

Fidelity Investments Corp.

# Fidelity NorthStar Fund

## Quarterly Investment Review

June 30, 2025

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Overview

**INCEPTION DATE:** October 31, 2002  
**FUND MANAGER:** David Wolf, Daniel Dupont, Kyle Weaver, Morgen Peck, Samuel Chamovitz, Becky Baker

OBJECTIVE

The Fund aims to achieve long-term capital growth.  
It invests primarily in equity securities of companies anywhere in the world.

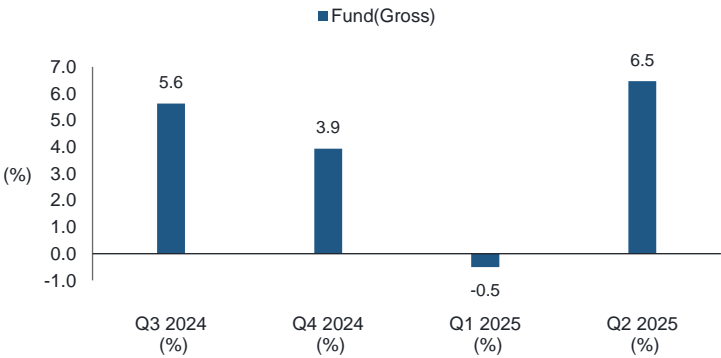
APPROACH

- 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.

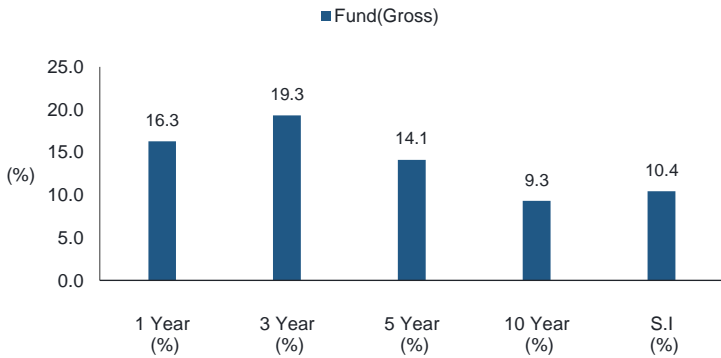
	Cumulative					Annualized				
	Q3 2024	Q4 2024	Q1 2025	Q2 2025	YTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Fidelity NorthStar Fund - Series O	5.63	3.93	(0.50)	6.46	5.92	16.28	19.32	14.12	9.30	10.44

Performance returns are unaudited and time-weighted.  
Note: Differences may be due to rounding.

Cumulative Quarterly Performance



Annualized as of June 30, 2025



Overview

PERFORMANCE RETURNS (%): CALENDAR YEAR RETURNS

	Calendar Year Returns									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Fidelity NorthStar Fund - Series O	23.81	17.13	(4.31)	10.29	22.88	7.36	(2.88)	6.58	0.33	27.82

Performance returns are unaudited and time-weighted.  
Note: Differences may be due to rounding.

## Quarterly Fund Commentary

- The Fund's investments in the information technology and communication services sectors contributed to absolute performance.
- In information technology, investments in Nvidia and Microsoft boosted absolute returns the most. In communication services, investments in Meta Platforms and Netflix were notable contributors. In other sectors, allocations to Carvana and Bayer contributed to absolute performance.
- Investments in the health care and energy sectors were the largest absolute detractors.
- In health care, investments in UnitedHealth Group and Pfizer weighed on performance. In energy, holdings in Orintiv and Diamondback Energy detracted from performance. In other sectors, investments in PG&E and Apple also detracted.

## 12 Month Fund Commentary

- The Fund's investments in the information technology and consumer staples sectors contributed to absolute performance.
- In information technology, holdings in Nvidia and Broadcom contributed to absolute performance. In consumer staples, allocations to Imperial Brands and British American Tobacco boosted absolute returns. In other sectors, investments in Meta Platforms and Alibaba Group Holding were notable contributors.
- Investments in the energy and materials sectors detracted from absolute performance.
- In energy, investments in Cenovus Energy and John Wood Group weighed on performance. In materials, holdings in Soulbrain and Tronox Holdings detracted from absolute returns. In other sectors, holdings in UnitedHealth Group and ICON also detracted.

