FIDELITY FUNDS

# GLOBAL PROPERTY FUND A-USD



## Portfolio manager: Dirk Philippa

## Performance over quarter in USD (%)

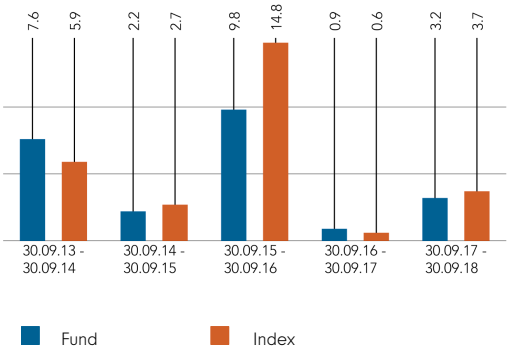
| | |
|---|---|
| Fund | -1.5 |
| Market index | -0.3 |

FTSE EPRA/NAREIT Developed Index (N)

Market index is for comparative purposes only.

Source of fund performance is Fidelity. Basis: nav-nav with income reinvested, in USD, net of fees. Other share classes may be available. Please refer to the prospectus for more details.

## Performance for 12 month periods in USD (%)




## Market Environment

Global property markets ended the third quarter of 2018 in negative territory in US dollar terms, but generated positive returns in sterling terms. The housing market in the US was positive as supportive economic fundamentals, a strong labour market and tax incentive programmes continued to drive demand for residential property. Demand for commercial property, particularly for large industrial warehouses among online businesses and third-party logistics companies, remained high. In the eurozone, house price recovery continues to be supported by an accommodative monetary policy and accelerating economic activity. In Germany, home prices are being driven by strong demand from domestic and foreign investors, as well as lower borrowing costs. Spanish real estate equities were weighed down due to overall weakness in the stock market, while low interest rates and sustained economic recovery continue to support demand for residential properties. Within Asia, the property market in Hong Kong came under pressure due to rising interest rates, a slowing domestic economy and depreciation of the Chinese yuan. In Singapore, the government announced cooling measures to control surging home prices and keep them in line with economic fundamentals. In the UK, home prices continued to grow steadily, albeit at a modest pace. Subdued economic activity, pressure on household budgets and Brexit-related uncertainties weighed on overall sentiment.

## Fund Performance

The fund underperformed the index over the quarter, due to the weak performance of Hong Kong-based holdings. An overweight allocation to Spanish equities weighed on returns. Australian positions also held back gains. These losses were partially offset by strong stock picking in the US and Singapore.

**Disappointing security selection in Hong Kong**
Shares in CSI Properties and Hysan Development fell over the quarter. The exposure to both these stocks was increased to benefit from the weakness in their share prices. While CSI Properties has a good balance sheet and strong upside potential, Hysan Development has high-quality assets and is a beneficiary of good rental growth.

**Overweight in Spain proved unfavourable**
High conviction holdings, including Merlin Properties and Inmobiliaria Colonial were among the largest decliners. Shares in Inmobiliaria Colonial fell as it reported slightly weaker results for the first half of 2018. Both these positions were retained as they are well placed to take advantage of the stable economic expansion and sustained rental recovery in Spain.

**Strong stock picking in the US and Singapore**
In the US, Blackstone Group, a global alternative asset manager with a focus on real estate, was the key standout contributor to returns. Its shares rose on the robust growth outlook for fee-related earnings and asset under management over the medium term. Holdings in real estate investment trust (REIT) Equity Lifestyle Properties and self-storage provider Public Storage also performed well. In Singapore, Capitaland Commercial Trust benefited from revenue growth in the first-half of 2018, primarily driven by new acquisitions.

## Fund Positioning

The fund has a sizable allocation to the US, with a preference for residential and industrial companies and an underweight stance in the retail sector. The portfolio is overweight in Europe, with a preference for Spanish offices and German residential equities. In Asia, the manager is overweight in Hong Kong and Singapore. Elsewhere, the underweight stance in the UK was retained amid Brexit-related uncertainties. At the industry level, the fund has an overweight exposure to the residential and offices segments, and a significant underweight in retail.

