

Presentation to PSPF Fidelity in the Asia Pacific Region

Tim Orchard

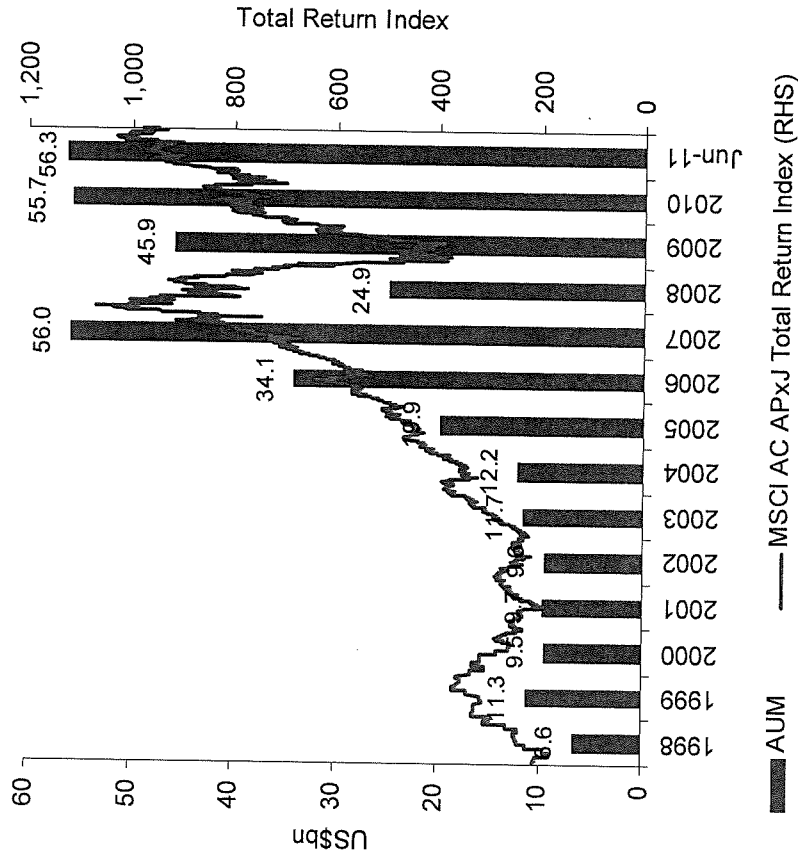
Head of Equities – Asia ex-Japan

July 2011

FIL Investments in Asia Pacific ex-Japan

- Hong Kong office opened in 1981 – main investment hub
- Additional investment offices in
 - Sydney (2003)
 - Mumbai (2004)
 - Seoul (2004)
 - Singapore (2005)
- 83 dedicated equity investment professionals
 - 18 Portfolio Managers
 - 31 Equity Analysts
- Integrated part of Fidelity's global research network and investment platform

