Barrick Gold, Agnico Eagle Mines and Kirkland Lake Gold, and Canadian precious metals streaming company Wheaton Precious Metals detracted from performance. Shares of all four companies declined after the price of Gold fell as investors moved out of precious metals due to progress on COVID-19 vaccines, as Pfizer and Moderna both announced trials that found over 90% effectiveness in both of their vaccines. In the Consumer Discretionary sector, not owning U.S. electric vehicle manufacturer Tesla detracted from performance when shares rose after the company reported quarterly results

that exceeded revenue and earnings expectations, marking a fifth consecutive quarter of profits. Deliveries remained strong, with nearly 140,000 vehicles making their way to customers, a new quarterly record for Tesla. Additionally, shares rose after the S&P 500 announced the company would join the exchange prior to the opening of trading on December 21, 2020.

Among individual holdings, the investments in Regeneron Pharmaceuticals and U.S. pizza chain Domino's Pizza detracted from performance. Shares of Regeneron Pharmaceuticals declined during the quarter, despite reporting strong third-quarter financial results and garnering headlines in early October when President Trump was treated with the company's antibody cocktail to combat COVID-19. The firm reported better-than-expected revenues and earnings, aided by solid sales of its drug, Eylea, an injection to treat wet age-related macular degeneration. The stock struggled amid concerns about the president's executive order to lower drug prices paid by Medicare, as well as the view that vaccine success could limit the need for Regeneron's antibody treatment in the battle against COVID-19. Shares of Domino's Pizza declined after the company reported a profit that came in below consensus estimates, as an increase in demand for pizzas during the pandemic was not enough to offset high costs related to COVID-19 and staff bonuses.

Among individual holdings, the underweight investments to U.S. e-commerce company Amazon.com and U.S. enterprise software and cloud computing provider Microsoft, and the investments in Danish offshore wind farm developer Orsted and U.S. pharmaceutical company Alexion Pharmaceuticals, and not owning social media platform operator Facebook and U.S. graphic chips manufacturer Nvidia contributed to performance. Shares of Amazon.com and Microsoft underperformed the market on news of positive results for two COVID-19 vaccines. Orsted shares rose after the company released third-quarter profit that was above consensus estimates, maintained its full-year guidance, and expects strong auctions in the months ahead. Alexion Pharmaceuticals

shares rose on news the British pharmaceutical company AstraZeneca would acquire the company in a US\$39 billion dollar deal. Facebook shares underperformed the market after the company reported a decrease in users in the U.S. and Canada and only moderate revenue growth for the third quarter of 2020. Additionally, Facebook faced several regulatory headwinds, including an ongoing investigation by the U.S. Federal Trade Commission, as well as an early-stage investigation into its business practices in the European Union. Nvidia shares declined after the company projected a slight sequential decline in fourth-quarter data center revenue. Also, the company said it continues to work through the regulatory approval process regarding its US\$40 billion acquisition of Arm Holdings, announced in September. The deal is expected to help the combined company further its pursuits in artificial intelligence and could better support data centers used to power remote work. The agreement may face regulatory hurdles in the U.S., China and the U.K.

Major contributors (%)

As at 31/12/2020	Active pos.	Contribution
Amazon.com Inc	- 2.0	0.2
Microsoft Corp	- 2.5	0.2
Orsted A/s	0.6	0.2
Alexion Pharmaceuticals Inc	0.7	0.1
Anglo American Plc	0.7	0.1

Major detractors (%)

As at 31/12/2020	Active pos.	Contribution
Tesla Inc	- 0.8	- 0.3
Barrick Gold Corp	0.8	- 0.3
Agnico Eagle Mines Ltd	1.0	- 0.2
Kirkland Lake Gold Ltd	0.7	- 0.2
Wheaton Precious Metals Corp	0.7	- 0.2

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