**Narrowed underweight in the US**
A new position was purchased in Corporate Office Properties, an office buildings REIT. The company has stable cash flows relative to its peers as it is exposed to the defence segment and other knowledge-based government demand drivers. It benefits from above-average tenant credit quality and retention rates. During the quarter, the position in Essex Property Trust was reduced and the proceeds were reinvested in Camden Property Trust.

**Profit taking in strong performers**
Positions in Australian property company Goodman Group and Canadian Apartment Property were sold to lock-in gains. The proceeds were used to purchase shares in an attractively valued French shopping centre operator that is focused on actively disposing-off weaker centres while focusing on extensions and refurbishments at its high quality European retail assets. The allocation to Icade was also increased. It announced a strategic plan to split its health care business in the next two to four years, and to focus on development and asset rotation in Greater Paris.

## Important Information

Past performance is not a reliable indicator of future results. The fund's returns can be affected by fluctuations in currency exchange rates.

The value of investments and any income from them may go down as well as up and an investor may not get back the amount invested. The use of financial derivative instruments may result in increased gains or losses within the fund. Liquidity is a measure of how easily an investment can be converted into cash. Under certain market conditions assets may be difficult to sell.

Fidelity™ INTERNATIONAL

# GLOBAL PROPERTY FUND A-USD



## Attribution

Performance attribution is produced in the currency shown below. For funds with multiple share classes, the attribution return reflects the aggregate performance across all the share classes. It may therefore deviate from the published return for a particular share class. When using the analysis for hedged share classes, please consider that the attribution is shown before the impact of hedging.

The contributions shown in the tables are before the impact of charges. If charges are applied, their effect is captured in the "Other" category in the tables and will also be reflected in the fund return.

All investments, including derivatives, linked to a particular issuing company have been combined to form a total percentage for each issuing company.

The sector/industry and country contribution tables (where relevant) display a maximum of eleven individual sectors/industries or countries. For funds investing in more than eleven sectors/industries or countries, only top five and bottom five are listed, with the contribution from other sectors/industries or countries shown in the "Other Sectors" or "Other Countries" category.

| | |
|---|---|
| Currency of attribution | US Dollar (USD) |
| Three month relative return (%) | -0.87 |

## Position Contribution (%) — 3 months

| TOP CONTRIBUTORS | Average Relative Weight | Relative Performance Contribution |
|---|---|---|
| BLACKSTONE GROUP LP | 3.3 | 0.56 |
| BROOKFIELD PPTY REIT INC | -0.1 | 0.24 |
| CAPITALAND COMMERCIAL TRUST | 2.5 | 0.17 |
| UNIBAIL-RODAMCO-WESTFIELD | -1.2 | 0.11 |
| EXTRA SPACE STORAGE INC | -0.8 | 0.10 |
| EQUITY LIFESTYLE PPTYS INC | 2.3 | 0.10 |
| PUBLIC STORAGE | -1.0 | 0.09 |
| VONOVIA SE | 2.9 | 0.08 |
| SUN COMMUNITIES INC | 2.7 | 0.08 |
| CK ASSET HOLDINGS LTD | -1.4 | 0.07 |

| TOP DETRACTORS | Average Relative Weight | Relative Performance Contribution |
|---|---|---|
| CSI PROPERTIES LTD | 1.8 | -0.36 |
| HYSAN DEVELOPMENT LTD | 2.9 | -0.27 |
| MERLIN PROPERTIES SOCIMI SA | 2.6 | -0.17 |
| GREAT PORTLAND ESTATES PLC | 2.1 | -0.16 |
| INMOBILIARIA COLONIAL SOCIMI | 2.4 | -0.13 |
| AMERICAN CAMPUS CMNTYS INC | 2.8 | -0.12 |
| AMERICAN HOMES 4 RENT | 3.8 | -0.11 |
| PEBBLEBROOK HOTEL TR | 1.6 | -0.11 |
| SIMON PPTY GROUP INC NEW | -1.6 | -0.10 |
| LINK REAL ESTATE INVEST TR | -1.4 | -0.10 |

Positions in other funds - including ETFs (Exchange Traded Funds) - can appear in this table, but index derivatives form part of an "Index / Unclassified" category which will appear in the table(s) below when relevant.

