

Fidelity NorthStar Fund

Quarterly Investment Review

December 31, 2022

Contents

OVERVIEW	3
QUARTERLY FUND COMMENTARY	5
ANNUAL FUND COMMENTARY	5
POSITIONING AND OUTLOOK	5
PERFORMANCE ATTRIBUTION	6
FUND POSITIONING	7
INVESTMENT PROCESS	8

Overview

INCEPTION DATE: October 31, 2002

FUND MANAGER: David Wolf, Daniel Dupont, Joel Tillinghast, Kyle Weaver, Morgen Peck, Samuel Chamovitz

OBJECTIVE

The Fund aims to achieve long-term capital growth.

It invests primarily in equity securities of companies anywhere in the world.

APPROACH

- Offers an unconstrained strategy that seeks to invest in the best companies anywhere in the world.
- Managed by two veteran portfolio managers who are supported by Fidelity's global resources.
- Unique co-management approach aims to mitigate downside risk in volatile markets.

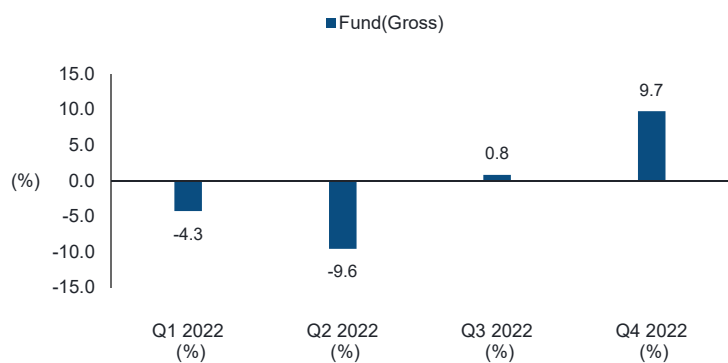
PERFORMANCE RETURNS (%)

	Cumulative					Annualized				
	Q1 2022	Q2 2022	Q3 2022	Q4 2022	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Fidelity NorthStar Fund - Series O	(4.29)	(9.60)	0.79	9.73	(4.31)	(4.31)	9.05	6.22	12.38	9.45

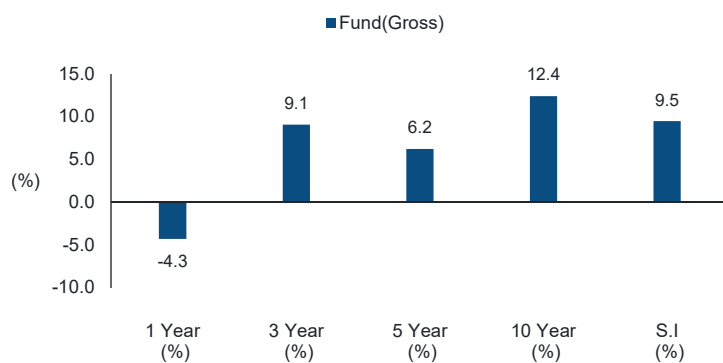
Performance returns are unaudited and time-weighted.

Note: Differences may be due to rounding.

Cumulative Quarterly Performance



Annualized as of December 31, 2022



Overview

PERFORMANCE RETURNS (%): CALENDAR YEAR RETURNS

	Calendar Year Returns									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Fidelity NorthStar Fund - Series O	(4.31)	10.29	22.88	7.36	(2.88)	6.58	0.33	27.82	16.21	49.57

Performance returns are unaudited and time-weighted.

Note: Differences may be due to rounding.

Quarterly Fund Commentary

- The Fund's investments in the energy, health care and consumer staples sectors contributed to absolute performance.
- In energy, investments in Kyungdong Invest and Oil & Natural Gas Corp. were the primary contributors. In health care, holdings in Universal Health Services and Fukuda Denshi boosted relative returns the most. In consumer staples, investments in Imperial Brands and Philip Morris International were notable contributors.
- No sector or stock detracted meaningfully over the quarter.

Annual Fund Commentary

- The Fund's investments in the energy and health care sectors contributed to absolute performance.
- In energy, holdings in Suncor Energy and TotalEnergies contributed to absolute performance. In health care, allocations to Universal Health Services and Elevance Health boosted absolute returns. In other sectors, investments in Ivanhoe Electric and Imperial Brands were notable contributors.
- Investments in the information technology and consumer discretionary sectors detracted from absolute returns.
- In information technology, investments in Nvidia and Microsoft were the primary detractors. In consumer discretionary, investments in Carvana and Amazon.com detracted.