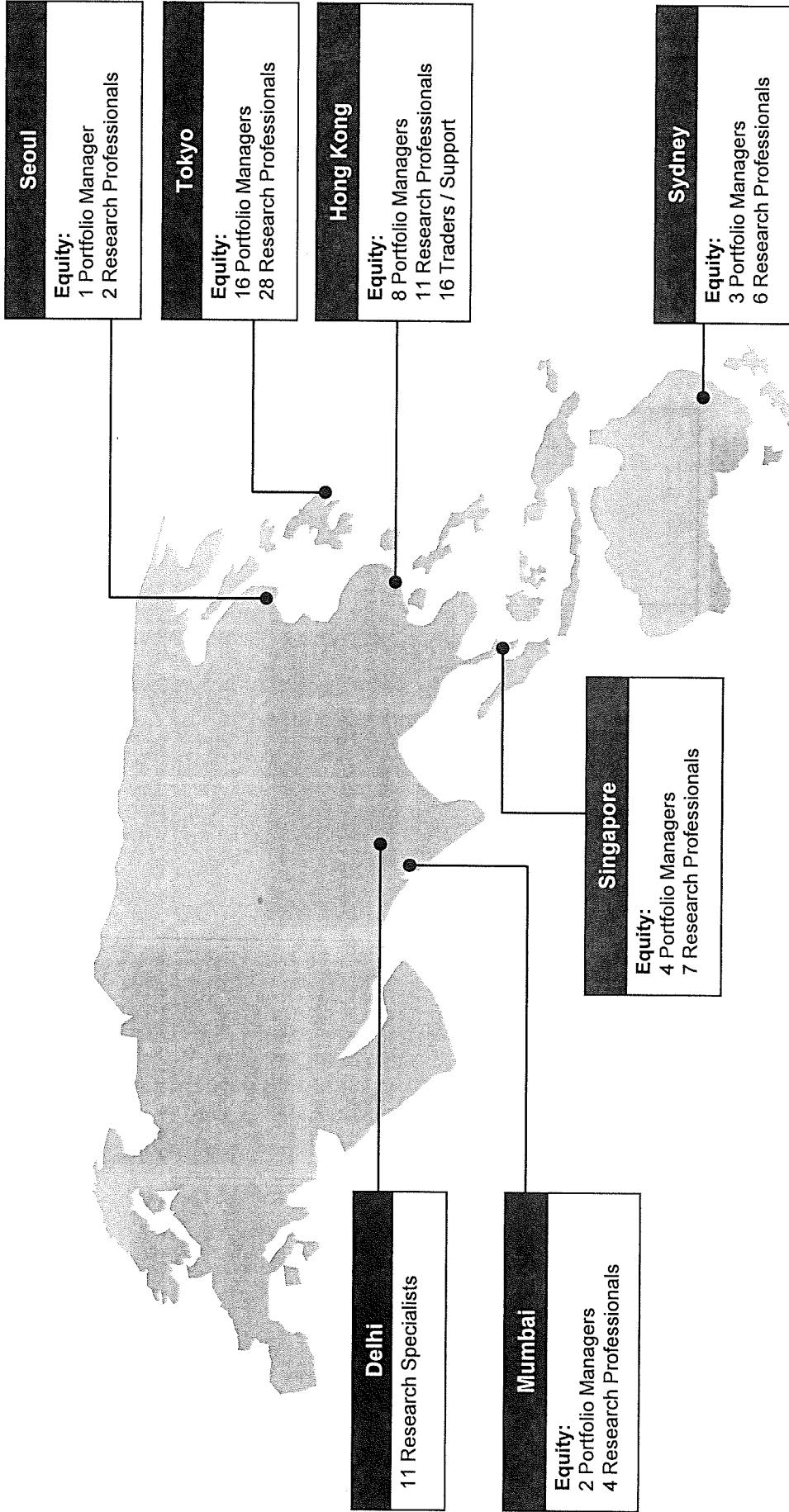
Growth in Assets under Management*



Source: FIL Limited, 30 June 2011
 * Figures prior to 2002 include equity, fixed income and balanced mandates. Equity only since 2002

