

Global demographics

Demographics is the study of a population based on factors like age and lifestyle that stands out in terms of predictability.

Demographic study includes



Aging population

Increasing demand for healthcare as well as increased efficiencies



Growth of the middle class

Emerging markets wealth creation = changing lifestyle and behaviours



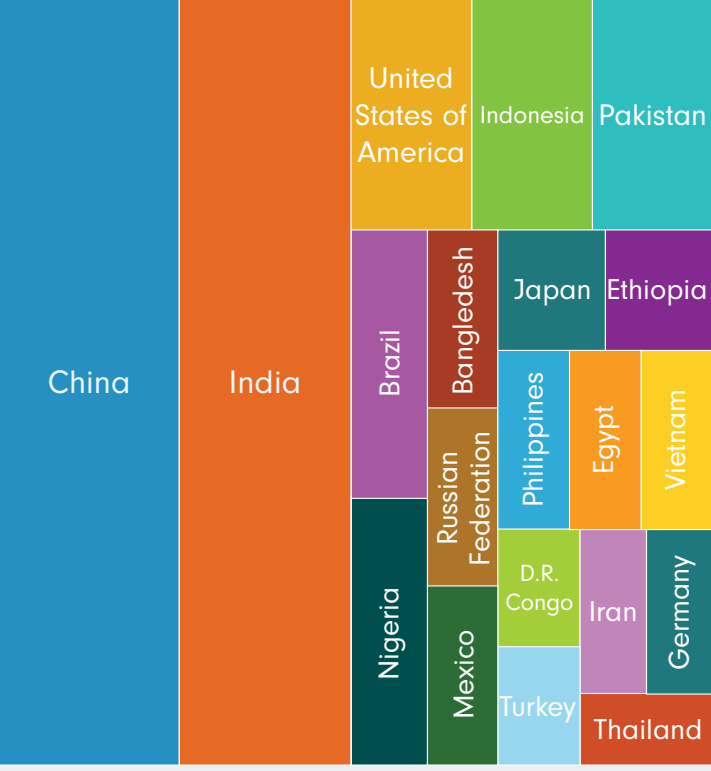
Population growth

Creates opportunities and challenges

Source: Fidelity International, 31 March 2021. Thematic breakdown exposures are for illustrative purposes only.

Visualising top 20 populous countries in the world by 2050

Emerging markets are the powerhouse of the world economy contributing more than half of global GDP, and expected to grow.



...will lead to increased needs by 2050

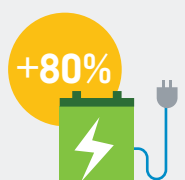
If global population reaches 9.1 billion by 2050, the Food and Agriculture Organization (FAO) of the United Nations says that world food production will need to rise by 70%, and food production in the developing world will need to double.



Global water demand is projected to increase by some 55%, due to growing demand from manufacturing (+400%), thermal electricity generation (+140%) and domestic use (+130%).



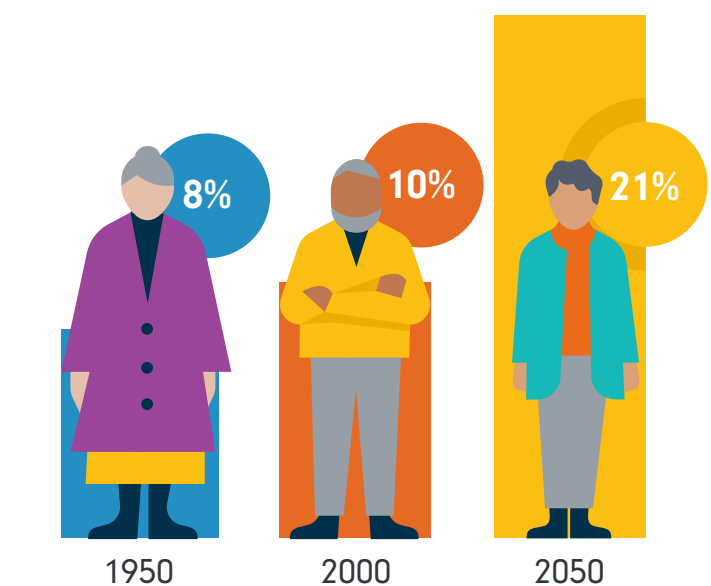
A world economy four times larger than today is projected to need 80% more energy in 2050 without new policy action.



Source: <https://www.populationpyramid.net/sources> December 2020 | Source: National intelligence Council: Global Trends: Alternative Worlds, 2012, OECD, 2012, Population Institute, Forbes, 2018.

We are also getting older

Older persons (ages 65 and above) today comprise the world's fastest growing age group which is expected to reach 2 billion by 2050.



Source: UN report World population Aging 1950-2050.

