

# Fidelity Global Demographics Fund

(Managed Fund)

Product series



At a time of macroeconomic and political uncertainty, demographics – the study of a population based on factors like age, income levels, employment, and education – stands out in terms of predictability. The Fidelity Global Demographics Fund (Managed Fund) portfolio is positioned to benefit from slow-moving, long in duration and highly predictable demographic trends. The Fund invests across three main demographic factors: longer life expectancy, the expanding middle class, and population growth. We believe that, over time, the emphasis on holding quality names with sound underlying growth prospects has the potential to deliver strong returns.

## Why invest?

- 1** Demographics are a structural, visible, long-term mega-trend.
- 2** A focus on quality and growth companies with strong ESG credentials, that can deliver value over time.
- 3** Choice of access: Invest in the fund via ASX (ASX ticker: FDEM) or directly with us.

## What are the risks?

All investments involve risk; however, Fidelity actively manages risk within its investment portfolios and employs a range of monitoring procedures with the aim of reducing overall portfolio risk. The main risks of investing in this Fund are increased volatility when compared to investing in non-thematic funds, movements in exchange rates, market risk, specific security risk and derivative risk. For further details on the specific risks of investing in this Fund, please refer to the Product Disclosure Statement.

## Actively managed access to global demographic trends

The Fidelity Global Demographics Fund (Managed Fund) provides investors with access to 50 to 70 companies where demographic factors are likely to be the single most important driver of company earnings growth over the medium to long term. The Fund aims to exploit market inefficiencies by targeting the beneficiaries of demographic trends early, seeking out companies with innovative products and services that will address evolving demographic needs.

The Portfolio Managers follow a bottom-up stock-picking fundamental approach with a quality growth bias.

# Investment philosophy

The portfolio managers look to invest in companies whose growth over the next three to five years and beyond will benefit from demographic trends, including longer life expectancy, the expanding middle classes in emerging markets, and population growth. Their investment philosophy focuses on four components:

## 1 A long-term approach

Demographics are slow-moving, predictable mega-trends that will span the coming decades. We seek to look beyond the short term and focus on long-term fundamentals.

## 2 Sustainable characteristics†

The Fund integrates environmental, social and governance (ESG) issues in its investment and risk monitoring process, which aims to produce superior sustainable characteristics of the overall portfolio.

We use an exclusion policy when making investment decisions, which incorporates norms-based screening and negative screening of certain sectors, companies or practices.

The Fund will not invest in companies involved with:

- Tobacco
- Controversial and conventional weapons
- Semi-automatic weapons
- Thermal coal
- Nuclear weapons
- Oil sands
- Arctic oil and gas
- Violation of UN Global Compact

See the Fund's PDS for full details on the exclusions that apply to the Fund.

## 3 Growth

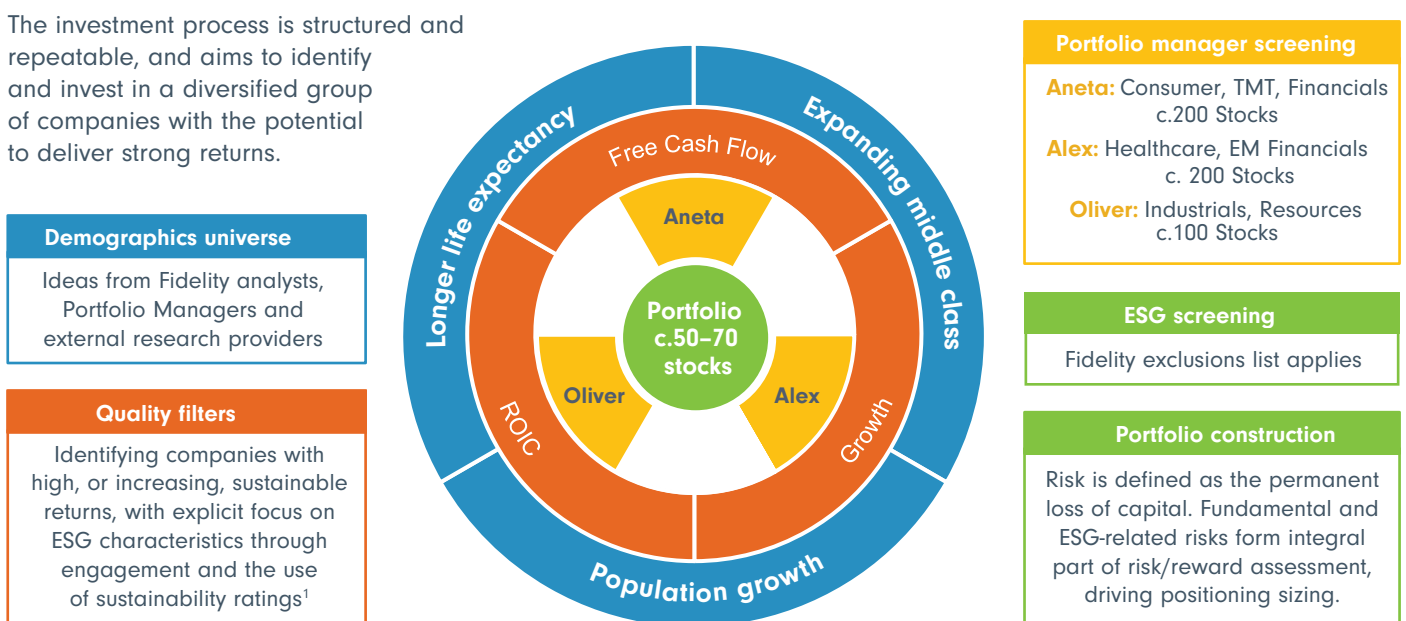
Investing in companies that have structural growth tailwinds from demographic trends has the potential to lead to higher growth, long-term compounding of returns and outperformance.