## Sector/Industry Contribution (%) — 3 months

CONTRIBUTIONS TO RELATIVE RETURN

| epr1 Sector | Average Relative Weight | Security Selection | Sector/ Industry Selection | Total Relative Contribution |
|---|---|---|---|---|
| Diversified | -3.7 | 0.54 | 0.08 | 0.62 |
| Industrial | -1.4 | -0.11 | 0.10 | -0.02 |
| Hotels | -2.6 | -0.14 | -0.03 | -0.17 |
| Retail | -11.9 | -0.31 | 0.03 | -0.28 |
| Residential | 14.8 | -0.88 | 0.40 | -0.48 |
| Offices | 1.9 | -0.55 | -0.02 | -0.57 |
| Total Primary Assets | -3.0 | -1.45 | 0.55 | -0.90 |
| Other* | 3.0 | | | 0.03 |
| TOTAL | 0.0 | | | -0.87 |

## Country Contribution (%) — 3 months

CONTRIBUTIONS TO RELATIVE RETURN

| | Average Relative Weight | Security Selection | Country Selection | Total Relative Contribution |
|---|---|---|---|---|
| United States | -1.3 | 0.24 | 0.00 | 0.24 |
| Singapore | 0.3 | 0.11 | 0.01 | 0.12 |
| France | -0.8 | 0.04 | 0.05 | 0.09 |
| United Kingdom | -1.5 | -0.01 | 0.09 | 0.08 |
| Switzerland | 0.1 | 0.06 | 0.00 | 0.07 |
| Canada | -2.4 | 0.02 | -0.10 | -0.08 |
| Sweden | -1.6 | 0.00 | -0.15 | -0.15 |
| Australia | -2.4 | -0.20 | 0.01 | -0.19 |
| Spain | 5.0 | 0.02 | -0.34 | -0.33 |
| Hong Kong | 3.5 | -0.65 | -0.09 | -0.74 |
| Other Countries | -1.8 | -0.14 | 0.14 | 0.00 |
| Total Primary Assets | -3.0 | -0.52 | -0.38 | -0.90 |
| Other* | 3.0 | | | 0.03 |
| TOTAL | 0.0 | | | -0.87 |

*Other includes portfolio components not already listed such as cash, expenses and other miscellaneous items.

# GLOBAL PROPERTY FUND A-USD



## Important Information

This information must not be reproduced or circulated without prior permission. Fidelity International refers to the group of companies which form the global investment management organisation that provides information on products and services in designated jurisdictions outside of North America. Fidelity only offers information on its own products and services and does not provide investment advice based on individual circumstances. This communication is not directed at, and must not be acted upon by persons inside the United States and is otherwise only directed at persons residing in jurisdictions where the relevant funds are authorised for distribution or where no such authorisation is required. Unless otherwise stated all products and services are provided by Fidelity International, and all views expressed are those of Fidelity International. Fidelity, Fidelity International, the Fidelity International logo and F symbol are registered trademarks of FIL Limited.

Morningstar annualised growth rates, total return, sector median performance and ranks - Data Source - © 2018 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

Before investing you should read the key information document, which is available in your local language through the website www.fidelityinternational.com or from your distributor.

**Austria**: Investments should be made on the basis of the current prospectus/Key Investor Information Document (KIID), which is available along with the current annual and semi-annual reports free of charge from our European Service Centre in Luxembourg, FIL (Luxembourg) S.A. 2a, rue Albert Borschette BP 2174 L-1021 Luxembourg as well as with the Austrian paying agent UniCredit Bank Austria AG, Schottengasse 6-8, 1010 Wien, FIL (Luxembourg) S. A. – Zweigniederlassung Wien, Mariahilfer Strasse 36, 1070 Wien or www.fidelity.at. Issued by FIL (Luxembourg) S.A.

