

Fidelity China Fund

Product series

For over 20 years, Fidelity has been active and on the ground in China. Over this time, we have developed a thorough understanding of the unique Chinese economy, Chinese society, customs and business culture, as well as the political and regulatory environment. Our experience in the region means we know how to do business in China. It's this first-hand local knowledge that gives us the edge.

“ China is a unique emerging market, dominated by retail investors and subject to policy uncertainty. It is also home to the leaders of tomorrow. Having a tried and tested investment philosophy as well as on-the-ground research capabilities is an essential part of our investment process. A real understanding of the macro, the culture element and consumer behaviour is important to enabling investors to participate fully in the growth of the second largest global economy. ”

Jing Ning, Portfolio Manager
Fidelity China Fund

Why invest?

- 1** Access to China's long-term growth story by investing in some of the best undervalued opportunities.
- 2** An actively managed product backed by more than 20 years' experience investing in China.
- 3** Through a rigorous portfolio construction process, the best ideas likely to benefit from the country's growth dynamics will be selected for the portfolio.

Taking a value approach to China

The Fidelity China Fund aims to achieve long-term capital growth through investing in 60 to 80 Chinese securities listed in China and Hong Kong, as well as securities in non-Chinese companies that derive a significant portion of earnings from China.

The Fund's Portfolio Manager, Jing Ning, is a bottom-up stock picker with a value bias and a contrarian approach. Jing's starting point is to identify intrinsic value at market extremes, and her valuation approach is central to the process. She searches for quality business models and management teams that are out of favour due to short-term macro reasons.

This, combined with her long-term investment horizon, gives her the ability to identify stocks that are undervalued in China's more volatile market, but which should be beneficiaries of the country's growth dynamics.

Jing is aware of the macro environment and policy changes but believes bottom-up company specific research adds the most value when investing in China.

Investment process

The Fidelity China Fund has a three-stage investment process:

Idea generation

The process begins with a search for quality business models that are out of favour due to short-term macro reasons, policy impact or a significant company-level disappointment. Fidelity's own fundamental research is then applied to look at every aspect of the company – from its management team, business model, demand-supply dynamics and its financials.

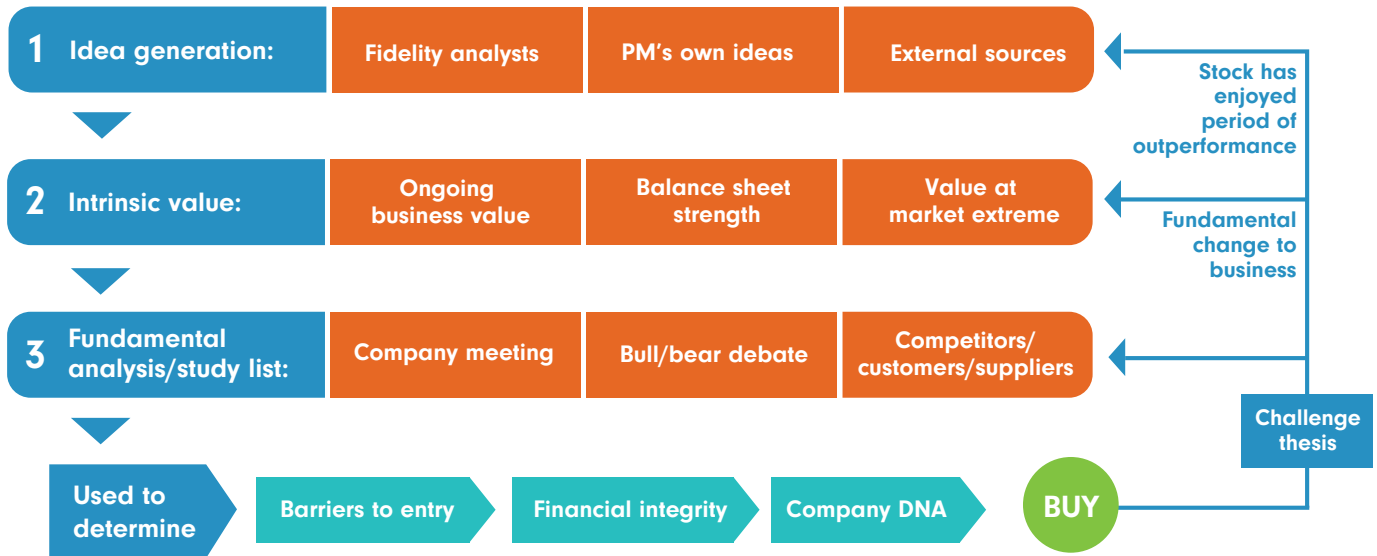
Portfolio construction

Stock selection decisions are made by Jing Ning. Her bottom-up approach focuses on determining the intrinsic value of a company rather than themes. Jing puts companies on her radar for two quarters to assess their viability before making a final decision and selecting 60 to 80 of the best ideas.