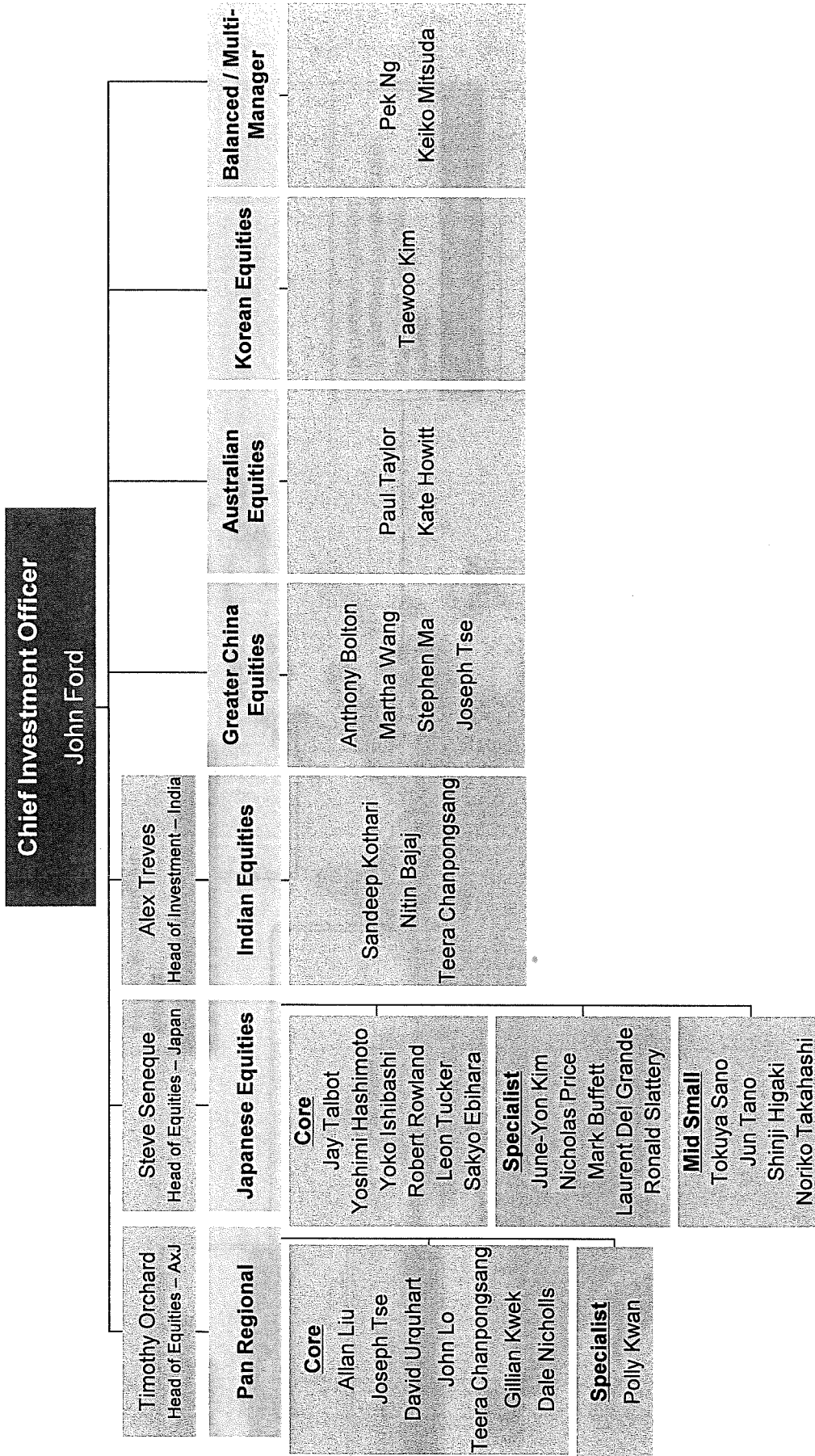


Geographical Distribution of Investment Resources



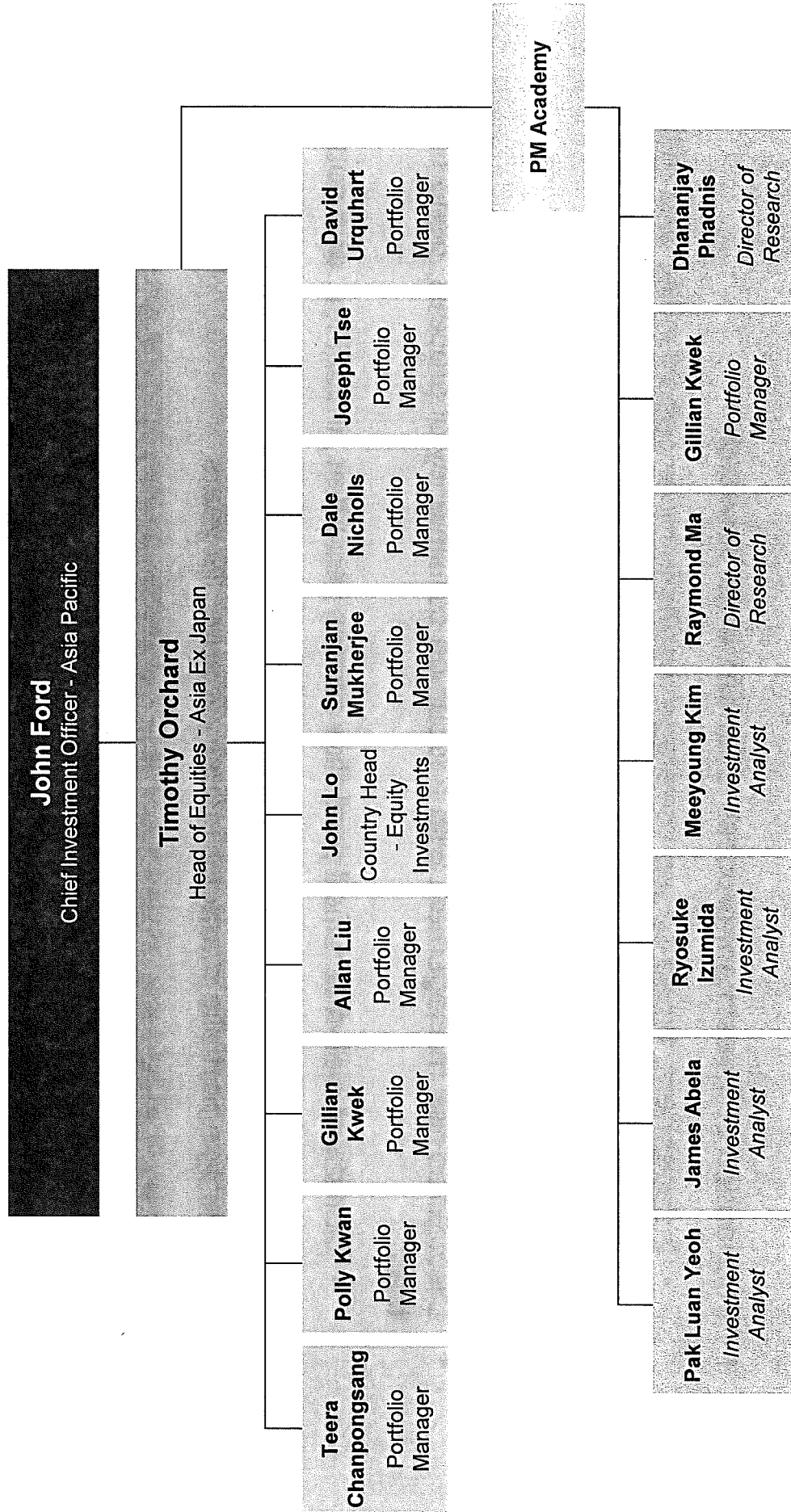
Source: FIL Limited, June 2011. Data is un-audited. Research professionals include both analysts and associates Fidelity / Fidelity International means FIL Limited and its subsidiary companies. In addition to these resources, we also have access to resources based in US of our affiliated company, FMR LLC, and its subsidiaries

Asia Pacific – Portfolio Management Team



Source: FIL Limited, June 2011

Asia Pacific – Investment Management Team

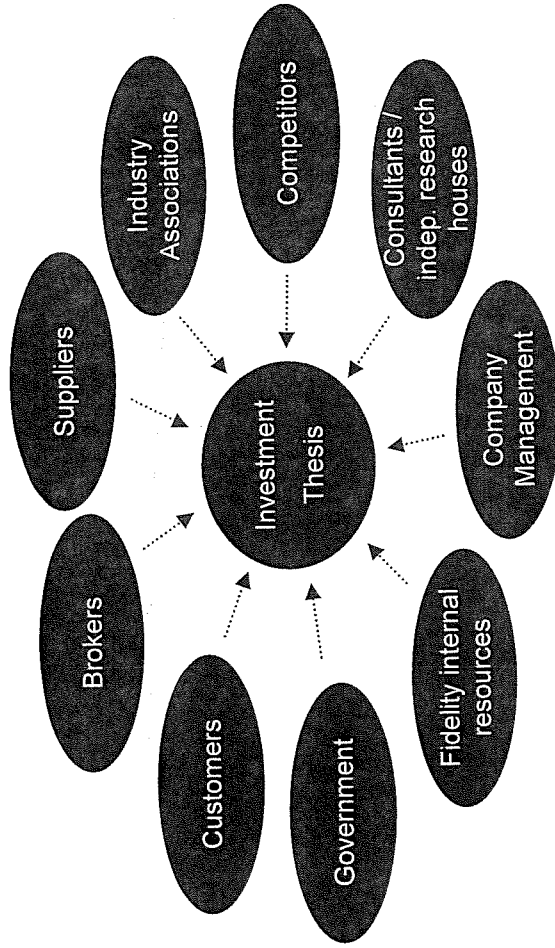


Source: FIL Limited, June 2011

Investment Approach

- Foundation of investment process is fundamental research
 - Independent, broad-based coverage results in more opportunities and mitigates risk
 - Combination of local and regional research resources
 - Leverage Fidelity's extensive global research platform and infrastructure
- Disciplined risk management with a focus on consistency of process, performance, and team
 - Construct well-diversified portfolios across securities, industries, and countries
 - Average portfolio manager tenure at Fidelity: 14 years
 - Average portfolio manager industry tenure: 19 years
- Interactive team structure combined with individual accountability

