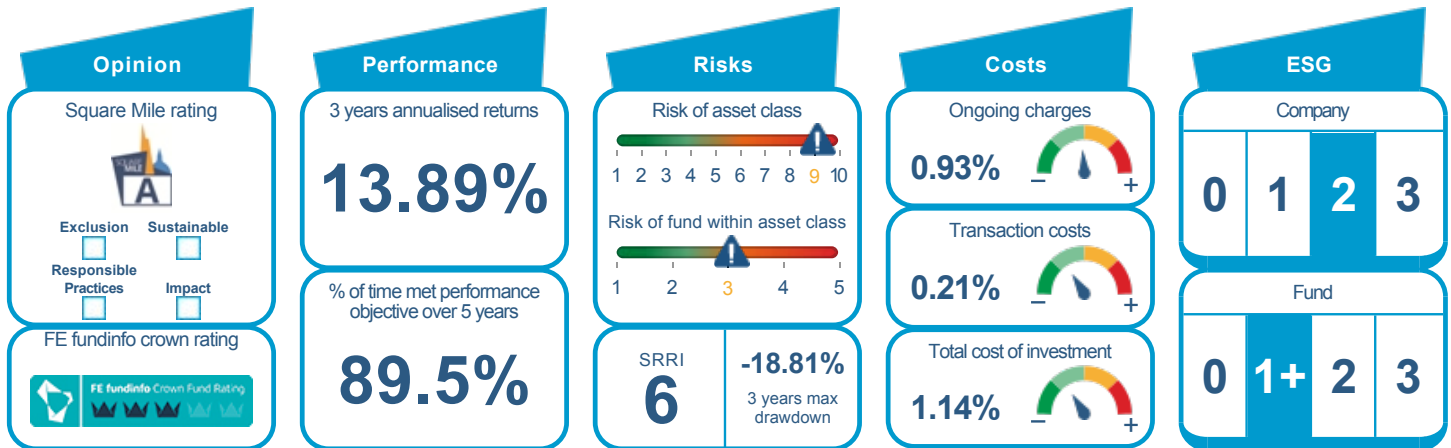


# Fidelity Asia W Acc

November 2021  
Investment Research



## Overview

The fund invests in a portfolio of Asian companies, excluding Japan. Investments will typically be in medium and larger sized companies. We believe the fund's manager is capable of achieving attractive capital returns for investors over the long run. However, this is an equity fund investing in developing markets that can exhibit significant volatility and, over shorter time periods, the fund may well experience highly variable performance both in an absolute sense and relative to its benchmark index.

Capital Accumulation	Capital Preservation	Income	Inflation Protection
●			

## Square Mile Expected Outcome

We believe the fund should be able to outperform MSCI AC Asia ex Japan index over the longer term, which we would consider to be rolling five year periods.

<b>Active/Passive:</b> Active	<b>Domicile:</b> United Kingdom
<b>Asset Class:</b> Equity	<b>IA Sector:</b> IA Asia Pacific Excluding Japan
<b>Launch Date:</b> 13/10/1984	<b>Fund Size (as at 30 Sep 2021):</b> £4139.6m
<b>Yield:</b> 0.42%	<b>Distribution Pay Date:</b> Mar 01 (Final)
<b>Fund Manager:</b> Teera Chanpongsang	<b>Ongoing Charge Figure:</b> 0.93%
	<b>Transaction Cost ex Ante:</b> 0.21%



## Fund Opinion

We believe this fund's manager should be capable of meeting his longer-term objectives, but there will be times that he may fall short of these. The manager's willingness to stay true to his philosophy and maintain positions can lead to short-term setbacks, for instance, when markets are chasing certain themes or are influenced by external events rather than company fundamentals. However, the manager's experience of investing through different economic conditions gives him the edge one needs to run this type of strategy and we believe this fund may be an attractive choice for investors with a long-term horizon. The fund offers investors access to a very experienced manager, who is supported by a well-resourced team of analysts based in the region. The mandate affords Mr Chanpongsang the flexibility to invest where he sees fit, but he is always looking at potential problems that can arise with his companies, and this balances well with his stock-picking, in our opinion. He has an excellent understanding of the region, the ecosystem within which companies operate, as well as the businesses themselves. He exhibits a good grasp of risk both at the individual stock level and overall portfolio level. The manager has access to and makes use of a large pool of analysts and portfolio managers, who he is very familiar with, having been with Fidelity for well over 20 years.