**Chile**: Neither the issuer nor the securities have been registered with the Superintendencia de Valores y Seguros pursuant to law no. 18,045, the Ley de Mercado de Valores, and regulations thereunder. This document does not constitute an offer of, or an invitation to subscribe for or purchase, the securities in the republic of Chile, other than to individually identified buyers pursuant to a private offering within the meaning of article 4 of the Ley de Mercado de Valores (an offer that is not "addressed to the public at large or to a certain sector or specific group of the public").

**Czech Republic**: Investments should be made on the basis of the current prospectus/Key Investor Information Document (KIID), which is available in your local language along with the current annual and semi-annual reports free of charge from our paying agent UniCredit Bank Czech Republic a.s., Zeletavska 1525/1, 14092 Prag 4 - Michle, Czech Republic. Issued by FIL (Luxembourg) S.A.

**Denmark**: Investments should be made on the basis of the current prospectus/Key Investor Information Document (KIID), which is available in your local language along with the current annual and semi-annual reports free of charge from your financial advisor or from the branch of your bank or from www.fidelity.dk. Issued by FIL (Luxembourg) S.A.

**Finland**: Investments should be made on the basis of the current prospectus/Key Investor Information Document (KIID), which is available along with the current annual and semi-annual reports free of charge from your financial advisor or from the branch of your bank and from www.fidelity.fi. Issued by FIL (Luxembourg) S.A.

**France**: Investments should be made on the basis of the current prospectus/Key Investor Information Document (KIID), which is available along with the current annual and semi-annual reports free of charge from your financial advisor or from the branch of your bank or visit the Fidelity website. Issued by FIL Gestion, a portfolio management company approved by the AMF under the number GP03-004, 29 rue de Berri, 75008 Paris.

**Germany**: Investments should be made on the basis of the current prospectus/Key Investor Information Document (KIID), which is available along with the current annual and semi-annual reports free of charge from FIL Investment Services GmbH, Postfach 200237, 60606 Frankfurt/Main or www.fidelity.de. Issued by FIL Investment Services GmbH.

**Hungary**: Investments should be made on the basis of the current prospectus/Key Investor Information Document (KIID), which is available along with the current annual and semi-annual reports free of charge from our distributor Raifeisenbank Zentralbank Österreich AG, Akademia u. 6, 1054 Budapest. Issued by FIL (Luxembourg) S.A.

**Iceland**: Investments should be made on the basis of the current prospectus/Key Investor Information Document (KIID), which is available along with the current annual and semi-annual reports free of charge from your financial advisor or from the branch of your bank. Issued by FIL (Luxembourg) S.A.

**Italy**: Investments should be made on the basis of the current prospectus/Key Investor Information Document (KIID), which is available along with the current annual and semi-annual reports free of charge from your financial advisor or from the branch of your bank. Issued by FIL (Luxembourg) S.A.

**Luxembourg**: Investments should be made on the basis of the current prospectus/Key Investor Information Document (KIID), which is available along with the current annual and semi-annual reports free of charge from our distributors or www.fidelity.lu. Issued by FIL (Luxembourg) S.A.

**Malta**: Investments should be made on the basis of the current prospectus/Key Investor Information Document (KIID), which is available along with the current annual and semi-annual reports free of charge from Growth Investments Limited (which is licensed by the MFSA). Fidelity Funds are promoted in Malta by Growth Investments Ltd in terms of the EU UCITS Directive and Legal Notices 207 and 309 of 2004. The Funds are regulated in Luxembourg by the Commission de Surveillance du Secteur Financier. Issued by FIL (Luxembourg) S.A.