An aging population has greater need for healthcare

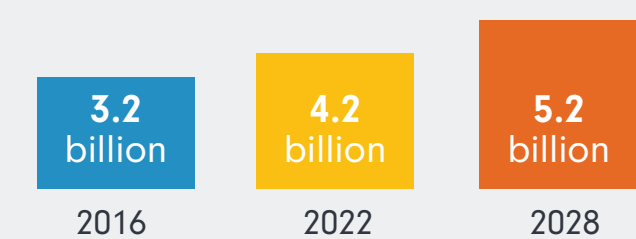
Drivers for continued health care spending include the following and the growing international competition for health care workers may push up labour costs.

- Population aging
- Increasing demand for care
- Countries gradual economic recovery
- Clinical and technology advances
- Labor costs
- Expansion of public and population health care systems

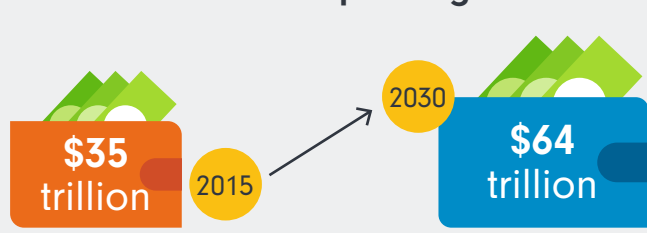
Source: <https://documents.deloitte.com/insights/Globalhealthcareoutlook>

The market for middle class consumption could grow faster than global GDP growth

Global middle class



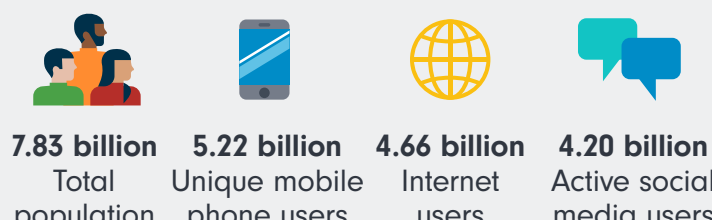
Global middle class spending



Source: Fidelity International, Brookings, Inner circle data is for the year 2015 and the outer circle is for the year 2030. OECD Development Centre, 2017. The middle class has been as comprising those households with per capita incomes between \$10 and \$100 per person per day (pppd) in 2005 PPP terms (Kharas, 2010; World Bank, 2007; Ernst & Young, 2013; Bank of America Merrill Lynch, 2016). This implies an annual income for a four-person middle-class household of \$14,600 to \$146,000.

COVID-19 has accelerated digitalisation by a number of years

4.66 billion people use the internet today which is nearly 60% of the world's population accessing online goods and services.



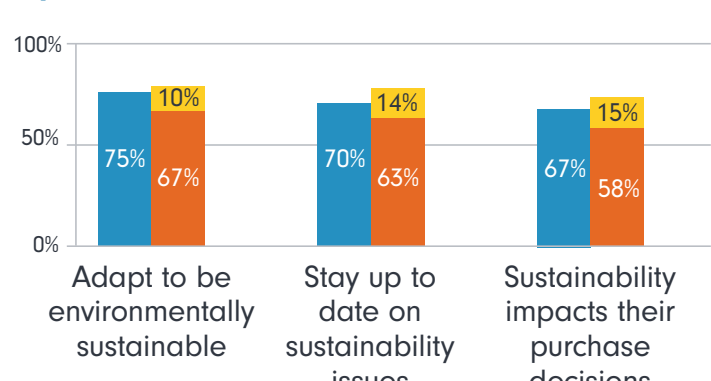
All want seamless access to products and services, irrespective of location. This includes:

- Cloud and open booking in a secure environment
- Speed to market worldwide
- API-Centric product flexibility
- Frictionless, digital consumer experience

Source: <https://datareportal.com/reports/digital-2021-global-overview-report>
Source: <https://seekingalpha.com/article/4375627-global-payments-will-difficultly-growing-in-current-economic-environment>

Global citizens are factoring in environment and sustainability into their lifestyle and purchase decision

Top three sustainable trends:



■ Currently engage with this trend in 2018
■ Will continue to engage with this trend in the next 5 years
■ Will start engaging with this trend in the next 5 years

Source: <https://www.ofx.com/en-au/campaign/where-the-worlds-moving/infographic/>

Example of companies that may be in the Fidelity Global Demographics Fund

Aging population

CSL CSL manufacturers plasma (blood derived).

Growth of the middle class

Alibaba Group One of the leading e-commerce company in China. Also provides online financial and internet content services through its subsidiaries.

Population growth

ECOLAB Ecolab Provides water, hygiene and energy technologies and services for customers worldwide.

Close to a decade investing in demographics

This extensive track record provides Fidelity Global Demographics Fund Portfolio Management Team with a unique and independent view of factors shaping returns derived from global demographic trends.

“Demographics are a structural, visible, long term mega trend: ageing populations, emerging market wealth creation and population growth are powerful trends which investors with a long-term horizon can leverage through bottom up stock picking.”

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

To learn more about the Fidelity Global Demographics Fund, visit [fidelity.com.au](https://www.fidelity.com.au) or call us on 1800 044 922.