## Fund Description

Fidelity International, was established in 1969 as the international investment arm of Fidelity Investments, founded by Edward C Johnson 2nd in 1946 in Boston. It is a privately own company and invests for the long term. The business operates globally (ex US) and provides investment solutions for institutional and individual clients across the equity, fixed income, multi-asset and real estate markets.

Teera Chanpongsang has been managing this fund since January 2014, but first started running money in July 1998 when he took charge of Fidelity's Thailand fund. He has been managing Asian equity portfolios ever since. Mr Chanpongsang is supported by an impressive team of regionally located portfolio managers and analysts.

The manager tends to have a long-term time frame when investing in a company. He is essentially looking for growing companies that trade below their intrinsic value. However, he has a flexible approach and will consider all industries and investable markets within the region. His mosaic approach means the fund will comprise of both global leaders in Asia as well as those that he believes have unrealised growth potential, improving operating fundamentals or that are well positioned to benefit from cyclical rotations in their industry. Since the manager took charge of the fund, the fund has tended to outperform the index on a consistent basis through the investment cycle.

In his search for new ideas, he typically likes to engage in a significant round of company meetings, combining his research with stock ideas generated by Fidelity's in-house analysts. He particularly likes scrutinising a company's accounting policy, while site visits help him to further assess the profitability and attractiveness of the business, its track record, the quality of the management team, the valuations and the level of returns potentially available to shareholders.

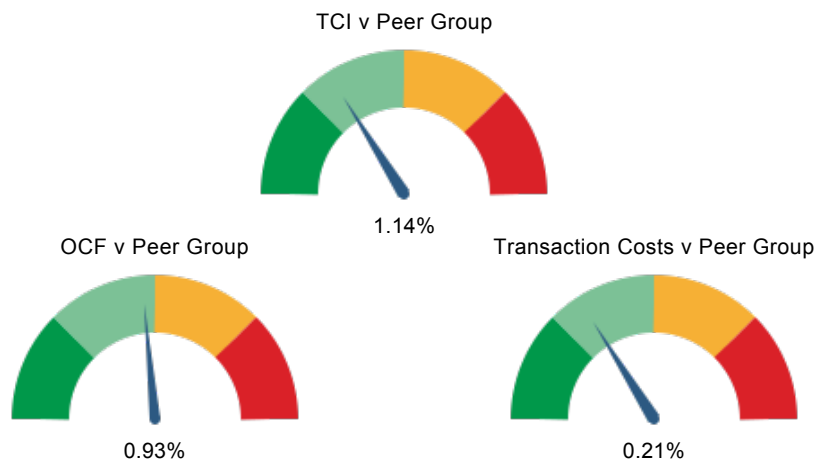
Country and sector allocations are usually driven by the manager's stock choices and whilst he has relative freedom to invest the portfolio as he sees fit, there are some loose guidelines he prefers to follow at the stock and sector level. He finds the majority of ideas within the mid and large cap space and looks to build a portfolio of 90 to 120 stocks, although he may also incubate some positions, which could increase the number of holdings to a maximum of 150.

## Risk Summary

This fund's asset class risk score is high, but the fund is exposed to Asian markets, which can be very volatile. A long-term investment horizon is helpful to weather the ups and downs in this asset class whilst large inflows and hot money into the region can also lead to general exuberance and over-optimism at times and equity valuations stretching beyond their fundamental boundaries. The fund's risk is higher than its peer group, but the manager's investment process, which leads to company selection driving the fund's positioning, means that at times the strategy can look very different to peers and the regional market index. Relatively large active positions can be taken at the geographical, sector, market capitalisation and stock level.

## Value for Money

The fund has an attractive total cost of investment (TCI). This is a space that does include many funds with varied objectives and mandates, but we believe that this particular fund represents good value for money as investors have access to an experienced Asian manager as well as Fidelity's impressive research resources in the region. Such characteristics are not easy to find or replicate.



