



Fidelity Managed Portfolios

Multi-asset class portfolios delivering strong performance

POINT
OF VIEW

KEY TAKEAWAYS

- All Portfolios are rated four or five stars overall.
- Portfolio managers are increasing inflation protection.
- Active allocation strategy potentially adds a second layer of alpha for investors.

PORTFOLIO MANAGERS

Geoff Stein
David Wolf
David Tulk

As at June 30, 2020	Overall rating	1Y	3Y	5Y	10Y	Since inception*
Fidelity Global Income Portfolio		4.9%	4.9%	4.9%	7.1%	5.4%
% peers beaten		80%	92%	96%	98%	96%
Morningstar rating	★★★★★		5-star	5-star	5-star	
Fidelity Income Portfolio		4.8%	4.8%	4.5%	6.6%	5.3%
% peers beaten		77%	90%	89%	90%	86%
Morningstar rating	★★★★★		5-star	5-star	5-star	
Fidelity Global Balanced Portfolio		5.8%	6.4%	6.0%	8.6%	5.6%
% peers beaten		88%	90%	88%	95%	89%
Morningstar rating	★★★★★		4-star	4-star	5-star	
Fidelity Balanced Portfolio		5.5%	5.9%	5.4%	8.0%	5.6%
% peers beaten		85%	87%	83%	87%	87%
Morningstar rating	★★★★★		4-star	4-star	4-star	
Fidelity Global Growth Portfolio		7.4%	8.4%	7.6%	10.8%	6.6%
% peers beaten		93%	95%	94%	99%	95%
Morningstar rating	★★★★★		5-star	5-star	5-star	
Fidelity Growth Portfolio		7.1%	7.6%	6.8%	9.9%	6.4%
% peers beaten		92%	93%	89%	93%	94%
Morningstar rating	★★★★★		5-star	5-star	5-star	

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As at June 30, 2020	Overall rating	1Y	3Y	5Y	10Y	Since inception*
Fidelity Balanced Managed Risk Portfolio		5.8%	5.6%	-	-	6.1%
% peers beaten		88%	85%	-	-	82%
Morningstar rating	★★★★		4-star			
Fidelity Conservative Managed Risk Portfolio		6.8%	5.6%	-	-	5.6%
% peers beaten		95%	98%	-	-	97%
Morningstar rating	★★★★★		5-star			

Source: Fidelity Investments Canada ULC. Performance shows annual compounded returns as at June 30, 2020 (Series F), net of fees, in Canadian dollars. Morningstar ratings reflect performance as at June 30, 2020, and are subject to change monthly. The ratings are calculated from a fund's three-, five- and ten-year returns measured against 91-day Treasury bill and peer group returns. *Inception date for Income, Global Income, Balanced, Global Balanced, Growth and Global Growth Portfolios is April 18, 2007. Inception date for Balanced Managed Risk and Conservative Managed Risk Portfolios is November 16, 2016. Percentage peers beaten is a standardized percentile ranking method used for showing how a particular return compares with all other returns in a defined peer group, by ranking the range of returns from 1 to 100. The higher the percentile, the higher the rank is of the individual return among all the returns in the peer group. The ranking is subject to change every month.

Fidelity Global Income, Income and Conservative Managed Risk Portfolio are in the Morningstar Global Fixed Income Balanced category. Number of investments ranked in the Global Fixed Income Balanced Category for 1-Year (806); 3-Year (656); 5-Year (374); 10-Year (155). For Global Income and Income Portfolio, Since Inception (82); for Conservative Managed Risk, Since Inception (584). Fidelity Global Balanced, Balanced, and Balanced Managed Risk Portfolio are in the Morningstar Global Neutral Balanced category. Number of investments ranked in the Global Neutral Balanced Category for 1-Year (1,687); 3-Year (1,383); 5-Year (1,005); 10-Year (446). For Global Balanced and Balanced Portfolio, Since Inception (212); for Balanced Managed Risk, Since Inception (1,280). Fidelity Global Growth and Growth are in the Morningstar Global Equity Balanced category. Number of investments ranked in the Global Equity Balanced Category for 1-Year (1,327); 3-Year (1,110); 5-Year (765); 10-Year (337); Since Inception (202).

Positioning and outlook

Reducing nominal bonds, increasing inflation protection: Portfolio managers Geoff Stein, David Wolf and David Tulk have reduced holdings in nominal bonds and increased the allocation to inflation-linked bonds (TIPS in the U.S. and real return bonds in Canada). While nominal yields can't fall (much) below zero, real (inflation-adjusted) yields can. Falling real yields provide significant scope for appreciation in assets such as gold and inflation-linked bonds, which therefore provide a more useful hedge against equity weakness; accordingly, the managers have expanded their holdings of these assets in the portfolios.

Staying diversified: Due to significant market uncertainty, the portfolio managers are maintaining portfolios that are resilient given a wide range of outcomes. They believe that constructing portfolios that are well-diversified across asset classes, styles and regions is the right way to both grow and protect capital over the long run, especially in the current market environment.

Adjusting currency exposure: Geoff, David, and David are also using currency positioning to enhance portfolio diversification. They have adjusted the profile of the foreign currencies they hold in the portfolios, shifting away from the U.S. dollar toward the euro and the Japanese yen. U.S. dollar valuations look elevated in an environment where the dollar's status as the world's reserve currency has never seemed more in jeopardy.

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