Asia Pacific ex-Japan – Research Approach



Research Platform:

- 31-member equity research team
 - Career path
 - 9 years average industry experience
- Leverage global equity & fixed income analysts
 - 521 research professionals* worldwide
- Access to management
 - 4,000+ management visits per year
- Technology focus
 - Desktop technology linking global research
- Team environment
 - Provides independent, relative value perspective

Evaluate:

- 25–35 actively covered stocks per analyst
- 20–50 companies followed per analyst in addition
- 1–2 industries per analyst
- Fundamental and relative value
- ≈ 85% of market cap covered (MSCI Asia Pacific ex Japan Index)

Fundamental, Bottom-up Research is the Foundation to Fidelity's Investment Process

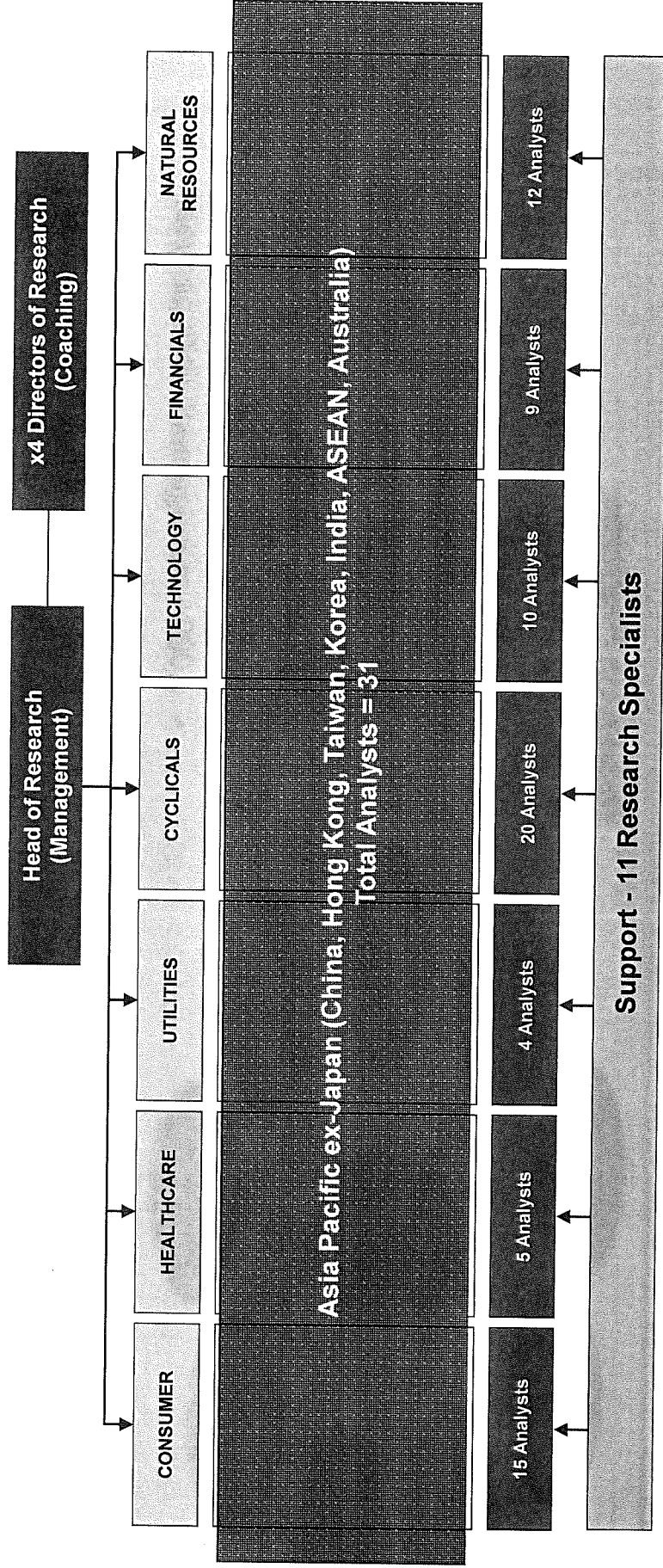
Source: FIL Limited, 30 June 2011 (Data is un-audited)

* Research Professionals include both analysts and associates, data as of 31 March 2011
 Fidelity / Fidelity International means FIL Limited and its subsidiary companies. In addition to these resources, we also have access to resources based in US of our affiliated company, FMR LLC, and its subsidiaries