## ESG Integration

<b>Company Assessment</b>	0	1	2	3
ESG factors are considered formally but are not instrumental within all of the company's investment processes.				
<b>UN PRI Strategy &amp; Governance Rating</b>	A+			
<b>Fund Assessment</b>	0	1+	2	3
ESG factors are available to the fund managers as an input to their analysis, but they are not compelled to consider them as a factor when making investment decisions				

## Responsible Investing Approach

Exclusion	Responsible Practices	Sustainability	Impact
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## Additional Information

<b>Annualised Return</b>	13.89%
<b>Annualised Volatility</b>	16.05%
<b>Max Drawdown</b>	-18.81%
<b>Max Gain</b>	12.19%
<b>Max Loss</b>	-15.71%
<b>Sharpe Ratio</b>	0.74
<b>Sortino Ratio</b>	0.73

(3 years data to last month end unless otherwise stated)

### Currency of Share Class

GBP

### Fund Price (as at 12 Nov 2021)

1829.0 pence

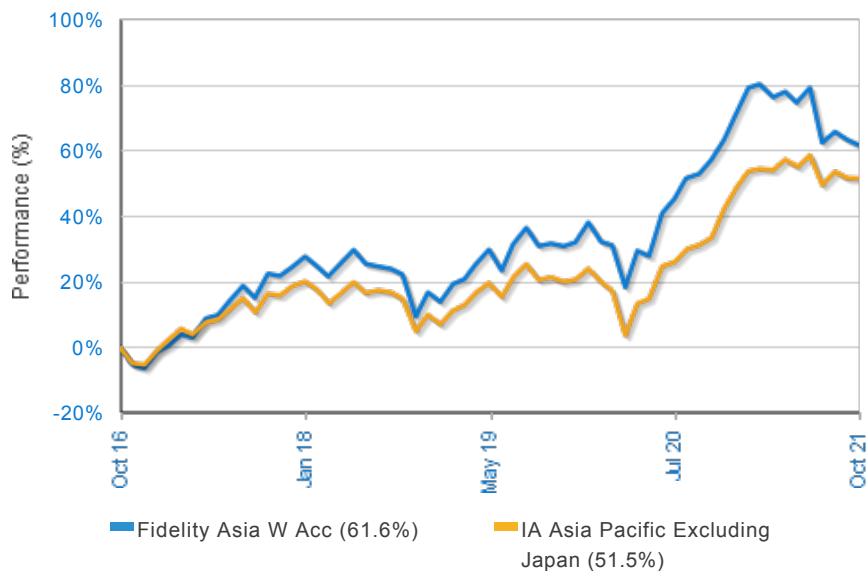
### Benchmark

MSCI AC Asia Ex Japan

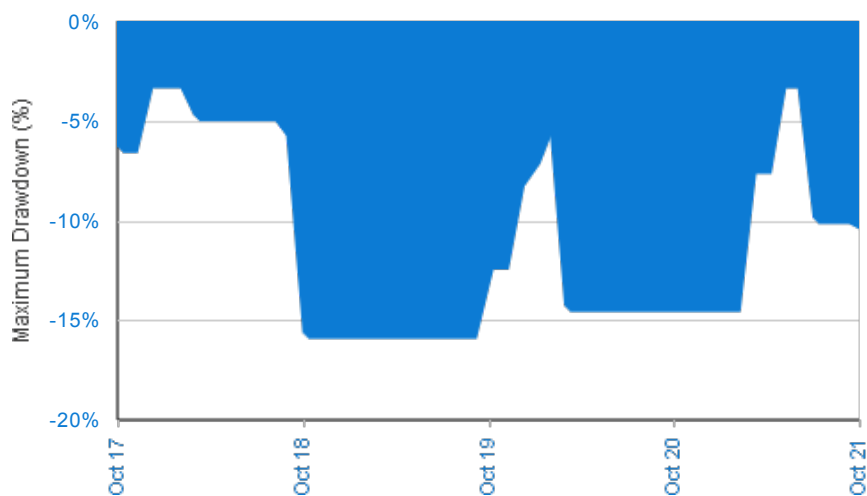
## Discrete Annual Performance to Last Quarter End