## 4 Lower risk and volatility

Owning high-quality companies with structural growth drivers over the long term has the potential to deliver lower volatility and attractive relative returns.

# A structured and repeatable process

The investment process is structured and repeatable, and aims to identify and invest in a diversified group of companies with the potential to deliver strong returns.



### Demographics universe

Ideas from Fidelity analysts, Portfolio Managers and external research providers

### Quality filters

Identifying companies with high, or increasing, sustainable returns, with explicit focus on ESG characteristics through engagement and the use of sustainability ratings<sup>1</sup>

### Portfolio manager screening

**Aneta:** Consumer, TMT, Financials  
c.200 Stocks

**Alex:** Healthcare, EM Financials  
c. 200 Stocks

**Oliver:** Industrials, Resources  
c.100 Stocks

### ESG screening

Fidelity exclusions list applies

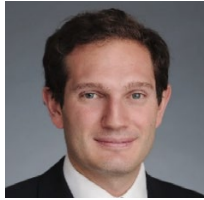
### Portfolio construction

Risk is defined as the permanent loss of capital. Fundamental and ESG-related risks form integral part of risk/reward assessment, driving positioning sizing.

## The Managers



**Aneta Wymimko**



**Alex Gold**



**Oliver Hextall**

The Fund is co-managed by Aneta Wymimko, Alex Gold and Oliver Hextall. Aneta has over 20 years' experience and has been a Portfolio Manager for the Fidelity Global Demographics Fund since 2015. Alex and Oliver joined Aneta as co-managers in 2019.

Aneta joined Fidelity in 2001 as a research analyst and has covered a variety of sectors including, banks, media and construction. She holds a Masters of Finance and Economics from the Warsaw School of Economics and a Masters of Finance from the London Business School.

Alex has over 10 years' investment experience, joining Fidelity as a research analyst in 2010. He also covered a number of sectors including banks, medical technology and energy. He holds a First Class Honours degree in History and is also a Chartered Accountant (ACA).

Oliver has over 10 years' industry experience and since joining Fidelity as an analyst in 2011, has covered consumer discretionary, metals and mining, aerospace, defence and airlines. He holds an Honours degree in Classics from Oxford University.

The team is supported by our global research team of over 170 analysts and more than 400 investment professionals worldwide.

## The benefits of a co-portfolio manager approach



**A team-based approach allows us to pursue a labour-intensive, high-conviction strategy that requires a deep understanding of the companies in which we invest.**

- Enables PMs' bandwidth to cover investment universe in greater detail.
- Removes key person risk.
- Allows stocks to be viewed from different perspectives; helps remove behavioural biases.
- Ensures deep understanding of stock and industry dynamics.
- Allows PMs to engage at a deeper level.
- Utilises full breadth and depth of FIL research platform.

## 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 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 20,000 company meetings a year. We believe that by going further we gain better insights and knowledge, to make better investment decisions.



**Future**

Our purpose is to build better futures. We believe that by investing in companies which operate with high standards of sustainability we can protect and enhance returns for our clients, and build a better future for society as a whole.

“ By investing in companies where demographic trends are the most important factor for earnings, we believe the Fund will enjoy strong long-term earnings growth. ”

Aneta Wymimko  
Portfolio Manager, Fidelity Global  
Demographics Fund (Managed Fund)

## Fund facts

<b>Objective</b>	To achieve returns in excess of the benchmark over the medium to long term.
<b>Benchmark</b>	MSCI All Country World Index NR <sup>†</sup>
<b>Inception</b>	30 November 2012
<b>Number of stocks</b>	50 to 70
<b>Buy/sell spread</b>	±0.20%
<b>Management costs</b>	0.89% p.a.

<sup>†</sup> '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

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:

### Direct investment

You can invest directly with Fidelity as an investor or adviser. Fidelity accepts direct investments with a minimum of \$25,000. You can apply online or using our paper application.

### Invest via Active ETF (ASX: FDEM)

#### Invest via an online trading account

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

#### Invest via your broker or licensed 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 CHESSE.

2020 Morningstar Australia Fund Manager of the Year

[fidelity.com.au](http://fidelity.com.au)



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<sup>†</sup> Sustainable characteristics are defined by reference to a combination of different measurements such as ESG ratings provided by external agencies or Fidelity Sustainability Ratings. Further details on the methodology applied are set out at [www.fidelity.com.au](http://www.fidelity.com.au) and may be updated from time to time.

1. A minimum of 70% of the Fund's net assets will be invested in securities deemed to maintain sustainable characteristics, as described in the section entitled 'Sustainable investing framework' as described in section 7 of the Fund's PDS. The Fund will consider a wide range of environmental and social characteristics on an ongoing basis. Environmental characteristics include but are not limited to climate change mitigation and adaptation, water and waste management, biodiversity, while social characteristics include but are not limited to product safety, supply chain, health and safety and human rights. Controversies involving environmental and social characteristics are measured through the use of sustainability ratings.

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