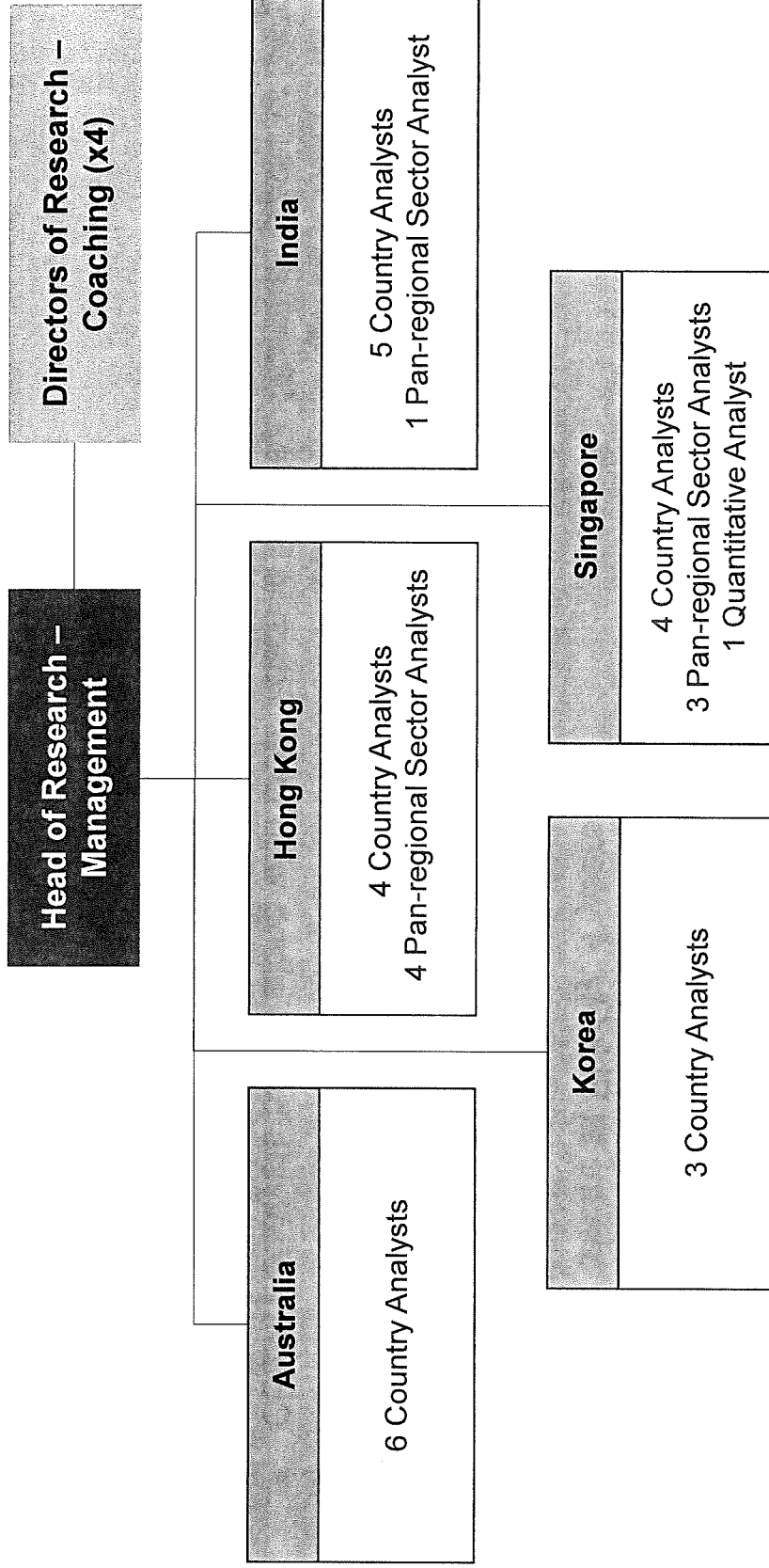
Asia Pacific ex-Japan – Research Team Structure

- We cover on a pan-regional sector basis what makes sense: i.e., those sectors where the drivers are primarily global or regional in nature, or where industry understanding is complex to acquire
- We cover on a country basis what makes sense: i.e., those sectors where the drivers are primarily local in nature



Source: FIL Limited, 30 June 2011, Data is un-audited; Note one analyst can cover more than one sector

Asia Pacific ex-Japan Research Team



Delhi Support – 11 Research Specialists

Source: FIL Limited, June 2011. Data is un-audited

Profile of an Asia Pacific Fidelity Analyst

- Average total industry experience: 9 years
- Professional qualification and/or MBA
- Average tenure at Fidelity: 4 years
- Specialist covers all stocks in sector with market capitalisation of more than US\$150m
- Regional analysts located alongside fund managers in Asia, Japan, Europe and U.S.
- Country analysts based along with local Team in Sydney, Mumbai, Seoul or Singapore
- Rotate sectors: 2 – 3 years

Source: FIL Limited, 30 June 2011, Data is un-audited

Asia Pacific – Communication

- Weekly investment team meetings with entire Asia Pacific ex-Japan investment team
- Review Week meetings with entire Asia Pacific ex-Japan investment team, including in-country site visits
- Specialist funds – Pilot funds
- Research notes posted to global intranet site (internal)
- Global voicemail / e-mail distribution lists
- Global web-based meeting scheduler
- Formal sector & industry review meetings (regional and global)

Portfolio Monitoring

Organisational Approach to Portfolio Monitoring

	Frequency	Objectives	Discussion
Portfolio Review	Quarterly	<ul style="list-style-type: none"> Historical review of portfolio composition and performance 	<ul style="list-style-type: none"> Performance attribution analysis Peer group performance comparison BARRA risk factor analysis Liquidity risk of holdings Portfolio composition in terms of relative positioning of sectors and holdings
	Monthly	<ul style="list-style-type: none"> Investment Risk Oversight Committee 	<ul style="list-style-type: none"> Review risk measures and dispersion
Idea Sharing	Weekly	<ul style="list-style-type: none"> To share investment ideas by reviewing current portfolio holdings and recent trading activities 	<ul style="list-style-type: none"> Peer group fund holdings Recent buys and sells Current positioning of individual holdings
Portfolio Monitoring	Daily, etc.	<ul style="list-style-type: none"> To provide portfolio and index positioning in order to facilitate portfolio management 	<ul style="list-style-type: none"> In-depth reporting for all funds Stock, industry, sector, country level detail