## Positioning and Outlook

- Global value portfolio co-managers Sam Chamovitz and Morgen Peck use a pair-trading strategy, combining defensive and high-quality opportunistic ideas for long-term risk-adjusted returns, while selling volatile overpriced stocks. They maintain exposure to stable insurers, capital goods manufacturers and semiconductor companies with strong pricing power. Their portfolio remains heavily invested in Japan and Europe, focusing on small- and mid-capitalization opportunities.
- Portfolio manager Dan Dupont prioritizes capital preservation and selects securities with appealing risk/reward profiles, exploring defensive opportunities in Canadian and emerging markets telecommunications firms and in consumer staples, such as European beverage and tobacco manufacturers. Dan diversifies geographically by finding value in markets such as the U.K., China and Brazil, enhancing investor experience during market volatility.
- Growth co-managers Kyle Weaver and Becky Baker aim for long-term capital growth by leveraging uncertainty, maintaining a diverse portfolio to navigate different market environments. They identify three growth profiles: resilient growth, strong long-term growth and breakthrough growth. Despite challenges for high-growth sectors, the managers emphasize resilient growth companies with stable earnings in the communication services and health care sectors, maintaining higher beta exposure while benefitting from defensive positioning.

## Performance Attribution

### SECTOR ATTRIBUTION SUMMARY - 3 MONTHS

Sector	Average Fund Weight (%)	Fund Return (%)	Total Absolute Contribution (bps)
INFORMATION TECHNOLOGY	18.10	22.94	399
COMMUNICATION SERVICES	8.19	11.61	96
CONSUMER DISCRETIONARY	12.18	6.25	94
INDUSTRIALS	11.75	5.49	65
FINANCIALS	11.46	3.32	49
CONSUMER STAPLES	15.45	1.81	29
REAL ESTATE	1.01	1.10	2
MULTI SECTOR	0.03	(5.22)	0
UTILITIES	1.70	0.59	0
MATERIALS	3.39	(1.44)	(3)
ENERGY	3.28	(8.57)	(32)
HEALTH CARE	8.75	(5.14)	(46)
<b>SUBTOTAL</b>	<b>95.29</b>	<b>6.72</b>	<b>652</b>
CASH AND OTHER	4.71	-	(6)
<b>TOTAL</b>	<b>100.00</b>	<b>6.46</b>	<b>646</b>

Note: Differences may be due to rounding.

