

**SHINING A LIGHT ON THE.....
Fidelity Global Dividend Fund**

AT A GLANCE

Investment Objective	
The Fund's investment objective is to achieve income and long-term capital growth from a portfolio consisting primarily of the shares of companies from around the world. The ACD will choose investments which it believes offer attractive dividend yields in addition to price appreciation. The Fund may also invest in other transferable securities, units in collective investment schemes, money market instruments, cash and deposits.	

Inception Date	30 th January 2012
Fund Factsheet Link	http://www.morningstar.co.uk/uk/funds/snaps/hot/snapshot.aspx?id=F00000NN1Q

Management	
Manager Name	Start Date
Daniel Roberts	30 th January 2012

Investment Style Details	
Equity Style	
Market Capitalisation	% of Equity
Giant	63.56%
Large	23.78%
Medium	12.65%
Small	0.00%
Micro	0.00%

Top 10 Holdings		
Total number of holdings	51	
Assets in Top 10 Holdings	39.16%	
Name	Sector	% of Assets
Diageo PLC	Consumer Defensive	4.71%
Wolters Kluwer NV	Consumer Cyclical	4.42%
Fidelity ILF - USD A Acc	-	4.22%
RELX NV	Consumer Cyclical	4.12%
Johnson & Johnson	Healthcare	4.00%
US Bancorp	Financial Services	3.95%
Taiwan Semiconductor Manufacturing Co...	Technology	3.66%
Royal Dutch Shell PLC Class A	Energy	3.56%
Deutsche Boerse AG	Financial Services	3.40%
Procter & Gamble Co	Consumer Defensive	3.12%

Volatility Measurements	
3-Yr Std Dev (volatility)	10.14%
3-Yr Mean Return (average)	10.78%

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FUND PERFORMANCE

Performance from 1st January 2013 to 31st January 2018:

	2013	2014	2015	2016	2017	2018
Fidelity Global Dividend Fund	24.26%	12.32%	8.44%	21.63%	5.81%	-0.95%
iShares MSCI World	30.32%	10.75%	1.17%	8.13%	17.26%	3.33%

Performance over 12 months, 3 years, 5 years and since manager tenure:

	1 year	3 years	5 years	Since launch
Fidelity Global Dividend Fund	4.81%	34.43%	79.04%	111.35%
iShares MSCI World	20.70%	34.26%	77.75%	106.86%

You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

UPDATE....

This was our first introduction to the fund and fund manager. Dan introduced the fund by explaining that he came to Fidelity to launch this strategy. The aim was (and remains) to launch an unconstrained portfolio delivering a dividend based total return with capital preservation at the heart of the philosophy. The USP of the fund is the capital preservation part of the strategy and it is reflective that when markets go down this tends to lose less money because of the types of stocks he picks.

The challenge is that over the last 18 months the fund has struggled, and this is naturally reflecting in the longer-term figures. Dan explained that it has not been a good time for dividend strategies. His strategy is about finding good companies at good valuations. However, low interest rates and low inflation means that there are less opportunities in the market. Combined with this are the disruptors who are taking market share and growing but not paying any dividends.

The fund does invest in technology but prefers old technology like Cisco; it avoids new technology where the dividend distribution tends to be zero. From a geographical perspective the US is a natural hunting ground, but Dan is finding opportunities in Japan with companies like Bridgestone and NT&T.

Dan explained some of the positions and why he has held onto some detractors and sold others. As an example, he explained that GE had been purchased on the premise that there would be improving capital allocation and refocusing across core businesses. However, a significant fall in cashflow meant that they decided to exit the position. On the other side Edison has visible growth returns on low-risk projects but concerns over its exposure to the Californian wildfires has meant that it's market value has shrunk. However, the reasons for buying the stock remain, and they have held onto the position.

Over the 12 months Dan has removed 14 stocks and added 11 new stocks, and clearly there is an argument that a number of the strategies haven't worked. This might be reflective of the market and that his style of management is out of favour. In the discussions there wasn't anything that made us feel that the fund stood out from the crowd, and therefore if poor stock picking is part of the problem then this might be reflective in the high turnover of stocks. On the other side of the coin it is worth

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adding that a number of global income strategies have struggled, and therefore it might not be to do with stock picking.

In summary, by the fund managers own admission the fund has struggled recently and coming into 2018 this has continued. The manager has clearly reorganised the portfolio and this perhaps is a reflection that some of the stocks have simply not worked for the fund. Having said that, a brand like Fidelity would not back a fund manager for this length of time if they didn't believe in him and therefore perhaps these changes will pay "dividends" over the coming years.

The source of information in this note has been provided by Fidelity and is correct as at February 2018. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.