

Fidelity Global Emerging Markets Fund



Investing in emerging markets can provide a unique opportunity to tap into some of the fastest growing economies in the world. But what if the best opportunities are the ones that are harder to see? We prefer a more prudent approach, designed to provide more sustainable results over time.

Longer term sustainability

A five-stage investment process that seeks to firstly mitigate risk and then concentrate on areas that we can really add value.

Mitigate risk



Prudent corporate governance

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



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 pay close attention to accounting standards.

Add value



Understanding the return profile

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



Valuations

We start by looking at cash flow generation in Year 1. We then look at reinvestment opportunities and examine the compounding potential over the 3-5 year time horizon.



Portfolio construction

Final stock selections are made by Portfolio Manager Alex Duffy. Alex's approach is absolute in nature and decisions are made according to his conviction of the quality and return, without reference to an underlying index.

Why invest?

1

Access to a prudent, focused investment process designed to provide investors with attractive returns over time, while minimising any loss of capital

2

A strong track record backed by more than 20 years' experience investing in emerging markets, informed by over 50 on-the-ground analysts

3

A concentrated portfolio with low turnover and a patient approach, which allows opportunities time to come to fruition

The approach

The Fund is managed by Alex Duffy. Alex has 11 years' experience and joined Fidelity in 2004. Prior to becoming a portfolio manager, Alex was a research analyst. He's passionate about generating sustainable returns for investors and mitigating the risk of capital loss.

Put simply, Alex wants to own good businesses that he really understands. He wants to avoid areas of risk he's not comfortable with – namely, poor corporate governance and inferior balance sheets. And focus on areas that he can add value, such as understanding business drivers, reinvestment returns and compounding over time.

Alex is supported by our global research team of 140 equity analysts and 400 investment professionals worldwide.

The Fidelity difference

Established in 1969, Fidelity International offers world-class investment solutions and retirement expertise. As a privately owned, independent company, investment is our only business and we're driven by the needs of our clients, not by shareholders. Our vision is to deliver innovative client solutions for a better future.

We're an active manager focused on global research, and have one of the largest buy side research teams in the world. It's our obsession with research, and with insights globally and locally, which enable us to evaluate complex businesses and make better investment decisions for our clients.

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	16 December 2013
Number of stocks	30–50
Buy/sell spread	± 40%
Management costs	1.00% pa

* '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.

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