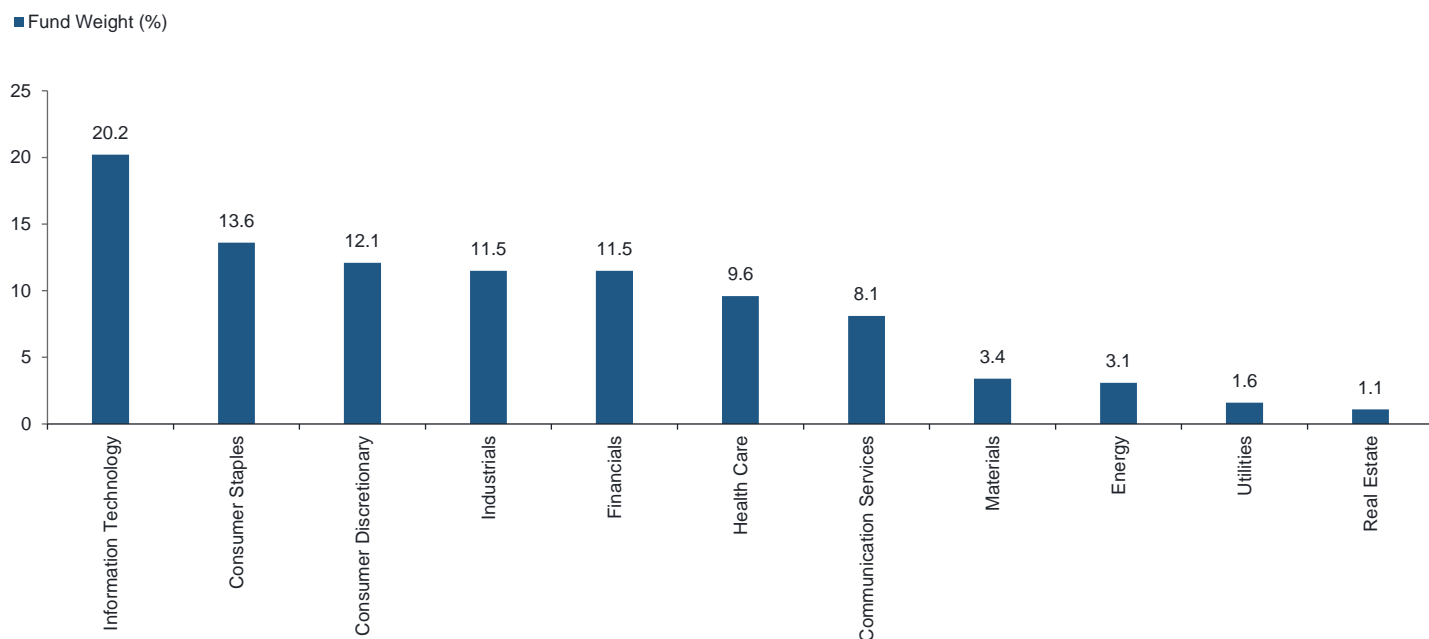
### SECTOR ATTRIBUTION SUMMARY - 1 YEAR

Sector	Average Fund Weight (%)	Fund Return (%)	Total Absolute Contribution (bps)
INFORMATION TECHNOLOGY	20.00	18.46	391
CONSUMER STAPLES	14.63	22.72	320
FINANCIALS	10.68	29.93	311
CONSUMER DISCRETIONARY	12.04	18.56	251
COMMUNICATION SERVICES	8.18	26.85	210
INDUSTRIALS	10.91	14.25	160
REAL ESTATE	0.99	21.05	21
UTILITIES	1.61	8.65	12
MULTI SECTOR	0.04	(12.83)	0
HEALTH CARE	9.62	(0.37)	(4)
MATERIALS	3.66	(10.28)	(39)
ENERGY	3.58	(12.53)	(51)
<b>SUBTOTAL</b>	<b>95.95</b>	<b>16.14</b>	<b>1,581</b>
CASH AND OTHER	4.05	-	47
<b>TOTAL</b>	<b>100.00</b>	<b>16.28</b>	<b>1,628</b>

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
NVIDIA CORP	INFORMATION TECHNOLOGY
MICROSOFT CORP	INFORMATION TECHNOLOGY
META PLATFORMS INC CL A	COMMUNICATION SERVICES
AMAZON.COM INC	CONSUMER DISCRETIONARY
BRITISH AMERICAN TOBACCO PLC	CONSUMER STAPLES
IMPERIAL BRANDS PLC	CONSUMER STAPLES
APPLE INC	INFORMATION TECHNOLOGY
BROADCOM INC	INFORMATION TECHNOLOGY
METRO INC	CONSUMER STAPLES
WELLS FARGO & CO	FINANCIALS



## 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 and Becky Baker – 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



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Performance results for individual accounts will differ from performance results for composites and representative accounts due to factors such as portfolio size, especially if currently only funded with affiliated fee paying seed capital, timing of investments, market conditions, account objectives and restrictions, and factors specific to a particular investment structure.

The value of a strategy's investments will vary day to day in response to many factors, including in response to adverse issuer, political, regulatory, market or economic developments. The value of an individual security or a particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole. Nearly all accounts are subject to volatility in foreign exchange markets.

The performance of fixed income strategies will change daily based on changes in interest rates and market conditions and in response to other economic, political or financial developments. Debt securities are sensitive to changes in interest rates depending on their maturity, and may involve the risk that their prices may decline if interest rates rise or, conversely, if interest rates decline, their prices may increase. Debt securities carry the risk of default, prepayment risk and inflation risk. Changes specific to an issuer, which may involve its financial condition or economic environment, can affect the credit quality or value of an issuer's securities. Lower-quality debt securities (those of less than investment grade quality, also referred to as high yield debt securities) and certain types of other securities are more volatile and are often considered to be speculative and involve greater risk due to increased sensitivity to adverse issuer, political, regulatory and market developments, especially in periods of general economic difficulty. The value of mortgage securities may change due to shifts in the market's perception of issuers, changes in interest rates, or regulatory or tax changes.

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