Period	Fund (%)	Sector (%)	Quartile Ranking
0-12m	6.8	15.5	4
12-24m	16.1	8.1	1
24-36m	7.7	5.6	2
36-48m	6.2	3.8	2
48-60m	19.9	15.7	1

## Capital Growth



## Maximum Drawdown (Rolling 12 Months)



## Top Ten Holdings

(Data as at 30 Sep 2021)

Company Name	%
TAIWAN SEMICONDUCTOR MANUFACTURING	9.2
SAMSUNG ELECTRONICS CO	7.8
AIA GROUP LTD	5.7
TENCENT HLDGS LTD	5.7
ALIBABA GROUP HLDG LTD	4.5
HDFC BANK LTD	3.6
INFOSYS	2.4
NAVER CORP	2.4
WUXI BIOLOGICS (CAYMAN) INC	2.4
MEDIATEK INC	2.2

## Sector Breakdown

(Data as at 30 Sep 2021)



- Information Technology (28%)
- Financials (25%)
- Consumer Discretionary (15%)
- Communications (11%)
- Consumer Staples (6%)
- Health Care (5%)
- Money Market (3%)
- Industrials (2%)
- Materials (2%)
- Other (2.6%)

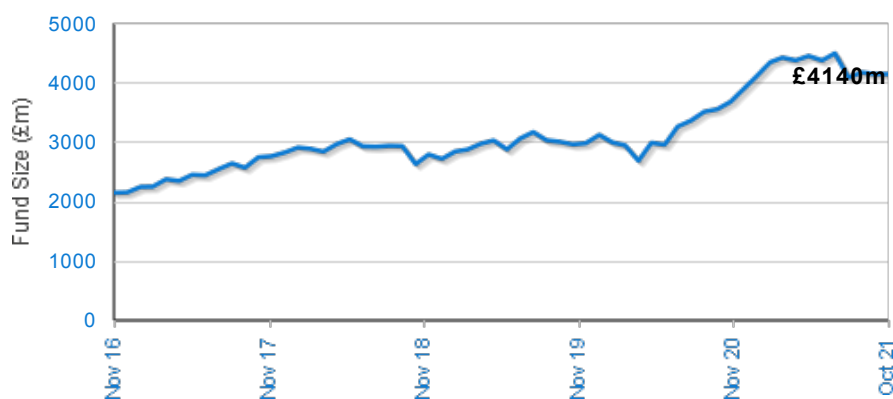
## Geographic Breakdown

(Data as at 30 Sep 2021)



- China (32%)
- Korea (16%)
- India (16%)
- Taiwan (14%)
- Hong Kong (11%)
- Singapore (3%)
- Money Market (3%)
- Indonesia (2%)
- Thailand (2%)
- Other (0.3%)

## Assets Under Management



## Qualitative Risk Assessment

	Significant	Potentially Significant	Not Significant
Equity Risk	●		
Interest Rate Risk		●	
Credit Risk			●
Exchange Rate Risk	●		
Liquidity Risk			●
Emerging Markets Risk	●		
Derivative Risk			●
Manager Risk	●		

### Equity Risk

The fund is predominately invested in shares listed on Asia stock exchanges. Shares are volatile investments, particularly those of Asian companies and this volatility is typically heightened at times of economic stress.

### Interest Rate Risk

The fund is an Asian equity fund. Higher interest rates may adversely affect valuations of shares.

### Credit Risk

This fund does not have significant exposure to corporate debt.

### Exchange Rate Risk

The fund predominately invests in overseas markets and therefore it is exposed to foreign currencies. Currency markets may move sharply.

### Liquidity Risk

The fund invests in liquid assets and any sale should be possible at close to the prevailing market price.

### Emerging Markets Risk

The fund predominately invests in emerging regions. Economic, political, legal and market events in the region may have a material adverse effect on the fund price. Valuations in emerging market assets can be volatile.

### Derivative Risk

The portfolio is predominantly invested in underlying cash securities.

### Manager Risk

The manager is seen as a critical element in Square Mile's rating of the fund. Square Mile is likely to downgrade the fund if the manager were to leave.

FE Risk Rating: 103.00

SRRI: 6

## Disclaimer

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