Risk management and monitoring

Market conditions in China can change rapidly. Every 120 days, we review companies that have stock in the Fund. If things change, we can react quickly.

Stock selection process



The Manager



Jing Ning
Portfolio Manager

The Fund is managed by Jing Ning. Jing joined Fidelity in 2013 and was soon after appointed as the Portfolio Manager of the Fidelity China Fund.

Prior to Fidelity, Jing worked at Blackrock and AIG Investments. Jing was educated in China and the United States, gaining a BA degree from Tsinghua University in Beijing and an MBA from the University of Rochester. She is also a Chartered Financial Analyst holder.

Jing is supported by 50 on-the-ground analysts, among whom 17 are dedicated solely to Chinese equities, and by our global research team of 170 research professionals and 400 investment professionals worldwide.

The Fidelity difference

Fidelity specialises in active fund management that focuses on bottom-up global research. With one of the largest buy-side research teams in the world, we have the unique ability to identify investment themes and ideas across different market cycles.



We have a team of more than 400 investment professionals connecting ideas across asset classes, sectors and regions to see things others may miss.



We attend more than 15,000 company meetings a year. We believe that by going further we gain better insights and knowledge, to make better investment decisions.



Our purpose is to build better futures. We believe that by investing in companies which operate with high standards of sustainability we can protect and enhance returns for our clients, and build a better future for society as a whole.

Fund facts

Objective	To outperform the MSCI China Index NR [†] over the medium to long term
Benchmark	MSCI China Index NR [†]
Inception	29 September 2005
Number of stocks	60 to 80
Buy/sell spread	±0.30%
Management costs	1.20% p.a.

[†] 'NR' at the end of the benchmark name indicates the return is calculated including reinvesting net dividends. The dividend is reinvested after deduction of withholding tax, applying the withholding tax rate to non-resident individuals who do not benefit from double taxation treaties.

How to invest

Whether you're a first-time investor or an investment professional, you can access Fidelity's investment expertise in the way that best suits your individual needs:

Direct investment

You can invest directly with Fidelity as an investor or adviser. Fidelity accepts direct investments with a minimum of \$25,000. You can apply online or using our paper application.

Invest via mFund

All of our managed funds are available on mFund Settlement Service. This service allows you to buy, hold and sell units in Fidelity managed funds through a process similar to buying and selling shares.

You can easily buy (apply for) and sell (redeem) units via a broker and the transactions are settled using CHESSE, the ASX electronic settlement system.

Invest via a platform

You can invest with Fidelity via a platform, which is generally offered through a financial planner.

A platform bundles a range of managed funds and investments as one single product to provide consolidated administration, tax, and distribution reporting.

2020 Morningstar Australia Fund Manager of the Year

[fidelity.com.au](https://www.fidelity.com.au)



Awards
2020



*Morningstar Awards 2020 ©. Morningstar, Inc. All Rights Reserved. Awarded to Fidelity International for Morningstar 2020 Australia Fund Manager of the Year. All information is at 30 June 2021 unless otherwise stated.

Note: Generally, a maximum sector position of ±10% from benchmark MSCI China Index NR[†].

Important information: This document is issued by FIL Responsible Entity (Australia) Limited ABN 33 148 059 009, AFSL No. 409340 ('Fidelity Australia'). Fidelity Australia is a member of the FIL Limited group of companies commonly known as Fidelity International. **This document is intended for use by advisers and wholesale investors. Retail investors should not rely on any information in this document without first seeking advice from their financial adviser.** This document has been prepared without taking into account your objectives, financial situation or needs. You should consider these matters before acting on the information. You should also consider the relevant Product Disclosure Statements ('PDS') for any Fidelity Australia product mentioned in this document before making any decision about whether to acquire the product. The PDS can be obtained by contacting Fidelity Australia on 1800 119 270 or by downloading it from our website at www.fidelity.com.au. The Target Market Determination (TMD) for the Fidelity Australian product(s) named in this document will be made publicly available effective 5 October 2021 via www.fidelity.com.au. This document may include general commentary on market activity, sector trends or other broad-based economic or political conditions that should not be taken as investment advice. Information stated herein about specific securities is subject to change. Any reference to specific securities should not be taken as a recommendation to buy, sell or hold these securities. While the information contained in this document has been prepared with reasonable care, no responsibility or liability is accepted for any errors or omissions or misstatements however caused. This document is intended as general information only. The document may not be reproduced or transmitted without prior written permission of Fidelity Australia. The issuer of Fidelity's managed investment schemes is FIL Responsible Entity (Australia) Limited ABN 33 148 059 009. Reference to (\$) are in Australian dollars unless stated otherwise. © 2021 FIL Responsible Entity (Australia) Limited. Fidelity, Fidelity International and the Fidelity International logo and F symbol are trademarks of FIL Limited.