

# Global emerging markets

Some of the world's fastest growing economies

## What are emerging markets?

An emerging market economy is simply one transitioning from a low to middle income to high income. It shares some characteristics with more developed economies – which helps to smooth its path to development.

- 1** Functioning stock exchange where shares can be easily traded
- 2** Unified currency and access to debt
- 3** Some form of predictable government regulation

**5** regions

**27** countries

Today 27 developing economies make up the MSCI Emerging Markets Index vs only 10 in 1988.

Malaysia and Brazil formed over half of the Emerging Markets Index capitalisation at launch in 1988.

China was not represented in 1988.

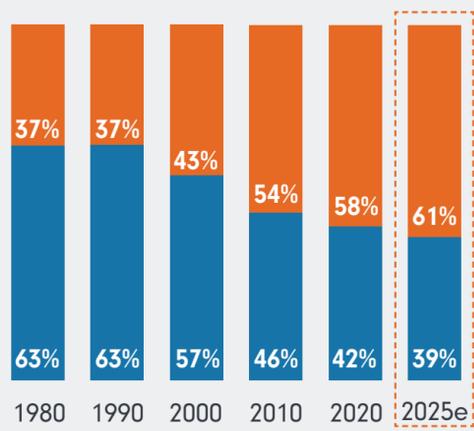
Source: MSCI Emerging Markets Index, Fidelity International.

EMEA Asia Latin America

## Significant contributor to global GDP, yet under-represented in global indices

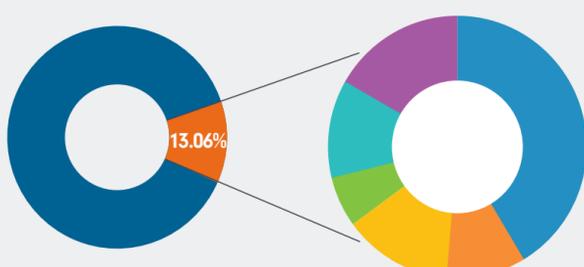
Emerging markets are the powerhouse of the world economy contributing more than half of global GDP, and expected to grow.

### Contribution to GDP (%)



Source: www.imf.org/external/datamapper/PPPSH@WEO/OEMDC | Fidelity International and MSCI ACWI and MSCI EM Index as at 30 April 2021.

### Emerging markets represents just 13.06% of the MSCI All Country World Index



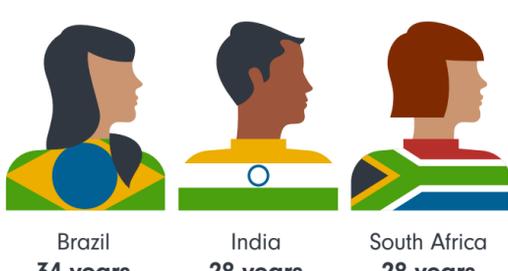
Emerging market and developing economies

- Advanced market
- 37.54% China
- 14.56% Taiwan
- 13.41% South Korea
- 9.36% India
- 4.61% Brazil
- 20.53% Other

## Where's the growth coming from?

There are still plenty of productive workers to keep the economy running and fewer retirement age workers to support.

### Younger workforce – median age



Source: www.worldometers.info/world-population

### China's growing middle class

As more of these productive aged workforce find meaningful work, they also tend to have more disposable income which means we're seeing a new middle class rising out of emerging markets – supporting increased consumption and support for financial services and other sophisticated products and services.



Source: www.brookings.edu/wp-content/uploads/2020/10/FP\_20201012\_china\_middle\_class\_kharas\_dooley.pdf

## Types of companies you can access

Today, emerging market economies are home to some of the world's most innovative companies.

Many of these companies can also be found in the Fidelity Global Emerging Markets Fund



**AIA Group** has headquarters in Hong Kong, is the largest independent publicly listed pan-Asia life insurance group.



**Tencent** is a tech company which has a billion user eco-system, owns messaging app WeChat and a mobile gaming franchise.



**Tata** is a family of companies that covers cars and consulting, software and steel, chemicals, tea and coffee, and hotels.



**Samsung** is one of the kings of the mobile world bringing innovation into countless markets going well beyond just mobile and electronics.



**Techtronic Industries** is a power tool manufacturer operating predominantly in China and selling to the US, Europe and globally.



**Taiwan Semiconductor Manufacturing** has been at the forefront of chip design since the early 80s and today produces chips for some of the largest clients in the world i.e. Apple.

Source: Fidelity International, MSCI ACWI and MSCI EM Index.

## 15+ years' experience in emerging markets

With access to research and insights from 400 investment professionals worldwide, the Fund's investment experts have been finding some of the best opportunities in this exciting and dynamic region for more than 15 years.

**26** portfolio managers across Asia

**47** research analysts across Europe and Asia covering Emerging Markets

The Fidelity Global Emerging Markets Fund 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.

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.

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

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 before taking into account your objectives, financial situation or needs. You should consider these matters before acting on the information. You also should consider the Product Disclosure Statements ('PDS') for respective Fidelity products before making a decision whether to acquire or hold the product. The relevant PDS can be obtained by contacting Fidelity Australia on 1800 119 270 or by downloading from our website at [www.fidelity.com.au](http://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](http://www.fidelity.com.au). Investments in small and emerging markets can be more volatile than investments in developed markets. Investments in overseas markets can be affected by currency exchange and this may affect the value of your investment. 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 issuer of Fidelity's managed investment schemes is FIL Responsible Entity (Australia) Limited ABN 33 148 059 009. Details about Fidelity Australia's provision of financial services to retail clients are set out in our Financial Services Guide, a copy of which can be downloaded from our website at [www.fidelity.com.au](http://www.fidelity.com.au). © 2021 FIL Responsible Entity (Australia) Limited. Fidelity, Fidelity International and the Fidelity International logo and F symbol are trademarks of FIL Limited. 22 September 2021