

As at 31
December
2017

Fidelity FIRST All Country World

The FIRST (Fidelity Research Strategy) global equity investment process is anchored in the belief that the consistent capture of proprietary alpha from Fidelity's global research platform can deliver long term outperformance for investors.

The FIRST strategy ensures that stock selection is the primary driver of risk and return. We look to capture the highest conviction and most relevant investment ideas identified by Fidelity's research analysts globally into a 75-85 stock portfolio that minimises unintended factor or style biases.

The FIRST investment process is consistent and repeatable which means portfolio characteristics remain largely stable. This approach is designed to deliver investors strong idiosyncratic risk-adjusted returns and provide a solution that can be adapted to bespoke client requirements.

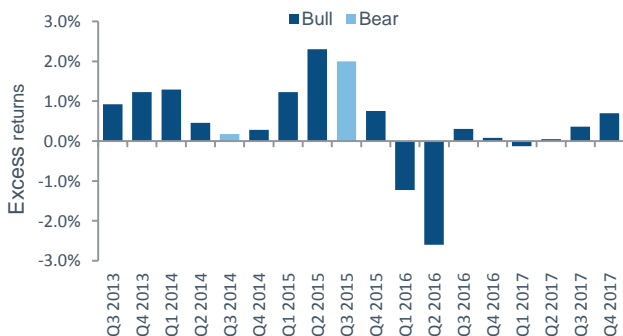
Performance*

Gross of fees (%)	3m	6m	1Y	2Y (pa)	3Y (pa)	Since inception (pa) 28/06/13
FIRST AC World	6.4	12.3	25.1	14.2	10.7	12.6
MSCI AC World	5.7	11.2	24.0	15.6	9.3	10.6
Excess returns	+0.7	+1.1	+1.2	-1.5	+1.4	+2.0

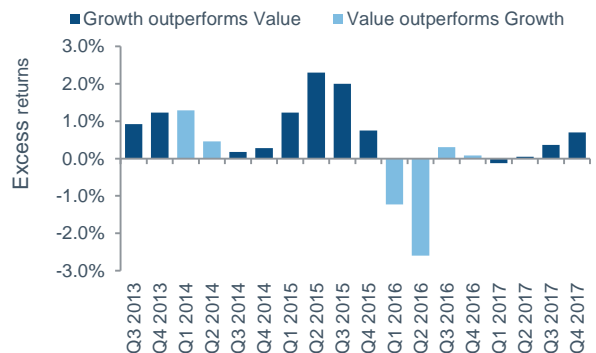
Performance quarterly excess returns*

Gross of fees (%)	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
FIRST AC World	-7.4	5.8	-1.0	-1.6	5.6	1.3	6.8	4.3	5.5	6.4
MSCI AC World	-9.5	5.0	0.2	1.0	5.3	1.2	6.9	4.3	5.2	5.7
Excess returns	+2.0	+0.7	-1.2	-2.6	+0.3	+0.1	-0.1	+0.0	+0.4	+0.4

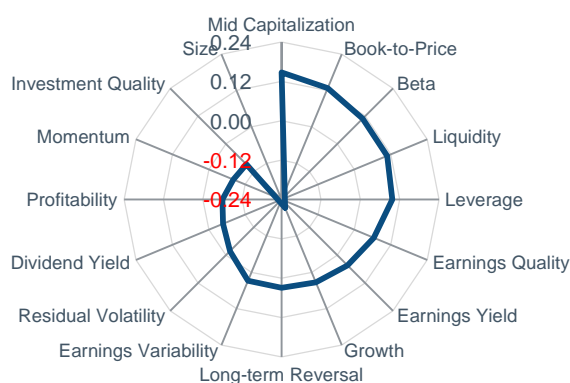
Bull vs Bear



Value vs Growth



Portfolio risk exposure



Portfolio characteristics

Outperformance objective¹	c. 3% p.a. (gross of fees)
Net equity exposure²	c. 95 – 100%
Active money	c. > 80%
Ex-ante beta	c. 0.98 – 1.02
Ex-ante tracking error	c. 2% – 5% (ex ante)
Number of holdings	c. 75 – 85
Absolute stock weights²	c. 0.5 – 2.5%
Sector weights (relative)²	c. +/- 5.0%
Country weights (relative)²	c. +/- 5.0%
Active style exposure	c. +/- 0.3 standard dev.
Expected turnover³	c. 50 – 70%
Minimum market cap	c. \$0.5bn (free float)
Cash	< 5.0%

Commentary

The strategy outperformed the index over the quarter.

Health care exposure added value

Mylan's shares rallied after it received long-awaited US regulatory approval for its generic version of rival Teva's multiple sclerosis treatment Copaxone. It is also confident of getting Food and Drug Administration (FDA) approval for a number of additional products, which increases confidence in its ability to grow sales and profits and reduce debt. Medical device company Insulet delivered better than expected quarterly results, with broad-based growth across key markets, including the US and Europe.

