

Fidelity NorthStar Fund

Quarterly Investment Review

September 30, 2023

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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.

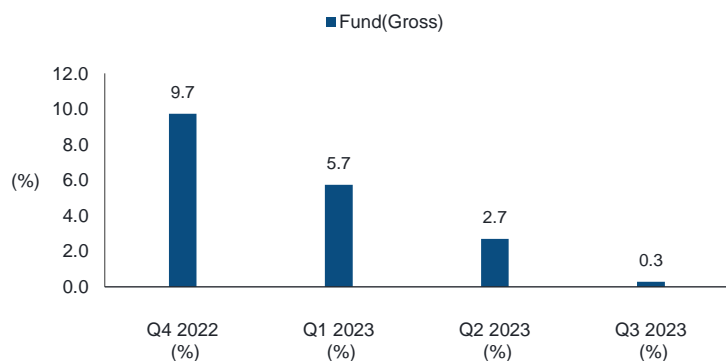
PERFORMANCE RETURNS (%)

	Cumulative					Annualized				
	Q4 2022	Q1 2023	Q2 2023	Q3 2023	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Fidelity NorthStar Fund - Series O	9.73	5.73	2.70	0.29	8.91	19.51	9.02	8.07	9.99	9.54

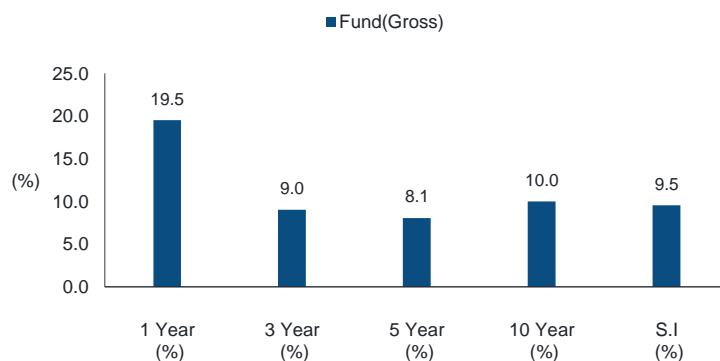
Performance returns are unaudited and time-weighted.

Note: Differences may be due to rounding.

Cumulative Quarterly Performance



Annualized as of September 30, 2023



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 and communication services sectors contributed to absolute performance.
- In energy, investments in Peabody Energy and Ovintiv boosted absolute returns the most. In communication services, investments in Alphabet and Meta Platforms were notable contributors.
- Investments in the consumer staples and information technology sectors detracted from absolute performance.
- In consumer staples, investments in Diageo and Carlsberg were the primary detractors. In information technology, holdings in Microsoft and Kingboard Holdings detracted from absolute returns. In other sectors, holdings in Block and Nuvei detracted from absolute returns.

12 Month Fund Commentary

- The Fund's investments in the information technology and energy sectors contributed to absolute performance.
- In information technology, holdings in Nvidia and Microsoft contributed to absolute performance. In energy, allocations to Oil and Natural Gas Corporation and TotalEnergies boosted absolute returns. In other sectors, investments in DB Insurance and Jumbo were notable contributors.
- Investments in the real estate sector detracted from absolute returns.
- In real estate, a holding in DIC Asset detracted from absolute returns. In other sectors, investments in an American bank and a Canadian communications company were notable detractors.

Positioning and Outlook

- Portfolio co-managers Joel Tillinghast, Sam Chamovitz and Morgen Peck acknowledge there are ongoing risks in the macroeconomic environment, including elevated inflation, heightened geopolitical tension and central banks' policy actions. Despite this market backdrop, their investment process remains unchanged, and they continue to manage the portfolio with a focus on value and quality.
- To combat inflation, the managers have been positioning the Fund in companies with strong pricing power that can pass on input price increases to customers. They also prefer businesses that can weather higher interest rates and are less vulnerable to an economic downturn.
- 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 are highly cash generative and have very attractive valuations, robust balance sheets and strong management teams. 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 (through 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 has been more conservative than usual and believes it is a prudent time to focus on security selection and to remain patient to effectively capitalize on future opportunities as they present themselves.
- Dan continues to find opportunities in 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 been exploring certain defensive, idiosyncratic ideas in interest-rate-sensitive sectors, including utilities and telecommunications services. These stocks are trading at very cheap valuations based on the market's belief that interest rates could stay higher for longer.
- Portfolio co-manager Kyle Weaver 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.
- Rapidly increasing interest rates have generally provided a difficult environment for the emerging growth area of the market that Kyle is focused on. This has led him to add more exposure to what he calls the resilient-growth bucket, where stocks are more similar to traditional value stocks. These stocks were selected from groups such as energy, utilities and the telecommunication services segment of communication services. He believes the recent adjustments to the portfolio provide more balanced exposure to different kinds of growth stocks that will be a long-term positive for the Fund.

