

Fidelity Global Emerging Markets Fund

(Managed Fund) (ASX:FEMX)



The Fidelity Global Emerging Markets Fund (Managed Fund) is an Active ETF designed for investors seeking a diversified selection of quality emerging market companies. We select companies that we believe are well positioned to generate returns through market cycles, with a focus on companies with a track record of robust corporate governance.

“ Emerging markets have always been important in the global economy due to their size. If you look back over the last 20 to 30 years, you can see that emerging market GDP has gone from around 30 to 40% of global output to about 60% of global economic activity today.

Alex Duffy, Portfolio Manager

Why invest in FEMX?

- 1 One trade gives you access to a diversified portfolio of 30 to 50 actively managed emerging market shares.
- 2 One trade gives you access to Fidelity's investment expertise in emerging markets, with a track record backed by more than 20 years' investing in emerging markets.
- 3 One trade gives you access to a prudent, focused investment process designed to provide you with attractive returns over time, and minimise downside risk.
- 4 There is no paperwork for investors with a trading account and no minimum investment size.

Actively managed access to emerging markets

The Fidelity Global Emerging Markets Fund (Managed Fund) is an Active ETF which gives investors access to a diversified portfolio of 30 to 50 quality companies in emerging markets. The Fund is actively managed, which means investors access a portfolio of carefully selected globally listed securities exposed to emerging markets, which may or may not be in the Fund's benchmark. See Table 1 which compares the country holdings of The Fidelity Global Emerging Markets Fund versus its benchmark (the MSCI Emerging Markets Index NR).

The portfolio manager actively seeks companies with a track record of robust corporate governance; selecting companies we believe are well positioned to generate returns through market cycles.

With access to research and insights from 400 investment professionals worldwide, and more than 50 on-the-ground analysts in emerging markets, we have the resources and the expertise to discover some of the best opportunities in some of the world's fastest growing economies.

Our process

At Fidelity, we recognise that a major risk in emerging markets stems from poor corporate governance or poor balance sheet structures. Based on this belief, our investment process is designed to mitigate these risks and concentrate on the areas we can add value.

We mitigate risk through:

1 Prudent corporate governance

We consider ownership, shareholder structure and management incentives to ensure the interests of investors are properly aligned with those of the major decision makers.

2 Balance sheet health

Balance sheet analysis ensures the balance sheet is robust enough to fund the growth of the company across the economic cycle. The team also pays close attention to accounting standards.

We add value through bottom-up research and portfolio construction by:

3 Understanding the return profile

Understanding how a company makes money and the key drivers of returns is crucial. We stress test the return profile against a range of assumptions to understand the underlying resilience of a company's cash flow generation across an economic cycle.

4 Evaluating valuations

The team starts by looking at cash flow generation in year one. We then look at reinvestment opportunities and examine the compounding potential over the three to five-year time horizon.

5 Portfolio construction

Portfolio Manager Alex Duffy selects the stocks for FEMX. Alex's approach is absolute in nature and his decisions are made according to his belief in the quality of the company and its expected return.