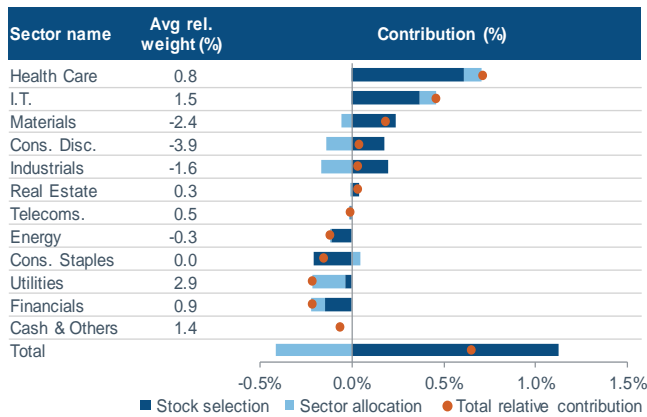
IT holdings boosted returns

Grubhub reported strong third quarter results, driven by improving gross food sales and higher diner growth. It continues to scale its hybrid delivery platform into new markets and to further penetrate existing markets. Wireless chipset maker Qualcomm rose on news that Broadcom offered to acquire the company for \$105 billion. Qualcomm's board rejected Broadcom's offer, believing that it undervalued the company. Elsewhere, emerging market holdings Naspers and CJ Cheiljedang enhanced gains.

Selected utilities and financials positions hampered performance

Utility company Edison International's shares declined sharply following a wildfire across Southern California in December, causing widespread power outages. Investors were concerned about the likely impact of related costs on Edison's earnings and cash flows. Nonetheless, its long-term above-average growth outlook remains strong, driven by California's clean energy policies. Swedbank's shares fell on concerns related to deterioration in the lender's capital ratio despite growth in lending income.

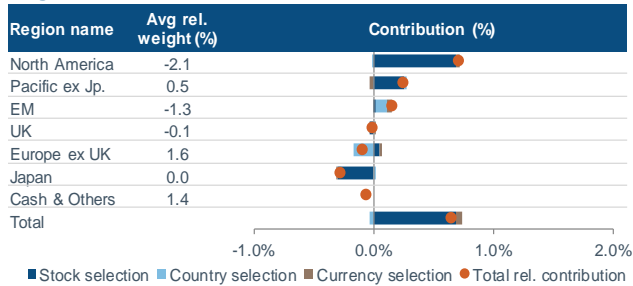
Sector attribution 3 months to 31/12/2017



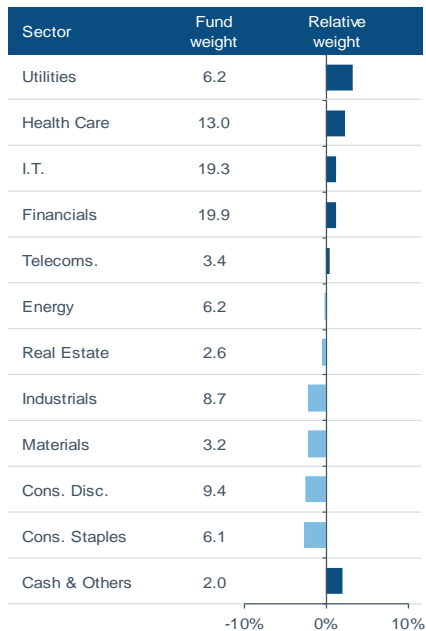
Top and bottom contributors 3mths to 31/12/2017

Company	Industry	Country	Avg rel. weight (%)	Cont. (bps)
Grubhub	I.T.	N. America	1.1	32.1
Mylan	Health Care	N. America	1.1	28.3
Qualcomm	I.T.	N. America	1.3	25.3
Naspers	Cons. Disc.	EM	1.0	20.2
CJ Cheiljedang	Cons. Staples	EM	0.9	19.1
Insulet	Health Care	N. America	0.6	15.9
Mosaic	Materials	N. America	1.1	15.4
Kumho Petro	Materials	EM	0.4	15.4
Vmware	I.T.	N. America	0.8	15.1
Viasat	I.T.	N. America	1.3	14.3
Edison International	Utilities	N. America	1.4	-35.5
Swedbank	Financials	Europe ex UK	1.6	-32.1
Koninklijke Philips	Health Care	Europe ex UK	1.6	-24.1
Sunny Optical Techn	I.T.	EM	1.3	-23.5
Walgreens Boots	Cons. Staples	N. America	1.5	-17.8
Priceline	Cons. Disc.	N. America	1.6	-17.1
KDDI	Telecoms.	Japan	1.4	-16.4
Amazon.com	Cons. Disc.	N. America	-1.0	-14.4
China Petroleum	Energy	EM	1.7	-13.6
AXA	Financials	Europe ex UK	1.6	-12.5