Positioning and Outlook

- Portfolio co-managers Joel Tillinghast, Sam Chamovitz and Morgen Peck manage their subportfolio with macroeconomic awareness but do not position it for a particular macro outcome because they do not think doing so will achieve sustainable outperformance.
- The managers believe stocks are increasingly trading based on macroeconomic data points, which is causing more stocks to trade at prices below what the managers consider fair value, leading to investment opportunities.
- The managers continue to find opportunities internationally, particularly in Japan. They believe they can find many small- and mid-capitalization companies in that region that have very attractive valuations, robust balance sheets and strong management teams and that are highly cash generative. In addition to offering a rich opportunity set for value-oriented investors, Japan has recently undergone structural reforms that have been helpful to equities broadly. The Japanese government has made several efforts to implement more shareholder-friendly policies and improve capital allocation (via share buybacks or dividends).
- Portfolio co-manager Dan Dupont maintains a cautious tone because of the economic uncertainties and valuation risks he sees in the market. He therefore maintains a more defensive position for the Fund, focusing on protecting capital first and foremost.
- Dan has been finding interesting ideas in the defensive segments of the market, including tobacco and discount grocers: both tend to deliver sustainable cash flows, trade at attractive valuations and maintain stability against a recessionary backdrop.
- He has also recently been allocating more to the Fund's cash arbitrage positioning as the rising rate environment has been presenting more opportunities. Although the potential for a recession has increased in Dan's opinion, he believes multiples are still generally not cheap and he is patiently waiting for more opportune entry points.
- Portfolio co-manager Kyle Weaver continues to focus on companies that are expected to benefit from long-term secular themes, including e-commerce, electronic payments, 5G, electric vehicles, cloud computing and more.
- Of late, he has been finding interesting ideas in energy companies that he believes demonstrate longer-term secular trends due to supply constraints. These companies benefit from being well positioned in a market that inherently has high barriers to entry, which further adds to supply pressure.
- Overall, Kyle continues to focus on companies with strong fundamentals that are attractively valued based on a long-term investment horizon, typically three to seven years. He stresses the importance of having a portfolio of stocks that are likely to behave differently during different types of markets.

Performance Attribution

SECTOR ATTRIBUTION SUMMARY - 3 MONTHS

Sector	Average Fund Weight (%)	Fund Return (%)	Total Absolute Contribution (bps)
ENERGY	8.23	19.95	155
HEALTH CARE	14.58	10.57	154
CONSUMER STAPLES	12.69	11.99	154
FINANCIALS	5.96	19.53	115
INDUSTRIALS	9.61	11.95	113
INFORMATION TECHNOLOGY	19.81	4.78	94
CONSUMER DISCRETIONARY	10.57	7.00	81
MATERIALS	4.79	15.91	75
COMMUNICATION SERVICES	7.03	3.57	25
UTILITIES	1.05	14.67	15
REAL ESTATE	0.59	(7.65)	(3)
SUBTOTAL	94.90	10.40	979
CASH AND OTHER	5.10	-	(6)
TOTAL	100.00	9.73	973

Note: Differences may be due to rounding.