Balance of Risk and Return

Source: FIL Limited

Risk Controls

- Investment Process
 - Research ideas thoroughly
 - Team discussions at all levels (PMs, Analysts, Traders, CIO)
 - Construct diversified portfolios
- Investment Controls
 - Client guidelines
 - Portfolio construction parameters
 - Peer group review
 - Dedicated compliance team
 - CIO reviews
- Risk Monitoring
 - Style Research
 - Barra Enterprise Performance
 - Impact
 - AROC (Asia Risk Oversight Committee)
 - Diversified investments support functions
 - Portfolio Analytics Group (PAG)
 - Portfolio Services Group (PSG)

Source: FIL Limited

Strengths of Fidelity's Asia Pacific ex-Japan Investment Team

- Over 28 years of investment and research experience within the Asia Pacific ex-Japan Region
- Substantial dedicated local and regional, equity and fixed income investment resources
 - 18 Portfolio Managers / Group Leaders
 - 81 Equity Investment Professionals
 - 9 Specialised Traders
- Widely recognised as a leading investment management firm
 - 2010 – Best Fund Management Firm in Asia Pacific ex-Japan from Thomson Extel APAC Survey for 5 consecutive years
 - 2009 – Best of the Best Performance Awards in Asia Pacific Equity – 3 & 5 years from Asia Asset Management Magazine
 - 2008 – Asian Equity Manager of the Year from Pensions & Investment Provider Awards
 - 2008 – Best Large Equity Fund House from MorningStar

Source: FIL Limited, 30 June 2011. Portfolio Managers/Group Leaders includes CIO & ECM. Research professionals includes DoRs
Fidelity / Fidelity International means FIL Limited and its subsidiary companies. In addition to these resources, we also have access to resources based in US of our affiliated company, FMR LLC, and its subsidiaries

