

SHINING A LIGHT ON THE.....
Fidelity Asia Pacific Opportunities Fund

AT A GLANCE

Investment Objective	
The Fund's investment objective is to achieve long term capital growth from a portfolio primarily made up of the securities of companies having their head office or exercising a predominant part of their activity in the Asia Pacific region excluding Japan.	

Inception Date	24 September 2014
Fund Factsheet Link	https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F00000UE35

Management	
Manager Name	Start Date
Anthony Srom	24 th September 2014

Investment Style Details	
Equity Style	
Market Capitalisation	% of Equity
Giant	61.50%
Large	24.80%
Medium	9.22%
Small	4.47%
Micro	0.01%

Top 10 Holdings		
Total number of holdings	32	
Assets in Top 10 Holdings	58.82%	
Name	Sector	% of Assets
Hangzhou Hik-V Dig Tech	Technology	8.48%
AIA Group	Financial Services	8.31%
HDFC Bank Ltd	Financial Services	7.30%
Fidelity ILF - USD A Acc	-	6.29%
Franco-Nevada Corp	Basic Materials	5.76%
BOC Aviation	Industrials	5.72%
Sun Hung Kai Properties	Real Estate	4.88%
China Petroleum and Chem Corp	Energy	4.20%
Taiwan Semiconductor Manufacturing Co...	Technology	4.02%
Bank Rakyat Indonesia (Persero) Tbk C...	Financial Services	3.86%

Volatility Measurements	
3-Yr Std Dev (volatility)	14.66%
3-Yr Mean Return (average)	5.02%

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FUND PERFORMANCE

Performance from 24 September 2014 to 31 March 2020:

	2014	2015	2016	2017	2018	2019	2020
Fidelity Asia Pacific Fund	2.90%	7.24%	32.28%	28.72%	-5.80%	25.61%	-15.03%
iShares MSCI AC Far East ex JPN ETF	2.81%	-5.92%	27.34%	28.84%	-10.18%	13.60%	-11.27%

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

	1 year	3 years	Since launch
Fidelity Asia Pacific Fund	-5.93%	15.83%	88.88%
iShares MSCI AC Far East ex JPN ETF	-7.00%	4.86%	43.66%

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 update has been written at the time of the Coronavirus Pandemic of 2020, which has impacted the global financial markets in a way that has never been seen before.

This was a brief update with the team to understand their current views and if anything has changed in terms of the fund. In terms of the macro picture they believe the recovery will take longer than most governments expect, and they think the markets have got too far ahead of themselves. They are also concerned about demand implications for the region. They do not believe you solve a debt problem with more debt, and all this will do is make it harder to get any growth moving forward.

In terms of the demand concerns, they explained that although China is back to near full capacity, no-one is buying the products and therefore there is an issue of oversupply.

In terms of the fund they have a 19% exposure to China A which has a domestic bias. This is because they are more confident on internal Chinese demand vs global demand. They have also been looking at some of the winners going forward. The fund has about 6% weighting to gold which they think will perform well coming out of this. They have always had a contrarian tilt, and this means they have been looking at casino operators, airlines and semi-conductors which all have a very negative short-term view.

What they are looking at is what underpins the business, are these trends here to stay and where will these businesses be in 3 to 4 years' time. The travel sector is a big area for them to focus on because the market is pricing it such that it will never come back. Some of the additions to the fund include a port company, TB Insurance, Flight Centre, and Oil Search. They have also been building on their position in China Merchant Shipping.

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The top ten now make up for over 50% of the fund and these are what underpin it. They believe the fund has held up well in the recent turbulence within markets, but they are concerned about how the market is viewing the outcome. In the short-term they are seeing opportunities and where appropriate, building positions with a focus on the next 3 to 4 years.

The source of information in this note has been provided by Fidelity and is correct as at April 2020. 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.