



FIDELITY'S INTERNATIONAL PROPERTY PORTFOLIOS

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My name is Alex Tarver; I am Product Specialist for Global Property Securities at Fidelity International.

Property is of interest these days for the same reasons that it's always been of interest, and that's for the diversification benefits that property can bring to an investor's portfolio.

Property is also a hot topic among many people. People understand property in their private lives, but also in an investment context. It's in the press, sometimes not for the right reasons; but it's often debated and discussed socially as well as professionally.

As much as people like to talk about property markets going up, they also talk about bubbles and at what point they may reverse. The way to ensure that you are less susceptible to bubbles in property investing is to ensure diversification. The way you can do this is with all the different products that are available now in the investment universe. It is possible now to invest in property securities funds that focus on geographies as well as being global. This is complementary and also in addition you could consider marrying bricks-and-mortar funds with property securities funds, open-ended and closed-ended vehicles. There's a lot of opportunity now available to property investors in the retail space.

The key attraction of investing in property securities – and there are a number of these – first of all is the ability to invest in the sector at relatively low cost. The price to buy and sell shares on the market is well known. Secondly, property securities, the companies themselves, thanks in part to the REIT legislation, provide a good level of income.

And the final point I'd like to make is about price transparency. These are traded securities, and are marked to market every moment of every day that markets are opened. This is in contrast to the direct property market, where there are longer periods of time between valuations. At the moment about 8% of all commercial property is in a company structure, and this is growing by approximately 10% per annum.

Although securitisation rates are relatively low, this is not a new concept. The first REITs were created in the United States in the 1960s, in Australia in the 1970s. But really the development in REITs has only just taken off in the 1990s, and this is where the greatest growth has occurred. We can see now also growth developing in Asia and in Europe, and these will be the growth markets for the foreseeable future.

To help clients get the right property exposure, Fidelity is providing you with a map and a guide.



To learn more about our global portfolios and to watch videos of our fund managers, click the main banner on this page to go to your local country site.

On these pages you'll find extra information, including soundbite summaries on property securities, the global marketplace, different sectors and different geographies.



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