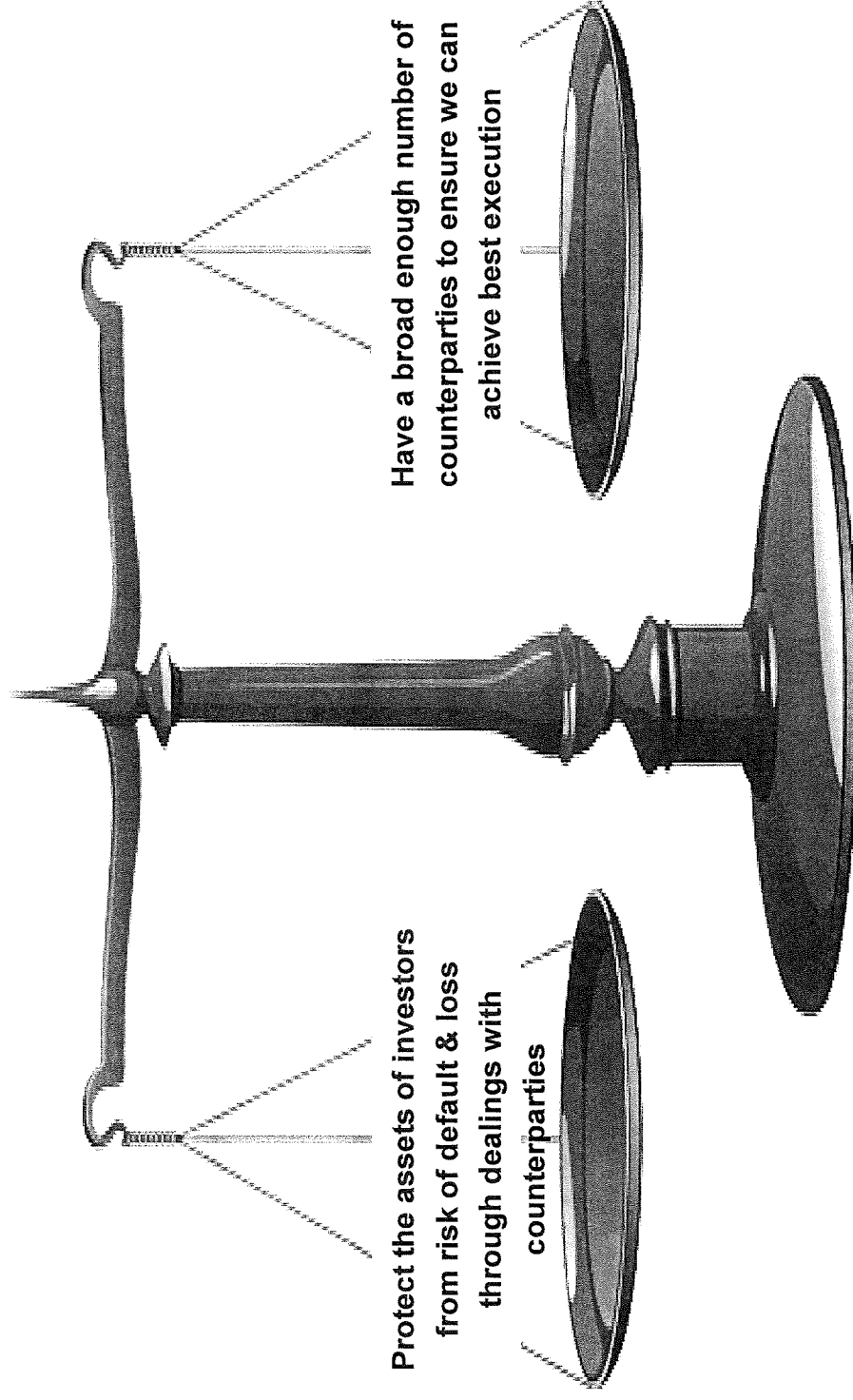
Risk Management Overview

Counterparty Risk

Fidelity's Counterparty Research Group

- 19 counterparty risk professionals located in Boston, London & Hong Kong
- A long history - established following the collapse of Barings in 1995
- The Group conducts fundamental due diligence/research (credit research) on all of Fidelity's trading counterparties globally
- Covers all of Fidelity's trading desks located in Boston, London & Hong Kong
- Leverages-off & provides input to investment analysts

What is the Aim of Counterparty Research?



Independence of approval & execution is key

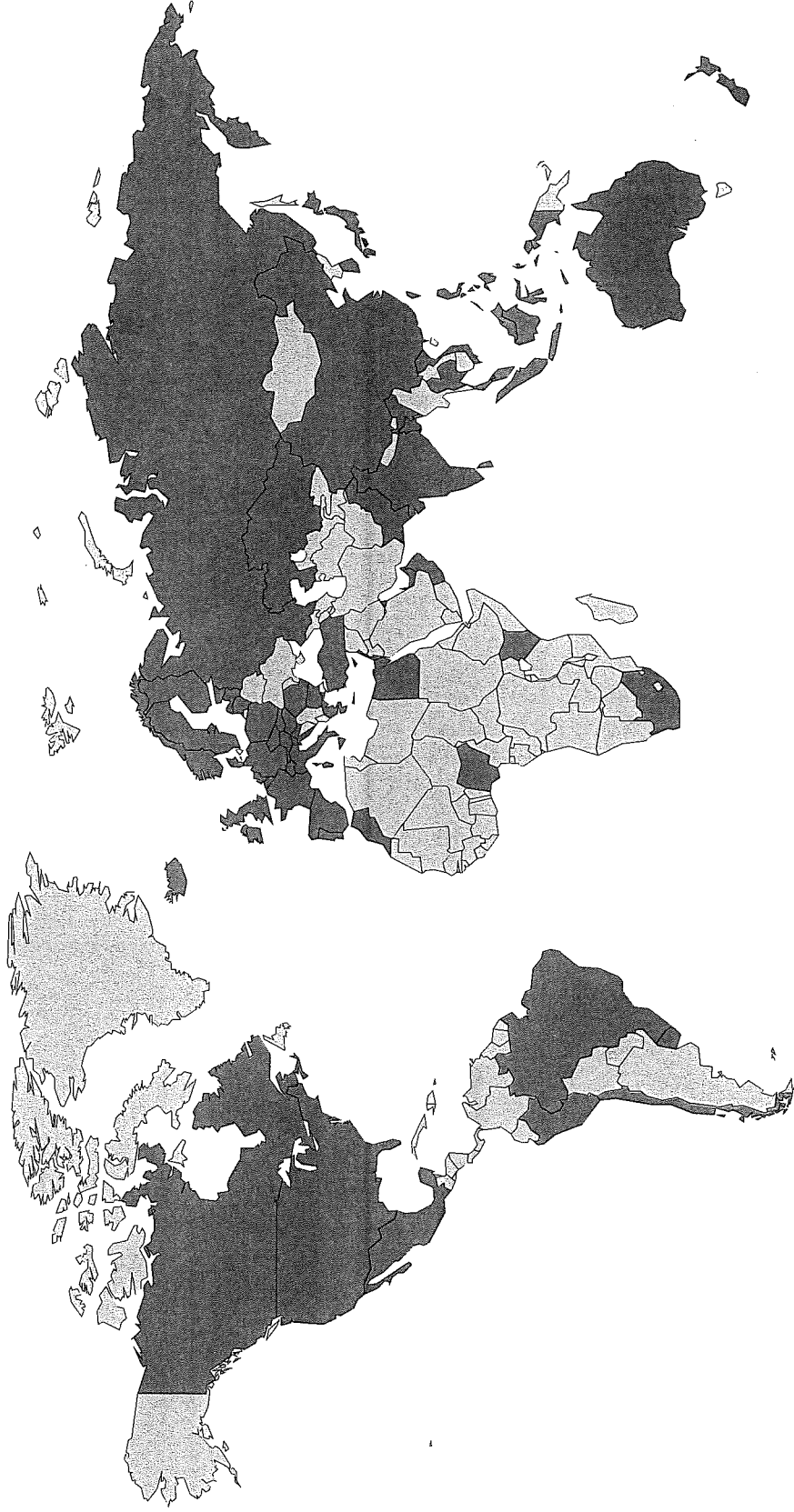
Source: FIL Limited

Market Due Diligence



Markets We Trade in Across the Globe

Reviewed Global Markets



Over 70 markets actively traded

Source: FIL Limited, October 2009. Colours above refer to approvals for equities or futures & options.