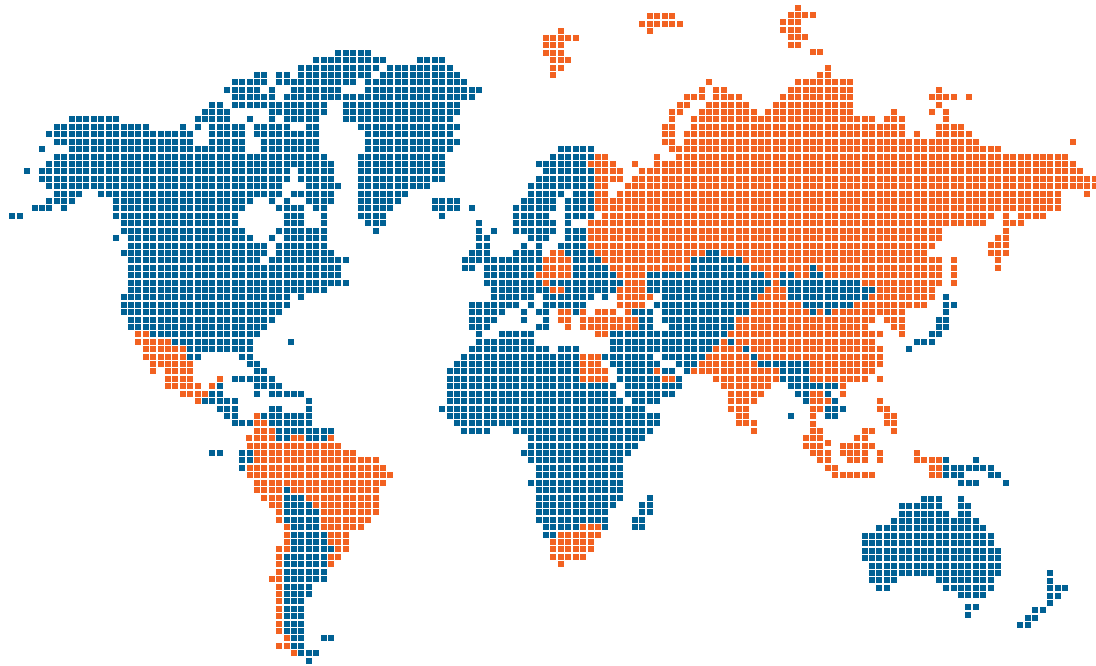


Table 1
Countries in the MSCI Emerging Markets Index

Americas	Europe, Middle East + Africa	Asia
Brazil	Czech Republic	China
Chile	Egypt	Hong Kong
Colombia	Greece	India
Mexico	Hungary	Indonesia
Peru	Poland	Korea
	Qatar	Malaysia
	South Africa	Pakistan
	Turkey	Philippines
	United Arab Emirates	Taiwan
	Russia	Thailand

Country exposure of the Fidelity Global Emerging Markets Fund (Managed Fund) (ASX: FEMX) as at 31 March 2019 is listed in bold¹.

The Manager



Alex Duffy, Portfolio Manager, Fidelity's Global Emerging Market Funds

Alex has 14 years' experience in investing, joining Fidelity in 2004. He manages the successful Fidelity Global Emerging Markets Fund (unlisted) which was launched in Australia in 2013 and now the quoted Active ETF, Fidelity Global Emerging Markets Fund (Managed Fund) (ASX: FEMX). Prior to becoming a portfolio manager in 2008, Alex was a research analyst covering raw materials and natural resources before moving into portfolio management.

Since April 2015, Alex has been solely focused on managing global emerging market equities.

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.



Foresight

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



Further

We attend more than 16,000 company meetings a year. We believe that by going further we gain better insights and knowledge, to make better investment decisions.



Future

Privately owned for nearly half a century, Fidelity is an independent company and investment is our only business. We help investors build long-term wealth by thinking well-ahead.

Fund facts

Objective	To outperform the MSCI Emerging Markets Index NR over the suggested minimum investment time period seven years plus
Benchmark	MSCI Emerging Markets Index NR
Inception	29 October 2018
Number of stocks	30-50
Management costs	0.99% pa
Distributions	Annually (with option of DRP)

* '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

Via your broker or licenced adviser

- 1 Place a 'buy or sell' order with your broker.
- 2 Your broker initiates a transaction with the ASX via the ticker code.
- 3 The ASX settles the transaction via CHES.

Direct with online trading account

If you have an online trading account, you can type in the fund's ticker code and invest immediately.

fidelity.com.au



Important information

¹ Note: International Securities: 90% to 100%. Generally, a minimum of 70% of the portfolio will be invested in securities which are either incorporated in or listed in an emerging market, or where a company generates at least 50% of revenues, profits or has substantial assets in emerging markets. The remaining maximum limit of 30% will constitute up to 20% in frontier market securities and up to an additional 10% in companies that FREAL deems to have exposure to emerging markets. Cash: 0% to 10% Derivatives: 0% to 10%.

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.

Prior to making an investment decision, retail investors should seek 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.** 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.

© 2019. FIL Responsible Entity (Australia) Limited. Fidelity, Fidelity International and the Fidelity International logo and F symbol are trademarks of FIL Limited.