

This is for investment professionals only and should not be relied upon by private investors

## From the desk of Aneta Wynimko: *Reflections for International Women's Day*

ANETA WYNIMKO

### Important Information

- Past performance is not a reliable indicator of future returns.
- The value of investments and the income from them can go down as well as up and investors may not get back the amount invested.
- Reference to specific securities should not be construed as a recommendation to buy or sell these securities and is included for the purposes of illustration only.
- This fund invests in emerging markets which can be more volatile than other more developed markets.
- This fund has, or is likely to have, high volatility owing to its portfolio composition or the portfolio management techniques.
- This fund invests in overseas markets and the value of investments can be affected by changes in currency exchange rates.
- Investors should note that the views expressed may no longer be current and may have already been acted upon.
- The fund promotes environmental and/or social characteristics. The Investment Manager's focus on securities of issuers which maintain sustainable characteristics may affect the fund's investment performance favourably or unfavourably in comparison to similar funds without such focus. The sustainable characteristics of securities may change over time.

### Female economy: a phenomenon that consumer brands cannot miss

As a market, women represent an opportunity larger than the economies of China and the United States. Women effectively control roughly US\$31.8 trillion in annual consumer spending, with the figure set to increase as more women enter the workforce globally<sup>1</sup>. In contrast, China and the United States' nominal GDPs in 2020 were \$14.7 trillion and \$20.9 trillion respectively. By 2030, there will be 100 million more women in the global labour force, which translates to an average participation rate of more than 40%, lowering the gender gap in participation by 25% by 2025<sup>2</sup>.

Importantly, this is a global phenomenon. With the swelling middle class in emerging markets, young women already play a pivotal role in shaping consumer markets. In China, for example, women are responsible for three-quarters of household purchasing decisions and their annual spending is set to increase to RMB 8.6 trillion by 2022, a 160% increase from 2017<sup>3</sup>. Improved education also facilitates further financial autonomy.

This trend creates a huge opportunity across all sectors, ranging from nutrition to fitness and beauty (as women spend relatively more on themselves and their wellbeing), apparel, financial services and healthcare - the latter two having lagged for years in catering for the female audience.

As an investor, this is a trend I follow closely and as I assess a brands' strength, I pay attention to their ability to serve women and draw on this multi-year economic opportunity.

### A constant focus on assessing management teams

I was fortunate to be exposed to strong women since a young age, starting with my mum who has now run a bank for over 40 years, which has returns so stable and defaults so low that even Jamie Diamon, head of JP Morgan, would be jealous. Through my own investment career, I became attuned to the quality of managers and spend considerable time in company meetings assessing not only the prospects of the business but also the motivation and ability of the people who run it. This has given me the opportunity to meet many female leaders while also noticing the changes still needed to advance gender equality.



**Aneta Wynimko**  
Fidelity Global Demographics  
Fund (Managed Fund)  
Co-Portfolio Manager

**Based in:** London  
**Roles at Fidelity:** PM (2015 to present); Equity Research Analyst (2001 to 2014)  
**Industry experience:** 23 years  
**Education:** Masters Degree, Finance & Economics, Warsaw School of Economics Masters, Finance, London Business School; CFA charterholder

<sup>1</sup> Catalyst Research, April 2020: <https://www.catalyst.org/research/buying-power/>

<sup>2</sup> Frost & Sullivan, Global Mega Trends to 2030, March 2020: <https://www.pnewsire.com/in/news-releases/global-female-income-to-reach-24-trillion-in-2020-says-frost-amp-sullivan-846488109.html>

<sup>3</sup> HSBC Research, March 2020: <https://www.hsbc.com/insight/topics/the-rise-of-chinas-female-consumers>

There are many impressive female CFOs of the companies in the portfolio. One such being Tracey Tavis at **Estee Lauder** who has been a great partner to Fabrizio Freda in the successful turnaround we have benefited from as investors. She understands the capital markets well and is very good at managing our expectations. Others include Ruth Porat at **Alphabet** and Amy Weaver at **Salesforce**, who are examples of great leaders I've had the pleasure to interact with in my career.

### **A long road to close the equality gap**

While I am grateful for having encountered so many inspiring women, it is clear that the road towards equality is still long. According to the 2021 Women CEOs in America Report, only 8.2% of Fortune 500 CEOs are women; 7.3% in the Fortune 1000; 6% in the S&P 500; 5.6% in the Russell 3000; and 7.4% at private companies with revenue over US\$1 billion. These numbers are too low and progress is too slow. Beyond being a pressing moral and social issue, gender inequality is also a critical economic challenge. A McKinsey Global Institute report found that US\$12 trillion could be added to global GDP by 2025 if all countries matched the progress toward gender parity of the fastest-improving country in their region<sup>4</sup>.

Diversity and inclusion considerations are key when I assess companies. Stocks within the Fidelity Global Demographics (Managed Fund) are exceeding their broader industries' score. For example **L'Oréal** has 50% female representation at the board and senior management level versus 27.4% reported by its MSCI sub-industry group.

I believe Fidelity's Voting Policy - voting against companies in developed markets with less than 30% female representation, in other markets with less than 15%, and against all male boards - will be extremely helpful in driving further progress. Women have consistently proved that they can make a positive impact at the highest level - we need to ensure that they get that opportunity.

---

<sup>4</sup> McKinsey Global Institute, 2015: <https://www.mckinsey.com/featured-insights/employment-and-growth/how-advancing-womens-equality-can-add-12-trillion-to-global-growth>; fastest-improving countries identified by the report are as follows: Spain for Europe, Chile for Latin America, and Singapore for Asia/South-East Asia.

## 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.

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](http://www.fidelity.com.au). The relevant Target Market Determination ("TMD") is available at [www.fidelity.com.au](http://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. Details of 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.

© 2022 FIL Responsible Entity (Australia) Limited. Fidelity, Fidelity International and the Fidelity International logo and F symbol are trademarks of FIL Limited.