Fidelity International New Markets Committee (FINMaC) Process

- A global independent Committee comprising Investment Administration, Risk Management, Regulatory Strategy, Trading, CIOs, COOs & Investment Compliance
- Regular quarterly meetings to review & approve new market submissions & proposed changes to existing approved markets

GENERAL COUNTRY OVERVIEW

- Economic environment & outlook
- Political environment & sovereign risk
- Currency risk
- Banking sector risk

COUNTRY-WIDE INVESTMENT ISSUES

- Foreign Exchange
- Foreign & Other Ownership Restrictions
- Taxation Regime
- Market / Exchange Holidays

EXCHANGE SPECIFIC ISSUES

- Exchange Membership
- Regulation
- Liquidity
- Equity Trading
- Equity Settlement & Clearing
- Central Depository / Registration
- Compliance

INVESTMENT ADMINISTRATION

- Corporate Actions & Dividends
- Pricing
- Corporate Governance / Proxy Voting
- Sub-Custodians

Managing Portfolio Risk



What Do We Mean by “Portfolio Risk” ?

The degree to which a portfolio’s return may deviate from that of its underlying benchmark, the dispersion of this deviation & the factors that may contribute, individually & in combination to this deviation

BEFORE INVESTMENT

- Negotiating appropriate IMA guidelines & restrictions
- Guideline set-up within compliance monitoring systems
- Project managing funding & initial investment of mandate

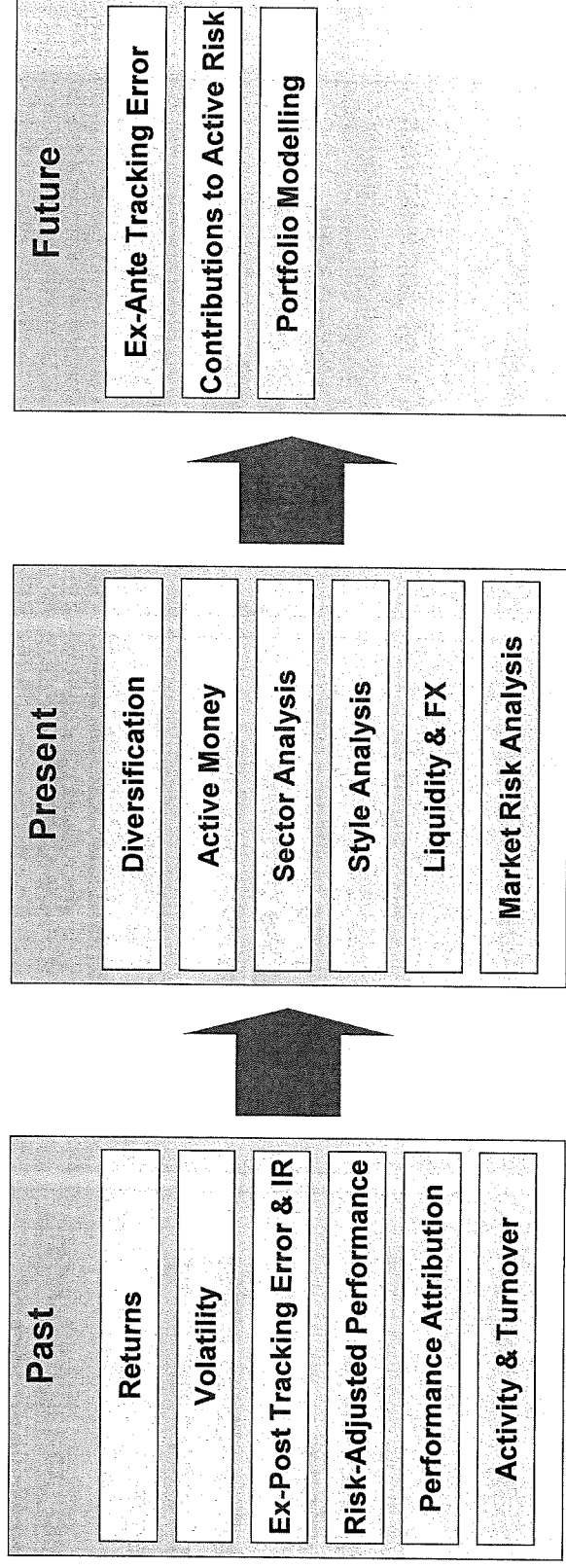
DURING INVESTMENT

- Ensure awareness & understanding of underlying portfolio risk during the portfolio construction process
- Ensuring client investment guidelines are monitored & adhered to

AFTER INVESTMENT

- Oversight of portfolio risk at the individual portfolio level & aggregated across all portfolios managed
- Capacity Management

Comprehensive Analysis of Portfolio Risk



- Significant technology & data requirements
- Specialised skill & expertise is needed to support the analysis
- Requires a significant investment in resources as this is an ongoing process & often leads to additional questions requiring further investigation

Comprehensive Investment Risk Oversight Processes

DAILY	WEEKLY	MONTHLY	QUARTERLY
<ul style="list-style-type: none"> • Real time portfolio monitoring through IMPACT • Daily positioning reports through PSG & Market Watch • Time of Trade Testing & Compliance Monitoring 	<ul style="list-style-type: none"> • Position statements to PMs from Investment Compliance • Watchlist to CIOs from Investment Compliance • Derivatives & hedging report 	<ul style="list-style-type: none"> • Investment Risk Oversight Committee 	<ul style="list-style-type: none"> • Quarterly fund reviews – CIO review • Quarterly fund reviews – risk review

A Combination of Ongoing, Formal & Informal Processes to Manage Investment Risk



Capacity Management

- **Our approach to defining and measuring capacity**
 - The capacity of a particular investment discipline will vary according to the investment objective, strategy, investment style and underlying universe of stocks
 - We use a range of qualitative and quantitative measures in determining capacity thresholds by product discipline
- **These measures include**
 - Aggregate ownership levels & assessment of the growth of the investment universe
 - Liquidity analysis & redemption profiles
 - Market capitalisation exposures
 - Demand for the discipline based on flows