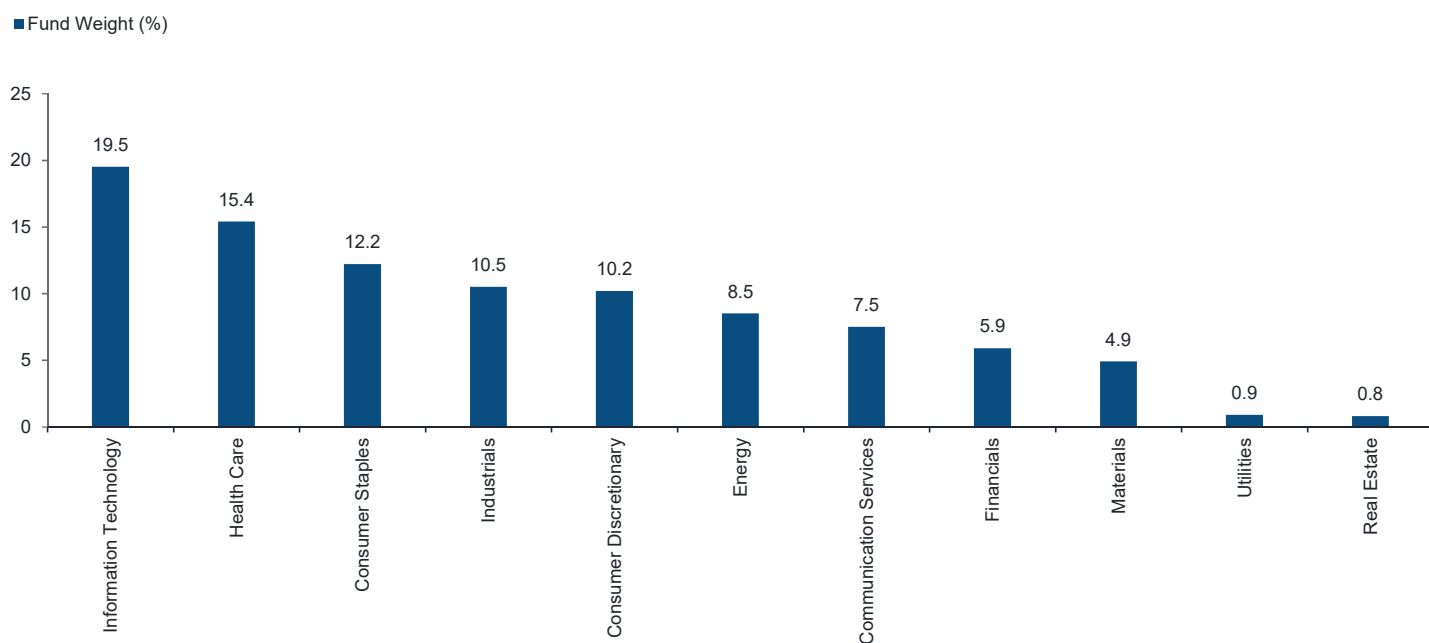
SECTOR ATTRIBUTION SUMMARY - 1 YEAR

Sector	Average Fund Weight (%)	Fund Return (%)	Total Absolute Contribution (bps)
ENERGY	7.50	31.62	183
HEALTH CARE	11.99	6.21	95
FINANCIALS	5.68	16.76	88
CONSUMER STAPLES	14.33	4.67	50
UTILITIES	2.37	20.00	21
MATERIALS	4.49	(0.32)	2
MULTI SECTOR	0.29	5.42	(6)
REAL ESTATE	0.55	(33.44)	(7)
INDUSTRIALS	10.28	(0.12)	(18)
COMMUNICATION SERVICES	7.69	(22.38)	(189)
CONSUMER DISCRETIONARY	10.57	(26.50)	(321)
INFORMATION TECHNOLOGY	19.25	(19.57)	(375)
SUBTOTAL	95.00	(5.05)	(479)
CASH AND OTHER	5.00	-	48
TOTAL	100.00	(4.31)	(431)

Note: Differences may be due to rounding.

Fund Positioning

SECTOR ALLOCATION



Sector breakdowns are only applied to equities and convertibles and the allocation percentages may not add to 100%.

Fund weights are based on end weights as at each quarter end.

TOP 10 HOLDINGS

Holding	Sector
OIL & NATURAL GAS CORP LTD	ENERGY
ELEVANCE HEALTH INC	HEALTH CARE
MICROSOFT CORP	INFORMATION TECHNOLOGY
DB INSURANCE CO LTD	FINANCIALS
ITOCHU CORP	INDUSTRIALS
SIMPLO TECHNOLOGY CO LTD	INFORMATION TECHNOLOGY
UNIVERSAL HEALTH SVCS INC CL B	HEALTH CARE
JUMBO SA	CONSUMER DISCRETIONARY
REDINGTON INDIA LTD	INFORMATION TECHNOLOGY
ALPHABET INC	COMMUNICATION SERVICES

Investment Process

Daniel Dupont – Process overview

- Bottom-up, fundamental company analysis is the primary driver of portfolio construction
- Employs a value oriented style by aiming to purchase stocks at significant discounts
- Looks for strong companies with unrealized growth potential trading at discounted prices
- Highly values quality management with a strong and consistent track record of effective execution
- Looks for stocks that will deliver high return on capital over time, with long-term sustainable businesses, that are trading at low valuation multiples
- Number of holdings typically between 20-50 names and will typically have low turnover; position size is a function of conviction and is considered in relative terms.
- Assesses relative value among stocks on the basis of relative upside potential and downside risk
- Buys/sells purely a function of relative valuation and company fundamentals

Joel Tillinghast – Process overview

Because of his focus on discounted valuations relative to intrinsic value, most investment theses on the companies in which he invests tend to take time to play out.

Valuations assessment is focused on the balance sheet and income statement. Joel Tillinghast aims to seek out companies with little or no debt and primarily tangible assets. He also looks for companies that are growing faster than their peers. His evaluation process involves testing for quality of earnings, consistency of earnings, and stability of revenue. The ability of management to execute successfully on sound strategy is a key consideration in assessing the value of a company as well.

Key factors that are considered in the valuation process include:

- Discounted valuations
- Management quality
- Low debt-to-equity ratios
- High margin businesses
- Niche products/services and market leadership with strong evidence of a sustainable competitive advantage
- High levels of free cash flow
- Business models that target repeat or habitual purchases or that are based on repeatable fee-generating activities

Kyle Weaver – Process overview

Looking for good companies that can be owned for years or decades and are extremely cheap on a 3-7 year view of earnings.

U.S. focused with flexibility to seek investments globally

Seeks to buy companies with:

- Well positioned industries or niches
- Secular tailwinds
- Ability to build or unlock shareholder value
- Revenue that is growing and durable
- Profit margins that are stable or improving
- Above-average capital stewardship
- Valuation that is reasonable, or reflects skepticism or misunderstanding