

# Identifying opportunities in volatile periods

**Daniel Dupont**

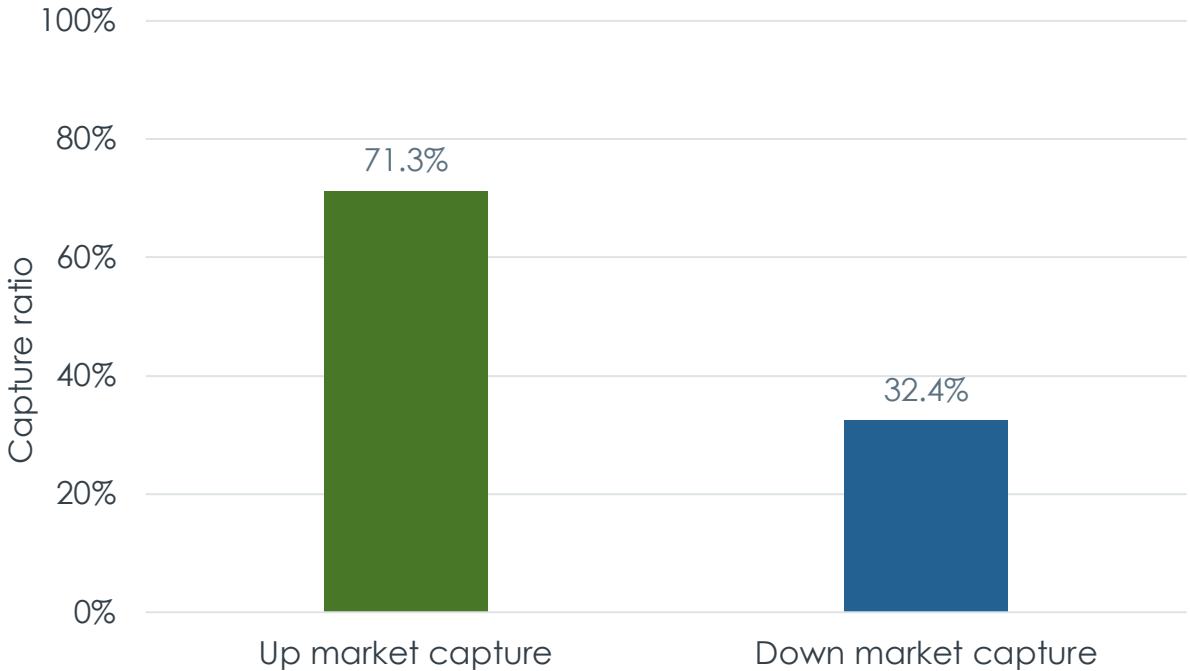
Portfolio Manager

January 2023

# Fidelity Canadian Large Cap Fund

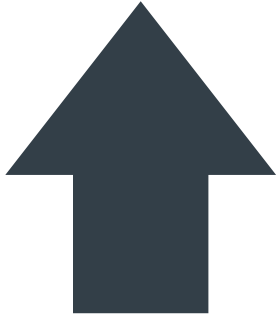
## Upside/downside capture ratio

### Portfolio manager's tenure, April 2011 to December 2022\*



\*Daniel Dupont took over full portfolio management responsibilities for Fidelity Canadian Large Cap Fund on March 25, 2011. Source: Fidelity Investments Canada ULC. The upside/downside capture ratio measures performance in up/down markets relative to the Fund's benchmark (as defined by a blended index comprising 70% S&P/TSX 60 Capped Index and 30% S&P 500 Index). Upside/downside capture ratios were calculated using full calendar months starting with April 2011. They are calculated by compounding and annualizing the monthly returns for the Fund and the Index in periods when the Index was up/down. The annualized return of the Fund is divided by the annualized return of the Index to produce the capture ratio for corresponding up/down market performance periods. A total of 141 monthly returns were analyzed; of those, 93 were up markets, while 48 were down markets. Performance is based on Series F returns, net of fees, in Canadian dollars. Series F is available only to investors who are eligible to buy this series. Investors who buy Series F pay investment management fees and expenses to Fidelity. Investors will also pay their dealer a fee for financial advice services in addition to the Series F fees charged by Fidelity.

# Identifying long vs. short opportunities

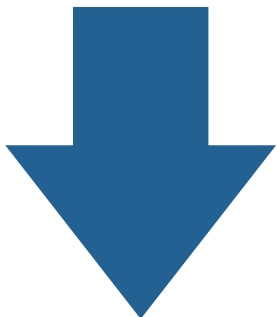


## Long opportunities

Quality companies

Sustainable businesses

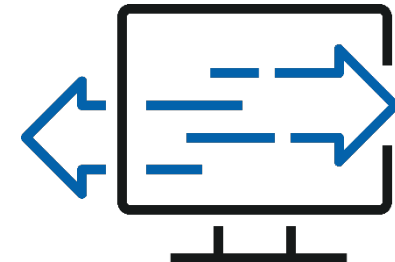
Don't overpay for the stock



## Short opportunities

Opportunistic shorts

Merger arbitrage



# Dan Dupont's stand-alone mandates

## Liquid alternative vs. traditional mutual funds

	Global Value Long/Short	Canadian Large Cap/Concentrated Value
<b>Regional focus</b>	Global (up to 100% foreign)	Canadian focused (up to 49% foreign)
<b>Market cap focus</b>	All cap	Large cap
<b>Leverage</b>	May use leverage through the use of cash borrowings or short sales, typically no more than 200% gross exposure*	None
<b>Stock selection approach</b>	Fundamental bottom-up analysis	Fundamental bottom-up analysis
<b>Attributes in security selection</b>	<b>Long:</b> Positive free cash flow, high earnings visibility, stable sales growth, low P/E, high ROE <b>Short:</b> Merger arbitrage and opportunistic shorting	Positive free cash flow, high earnings visibility, stable sales growth, low P/E, high ROE

\*Gross exposure refers to the sum of long and short positions in relation to net asset value.

# Fidelity Canadian Large Cap Fund

## Performance - Series F, net of fees (%)

As at December 31, 2022	3-Month	6-Month	1 Year	3 Year	5 Year	10 Year
Fidelity Canadian Large Cap Fund	9.1	9.3	14.9	16.1	11.9	12.3
Benchmark*	5.5	4.9	-8.1	8.6	8.6	10.7
Excess return	3.6	4.4	23.0	7.5	3.3	1.6

\* Benchmark consist of 70% S&P/TSX 60 Capped Index and 30% S&P 500 Index.

Source: Fidelity Investments Canada ULC. Performance shows returns as at December 31, 2022 (Series F), net of fees, in Canadian dollars. Periods greater than one year have been annualized. Past performance is no guarantee of future performance.

# Fidelity Global Value Long/Short Fund

## Performance - Series F, net of fees (%)

As at December 31, 2022	3-Month	6-Month	1 Year	2 Year	Since inception*
<b>Fidelity Global Value Long/Short Fund</b>	14.3	17.5	68.1	30.6	31.7
<b>MSCI World Index</b>	8.2	8.2	-12.2	3.0	5.7
<b>Excess return</b>	6.1	9.3	80.3	27.6	26.0

\* Inception Date: October 16, 2020

Source: Fidelity Investments Canada ULC. Performance shows returns as at December 31, 2022 (Series F), net of fees, in Canadian dollars. Periods greater than one year have been annualized. Past performance is no guarantee of future performance.



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