

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.	

Inception Date	30 th January 2012
Fund Factsheet Link	http://www.morningstar.co.uk/uk/funds/snaps/hot/snapshot.aspx?id=F0000NN1P

Management	
Manager Name	Start Date
Daniel Roberts	30 th January 2012

Investment Style Details	
Equity Style	
Market Capitalisation	% of Equity
Giant	50.42%
Large	44.30%
Medium	5.28%
Small	0.00%
Micro	0.00%

Top 10 Holdings		
Total number of holdings	46	
Assets in Top 10 Holdings	35.79%	
Name	Sector	% of Assets
Fidelity ILF	-	5.03%
Deutsche Boerse AG	Financial Exchanges	4.25%
Roche Holdings AG	Drug Manufacturers	3.63%
Unilever PLC	Household & Personal Products	3.60%
US Bancorp	Banks – US	3.54%
Procter and Gamble Co	Household & Personal Products	3.27%
Informa PLC	Publishing	3.20%
Taiwan Semiconductor Manufacturing Co Ltd	Semiconductors	3.17%
Oracle Corp	Software	3.07%
Zurich Insurance	Insurance	3.03%

Volatility Measurements	
3-Yr Std Dev (volatility)	8.35%
3-Yr Mean Return (average)	10.13%

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FUND PERFORMANCE

Performance from 1st January 2013 to 30th August 2019:

	2013	2014	2015	2016	2017	2018	2019
Fidelity Global Dividend Fund	24.26%	12.32%	8.44%	21.63%	5.81%	1.42%	19.51%
iShares MSCI World	30.32%	10.75%	1.17%	8.13%	17.26%	-8.94%	13.75%

Performance over 12 months, 3 years, 5 years, and since launch:

	1 year	3 years	5 years	Since launch
Fidelity Global Dividend Fund	14.12%	32.23%	80.71%	158.63%
iShares MSCI World	-0.64%	27.85%	37.18%	107.35%

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....

The fund was launched in 2012 and is described as a cautious strategy aiming to preserve capital. Dan set up the fund and has over 18 years' experience at Fidelity. His approach is to start with a blank sheet of paper and then construct a high conviction portfolio of around 40 to 60, stocks focused on the best ideas across different industries and geographies.

Although this is a dividend fund, he believes that this shouldn't be at the expense of capital growth. The yield on the fund is 3% and this has grown each year.

In terms of valuations they have a spread of risk and believe they are fishing in the middle ground; a goldilocks approach not too expensive and not too cheap.

When looking at companies they want those that have good visibility in terms of earnings and revenue. They are looking to avoid those companies which engineer earnings growth and have high levels of debt. The fund is currently positioned with 54% in Europe and the UK, 31% in Americas and the balance in Asia. They like Asia because the levels of debt are much lower.

The fund will tend to underperform when the market is racing away but will tend to deliver more "protection" on the downside in falling markets. The focus on quality is permanent and not tactical and they believe that this approach will help them to outperform across a full market cycle.

There are few strategies in the market which adopt this approach, from the likes of JOHCM, Barings and Morgan Stanley. Where these funds have a place in someone's portfolio is the downside "protection" and fundamentally as this fund has shown over the cycle, they have the potential to outperform.

This fund is more than likely to hold names which most investors will know and therefore the viability of well-known names may provide comfort to some investors.

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In summary, this is a cautious strategy that is looking to protect and grow capital over an investment cycle. It can't claim to avoid periods of negative performance, but the team believe the focus on quality will help in delivering long-term positive returns. The fund was set up and continues to be run by Dan, and this is an important consideration. This can be used as a standalone strategy or as a blend against a more aggressive global strategy.

The source of information in this note has been provided by Fidelity and is correct as at September 2019. 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.