2018: Investment strategies for a more challenging market

Tom Stevenson Investment Director Fidelity Personal Investing

The value of investments and the income from them can go down as well as up so you may get back less than you invest. This information is not a personal recommendation for any particular investment. If you are unsure about the suitability of an investment you should speak to an authorised financial adviser. This document may not be reproduced or circulated without prior permission. No statements or representations made in this document are legally binding on Fidelity or the recipient.





Interactive poll: The S&P 500 will end 2018....



- 1. More than 10% higher I'm running with the bulls
- 2. Less than 10% higher I'm nervously optimistic
- 3. Less than 10% lower The bull market is flagging
- **4. More than 10% lower** The bears are back in town



Strategy 1: Make a friend of volatility

"More money has been lost trying to anticipate and protect from corrections than actually in them." **Peter Lynch**



The return of volatility: why 2018 will be a rockier ride

The role of Cash in volatile markets

Time in the market: take the emotion out of investing



Strategy 2: Be alert to changing styles

"We have seen inflation moving up to target and fiscal policy become more stimulative." Jay Powell



Trump: pouring fuel on an already smouldering fire

Investing in a rising interest-rate environment

Time for value's moment in the sun?



Strategy 3: Beware bond bulls AND bears

"Bond bear market confirmed today.

25 year long-term trendlines broken." Bill Gross



Yield curves, recessions and bear markets

Widening spreads: red lights flashing

Flexible strategy: let someone

else worry



Strategy 4: Embrace euphoria....with your eyes open

"Bull markets are born on pessimism, grow on scepticism, mature on optimism and die on euphoria." **John Templeton**

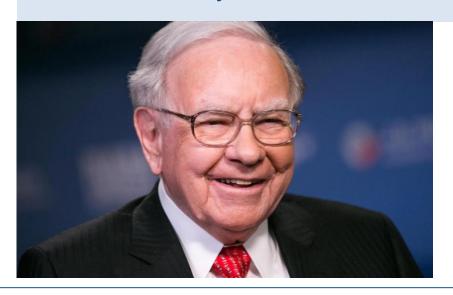


The most grudging of all bull markets
When optimism turns to euphoria
Where will the next bubble inflate?



Strategy 5: Pick the top dogs, avoid the mongrels

"Be fearful when others are greedy and greedy only when others are fearful." Warren Buffett



Why markets might move sideways

Why passive investing is the wrong approach

The power of active investing



Strategy 6: Keep your balance

"The way to get rich is to put your eggs in one basket, but to watch that basket very carefully." **Jim Rogers**



Why Jim Rogers is right AND wrong
No-one has a crystal ball
The beauty of diversification



My 2018 Fund Picks



Invesco Perpetual

European Equity Income Fund

Old Mutual

Asia Pacific Fund

Fidelity

Global Special Situations Fund

Fidelity

Select 50 Balanced Fund



Overseas investments may be affected by changes in exchange rates. Investments in small and emerging markets may be more volatile than those in more developed markets. These funds use financial derivative instruments for investment purposes, which may increase the level of risk and cause larger-than-average price fluctuations.

Important information

This information must not be reproduced or circulated without prior permission.

Fidelity International refers to the group of companies which form the global investment management organisation that provides information on products and services in designated jurisdictions outside of North America. This communication is not directed at, and must not be acted upon by persons inside the United States and is otherwise only directed at persons residing in jurisdictions where the relevant funds are authorised for distribution or where no such authorisation is required.

There is a risk that the issuers of bonds may not be able to repay the money they have borrowed or make interest payments. When interest rates rise, bonds may fall in value. Rising interest rates may cause the value of your investment to fall.

Unless otherwise stated all products and services are provided by Fidelity International, and all views expressed are those of Fidelity International. Fidelity, Fidel

The Key Investor Information Document (KIID) for Fidelity and non-Fidelity funds is available in English and can be obtained from our website at www.fidelity.co.uk/importantinformation or by calling 0800 41 41 61. The Prospectus for Fidelity funds may also be obtained from Fidelity.

Issued by Financial Administration Services Limited, authorised and regulated by the Financial Conduct Authority. UKM0318/21677/SSO/0318