**Netherlands**: Investments should be made on the basis of the current prospectus/Key Investor Information Document (KIID), which is available along with the current annual and semi-annual reports free of charge from FIL (Luxembourg) S.A., Netherlands Branch (registered with the AFM), World Trade Centre, Tower H, 6th Floor, Zuidplein 52, 1077 XV Amsterdam (tel. 0031 20 79 77 100) or from www.fidelity.nl. Fidelity Funds is authorised to offer participation rights in The Netherlands pursuant to article 2:66 (3) in conjunction with article 2:71 and 2:72 Financial Supervision Act. Issued by FIL (Luxembourg) S.A.

**Norway**: Investments should be made on the basis of the current prospectus/Key Investor Information Document (KIID), which is available along with the current annual and semi-annual reports free of charge from your financial advisor or from the branch of your bank or from www.fidelity.no. Issued by FIL (Luxembourg) S.A.

**Portugal**: Investments should be made on the basis of the current prospectus/Key Investor Information Document (KIID), which is available along with the current annual and semi-annual reports free of charge. Fidelity Funds is registered with the CMVM and the legal documents can be obtained from locally authorised distributors. Issued by FIL (Luxembourg) S.A.

**Slovakia**: Investments should be made on the basis of the current prospectus/Key Investor Information Document (KIID), which is available along with the current annual and semi-annual reports free of charge from our paying agent UniCredit Bank Slovakia, a.s., Sancova 1/A 81333, Slovakia. Issued by FIL (Luxembourg) S.A.

**Spain**: Investments should be made on the basis of the current prospectus/Key Investor Information Document (KIID), which is available along with the current annual and semi-annual reports free of charge. For the purposes of distribution in Spain, Fidelity Funds is registered with the CNMV Register of Foreign Collective Investment Schemes under registration number 124, where complete information is available from Fidelity Funds authorised distributors. The purchase of or subscription for shares in Fidelity Funds shall be made on the basis of the KIID that investors shall receive in advance. The KIID is available for inspection at the offices of locally authorised distributors as well as at the CNMV. Issued by FIL (Luxembourg) S.A.

**Sweden**: Investments should be made on the basis of the current prospectus/Key Investor Information Document (KIID), which is available along with the current annual and semi-annual reports free of charge from your financial advisor or from the branch of your bank, from our European Service Centre in Luxembourg, FIL (Luxembourg) S.A. 2a, rue Albert Borschette BP 2174 L-1021 Luxembourg or from www.fidelity.se Issued by FIL (Luxembourg) S.A.

**Switzerland**: Investments should be made on the basis of the current prospectus and KIID (key investor information document) , which are available along with the current annual and semi-annual reports free of charge from our distributors, from FIL Luxembourg S.A. and from our legal representative and paying agent in Switzerland: BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, 8002 Zurich. Issued by FIL Investment Switzerland AG authorised and regulated in Switzerland by the Swiss Financial Market Supervisory Authority FINMA.

**United Kingdom**:Investments should be made on the basis of the KIID (key investor information document) which is available at www.fidelity.co.uk The full prospectus may also be obtained from Fidelity. Please note that not all funds in the SICAV fund range are suitable for UK investors and tax advice should be sought before investing. Fidelity Funds is recognised under section 264 of the Financial Services and Markets Act 2000. Investors should note that loss caused by such recognised funds will not be covered by the provisions of the Financial Services Compensation Scheme (or by any similar scheme in Luxembourg) if the fund is unable to meet its obligations, however claims for loss in regards to such recognised funds against a Financial Conduct Authority authorised firm such as Fidelity will be. Issued by FIL Pensions Management, authorised and regulated by the Financial Conduct Authority and Financial Administration Services Limited, authorised and regulated by the Financial Conduct Authority.

**United Arab Emirates**: For the United Arab Emirates, the DIFC branch of FIL Distributors International Limited, is regulated by the DFSA for the provision of Arranging Deals in Investments only. All communications and services are directed at Professional Clients only. Persons other than Professional Clients, such as Retail Clients, are NOT the intended recipients of our communications or services. Investments should be made on the basis of the current prospectus and KIID (key investor information document), which are available along with the current annual and semi-annual reports free of charge from our distributors.

CI3631 CL1305203/NA English T1a




Fidelity™ INTERNATIONAL