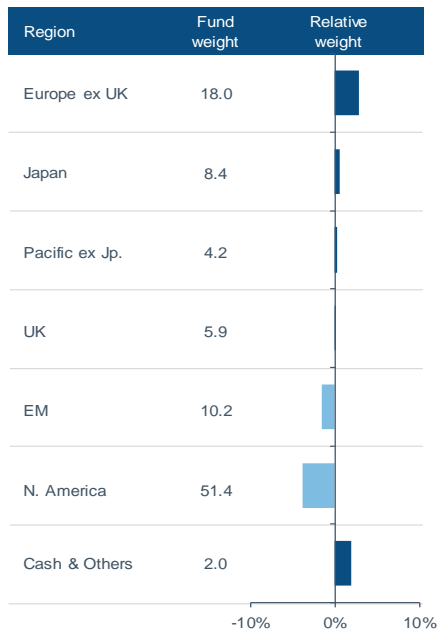
Regional attribution 3 months to 31/12/2017



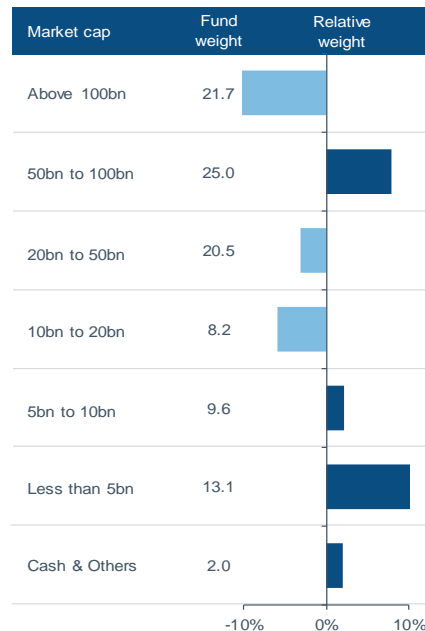
Sector positioning



Regional positioning



Market cap positioning



Strategy overview

Strategy AUM: AUD\$3.7million⁴

Portfolio Managers



Matt Jones

Inv. experience: 20 years
Fidelity experience: 13 years
Based in: London

Master of Applied Fin., PG. Dip. Acc.,
B. Com. (Eco, Bus. Law)



Hiten Savani

Inv. experience: 14 years
Fidelity experience: 8 years
Based in: London

M.Sc. Fin. Economics, MPhys.
Physics (Oxon)

Investment approach

The managers seek to deliver strong risk adjusted active returns with portfolios that:

- Capture Fidelity research analysts' highest conviction stock recommendations
- Ensure only the highest quality and most relevant analyst ratings are implemented
- Mitigate unintended factor or style biases
- Target stock selection as the primary driver of both risk and return

Strategy summary

- FIRST strategies are powered by the full breadth and depth of Fidelity's proprietary global research network
- FIRST strategies are managed by an experienced portfolio management team
- The portfolio management team follows a consistent and repeatable investment process, which produces idiosyncratic, fundamental-driven alpha
- FIRST strategies are customisable to specific client requirements and bespoke benchmarks

Our investment process

At Fidelity International, our edge is proprietary fundamental research, with 140 analysts globally, contributing research and views to a state of the art research management system which acts as a single source for all Fidelity research including equity and credit. Its rich functionality is also flexible, allowing portfolio managers to overlay their investment strategies in order to harvest stock specific alpha for their portfolios.

1. Outperformance objective is relative to the MSCI All Country World index.
2. Data is presented as a percentage of Total Net Assets (the value of all the fund's assets after the deduction of any liabilities).
3. Expected turnover refers to ex ante annual turnover and is calculated as the lesser of purchases or sales divided by average TNA.
4. AUM as at 31 December 2017. Figure includes all client assets managed using the FIRST strategy.



***Past performance is not a reliable indicator of future performance.** Returns may increase or decrease as a result of currency fluctuations. **Data represents the FF FIRST All Country World Composite, which is a chain-link of the pilot fund (28 June 2013 to 04 December 2014) and the live fund which became available for purchase by clients on 04 December 2014.** Comparative Index: MSCI All Country World Index (N). Performance is gross of fees in USD terms. Live fund performance may differ from this pilot performance based on the impact of actual expenses associated with live fund management, administration, transaction costs, shareholder inflows and outflows. Pilots are funded entirely by Fidelity and are not available for client investment. All trading for pilots is transacted via Fidelity's centralised dealing desk, in the same way as a live fund. However, in the absence of sufficient liquidity, all client orders must be completed in full before a pilot receives any allocation. Pilots may also not trade with client accounts. Matt Jones has managed the pilot fund since inception. Hiten Savani joined as co-manager in October 2013. Date of inception: 28 June 2013.

References to specific securities should not be taken as recommendations and may not represent actual holdings in the portfolio at the time of this viewing.

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