Performance Attribution

SECTOR ATTRIBUTION SUMMARY - 3 MONTHS

Sector	Average Fund Weight (%)	Fund Return (%)	Total Absolute Contribution (bps)
ENERGY	5.79	19.26	102
COMMUNICATION SERVICES	6.04	2.92	16
HEALTH CARE	11.74	0.40	4
FINANCIALS	10.10	(0.22)	1
MULTI SECTOR	0.04	(3.47)	0
REAL ESTATE	0.64	(2.95)	(2)
MATERIALS	3.77	(1.24)	(5)
UTILITIES	1.40	(5.82)	(8)
CONSUMER DISCRETIONARY	10.47	(1.01)	(10)
INDUSTRIALS	11.74	(1.73)	(17)
INFORMATION TECHNOLOGY	19.55	(1.27)	(24)
CONSUMER STAPLES	12.84	(3.80)	(50)
SUBTOTAL	94.14	0.03	7
CASH AND OTHER	5.86	-	22
TOTAL	100.00	0.29	29

Note: Differences may be due to rounding.

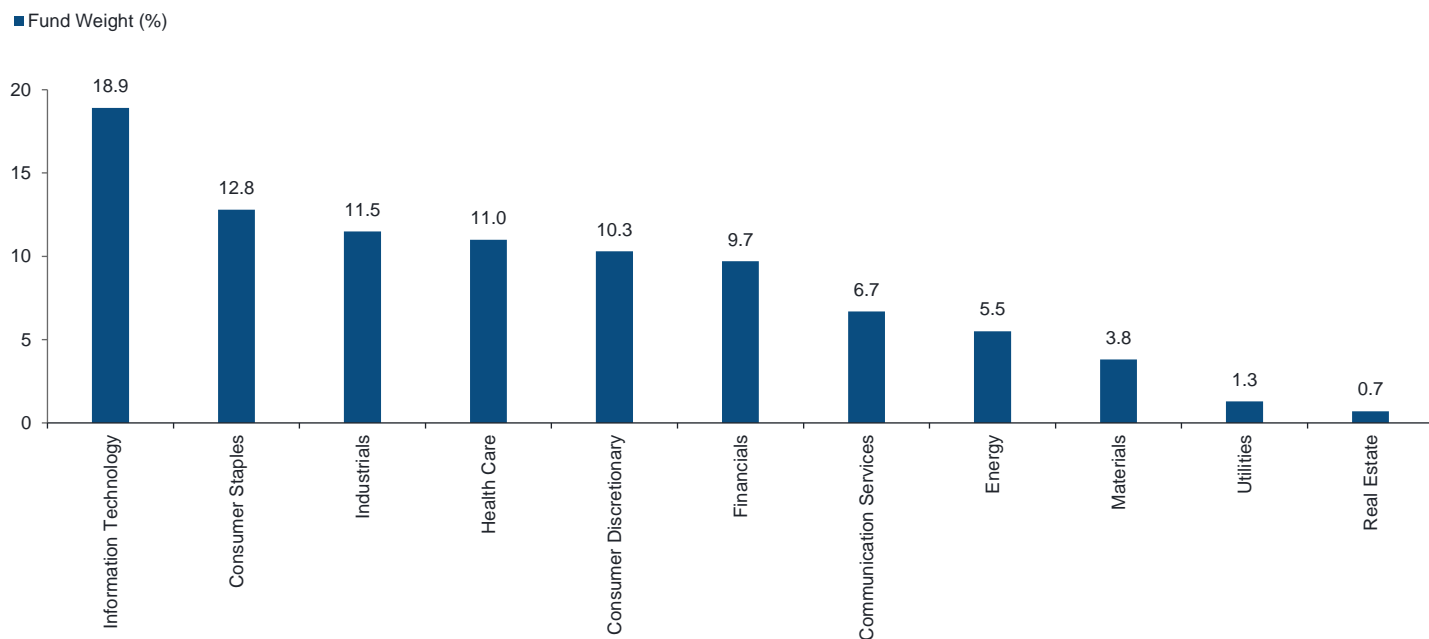
SECTOR ATTRIBUTION SUMMARY - 1 YEAR

Sector	Average Fund Weight (%)	Fund Return (%)	Total Absolute Contribution (bps)
INFORMATION TECHNOLOGY	19.76	30.30	605
ENERGY	6.52	38.95	256
CONSUMER DISCRETIONARY	10.07	24.98	250
INDUSTRIALS	11.56	19.64	210
COMMUNICATION SERVICES	6.88	24.25	175
HEALTH CARE	12.73	10.09	145
FINANCIALS	8.92	15.65	124
CONSUMER STAPLES	12.81	9.36	115
MATERIALS	4.54	12.68	57
UTILITIES	1.25	4.17	2
MULTI SECTOR	0.03	0.06	0
REAL ESTATE	0.54	(27.14)	(13)
SUBTOTAL	95.62	20.31	1,927
CASH AND OTHER	4.38	-	24
TOTAL	100.00	19.51	1,951

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
MICROSOFT CORP	INFORMATION TECHNOLOGY
NVIDIA CORP	INFORMATION TECHNOLOGY
METRO INC	CONSUMER STAPLES
ALPHABET INC	COMMUNICATION SERVICES
AMAZON.COM INC	CONSUMER DISCRETIONARY
META PLATFORMS INC CL A	COMMUNICATION SERVICES
JOHNSON & JOHNSON	HEALTH CARE
PHILIP MORRIS INTL INC	CONSUMER STAPLES
ALTRIA GROUP INC	CONSUMER STAPLES
NESTLE SA (REG)	CONSUMER STAPLES

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