



# rosan helmsley

WEALTH MANAGEMENT

## Jeremy Podger - Fidelity Global Special Situations

Fidelity has recently announced that Jeremy Podger, who has been the lead portfolio manager of one of Fidelity's flagship funds, Fidelity Global Special Situations, is to retire from managing the portfolio at the end of March. Jeremy has managed the Global Special Situations fund since 1st March 2012, when he joined Fidelity from Columbia Threadneedle Investments.



On an absolute return basis, since Jeremy took over portfolio management of the Global Special Situations fund, the fund has returned **314.81%** against the global benchmark MSCI ACWI's **235.10%** and IA (Investment Association) Global sector **211.10%** (data: 1/3/2012 to 1/3/2024 source Data Analytics, Financial Express).

Jeremy also manages the **Fidelity Sustainable Global Equity** and **Fidelity World** funds, and he will step down from portfolio management responsibilities with these mandates too. Fidelity has advised that Jeremy will remain at Fidelity in a mentoring role to provide guidance and ensure a smooth continuity of the fund's investment process and philosophy.

## New Portfolio Managers

Jeremy has been integral to the recruitment of the new Portfolio Managers (PMs), to ensure that the Global Special Situations fund's philosophy and investment style remains constant with its 'three pillars' approach.

After an extensive recruitment and due process, Fidelity has announced the appointment of **Tom Record** and **Christine Baalham**, to succeed Jeremy.



**Tom Record:** Tom joins from Liontrust, where he managed the Liontrust (Majedie) Global Fundamental Equity and Liontrust (Majedie) Global Fundamental Focus funds since 2014 and was Head of Global Equities at Liontrust, where he grew the global equity team. Tom's position at Liontrust followed the merger with Majedie Investments, from where he joined. Prior to joining Majedie Investments, he was at Baillie Gifford, where he was part of the institutional

global equities team managing assets more than \$30 billion.

Under his stewardship of the Majedie Global Fundamental Equity fund from 30th June 2014 to 31st August 2023, he delivered an annualised average return of **11.12%** against the fund's benchmark (MSCI ACWI) **9.35%**. Across the same time horizon for the Majedie Global Fundamental Focus fund, he delivered an annualised average return of **10.51%** against the MSCI ACWI's **9.35%**.



**Christine Baalham:** Christine joins Fidelity from Ninety-One Asset Managers (formerly Investec), where she was co-manager of the Ninety-One Global Equity fund. Under her part stewardship of that fund from 30th June 2019 to 31st August 2023, the fund returned **37.06%** against the Investment Association (IA) Global sector average **34.55%**.

Prior to its closure in 2019, Christine was PM on the Investec Global Endurance Equity fund, where over her tenure until the fund's closure, the fund delivered average annualised returns of **9.27%** against the MSCI ACWI's **7.84%**.

### **Fund Philosophy - There will be no changes to the core strategy**

Fidelity has confirmed there will be no changes to the Fidelity Global Special Situations investment objectives.

Both Tom and Christine have circa 20 years portfolio management experience and are used to working within a co-PM structure, supported by a collegiate team environment. The two PMs have complementary skillsets with Christine focused on delivering core, style-balanced portfolios with a focus on value, momentum, and quality. Tom's Baillie Gifford and Liontrust background has seen him build a greater level of comfort in high return potential names. Both style approaches are consistent therefore, with the fundamental philosophy of the Global Special Situations fund.

Both PMs are bottom-up stock pickers with a research analyst background and are philosophically aligned to the concept of market inefficiency, idiosyncratic risk, the fundamentals of active management. The fund managers have been appointed for their skills and experience and the complimentary result of combining their individual areas of strength.

When running a portfolio, it is important for the managers to have the flexibility needed to express their conviction. Both managers are building off the portfolio structure designed and implemented by Jeremy Podger, sticking to underlying tenets but expanding scope in ways that reflect changes in markets and allows a widening of the opportunity set on the margins. This represents a natural evolution, rather than a wholesale change.

Fidelity is confident that the new management team will bring intellectual rigour and fresh perspective to a process that builds upon the analytical resource of Fidelity's research function.

The PMs will continue to apply the fund's key three pillars approach with the aim of evolving this philosophy to adopt the following objectives:

**Corporate Change/Recovery:** companies with demonstrable value that have a clear catalyst to drive the company's re-rating and earnings growth.

**Compounding Value:** companies with high quality characteristics and the ability to deliver earnings growth in excess of market expectations.

**Unique Businesses/Innovators:** companies with exceptional growth opportunities and ability to scale over the long term.



### **Buy and Sell Discipline**

The new PMs intend to build and maintain a short, but deliberate thesis on the names they hold.

#### **Buy Discipline**

- The stock fits into one of the above three pillars.
- The investment thesis offers sufficient upside.
- The stock is positively exposed to change.
- The company is taking action to address any sustainability concerns.

#### **Sell Discipline**

- The investment thesis has played out and the upside has been realised.
- There is a significant change in the risk/reward balance.
- The investment thesis is proven wrong, or changes materially.
- Sustainability issues materially change the investment thesis.

### **Rosan Helmsley View**

Fidelity always applies a rigorous process to a PM change and especially so on core funds in their stable. Fidelity Global Special Situations has a long and successful track record and is one of Fidelity's core global equity funds.

For those investors relatively new to this investment strategy, we would propose maintaining the exposure at this stage. We will clearly be monitoring the performance of the new PMs over the coming year and beyond. We remain confident that the new PMs will continue to generate positive inflation beating returns for investors through time and build on the historic record of the fund.

For those investors who have been long term holders of this fund and thereby generated significant profits, it makes sense to consider a diversification process by maintaining some exposure to the Fidelity fund and then reinvesting a percentage of the holding to alternate and complimentary global equity strategies. We will talk to clients on appropriate complimentary funds based on their individual circumstances.

It should be noted that Jeremy Podger will remain at Fidelity in a mentoring and consultancy role, ensuring continuity with the fund's style and thesis.

If you would like to speak to us about this fund announcement and your individual exposure to the strategy, please do contact your usual contact and we can schedule a call.

Sincerely,

Rob Sandwith

CEO | March 20th, 2024