

**SHINING A LIGHT ON THE.....
Fidelity Emerging Asia Fund**

AT A GLANCE

Investment Objective	
The Fund's investment objective is to achieve long term capital growth through investing principally in securities of companies having their head office or exercising a predominant part of their activity in less developed countries of Asia, that are considered as emerging markets according to the MSCI Emerging Markets Asia Index.	

Inception Date	11 th July 2011
Fund Factsheet Link	http://www.morningstar.co.uk/uk/funds/snaps/hot/snapshot.aspx?id=F00000MNMJ

Management	
Manager Name	Start Date
Dhananjay Phadnis	1 st November 2013

Investment Style Details	
Equity Style	
Market Capitalisation	% of Equity
Giant	69.74%%
Large	24.28%
Medium	5.23%
Small	0.75%
Micro	0.00%

Top 10 Holdings		
Total number of holdings	79	
Assets in Top 10 Holdings	39.93%	
Name	Sector	% of Assets
Tencent Holdings Ltd	Technology	8.24%
Samsung Electronics Co Ltd	Technology	5.98%
Alibaba Group Holding Ltd ADR	Consumer Cyclical	5.96%
Taiwan Semiconductor Manufacturing Co...	Technology	5.29%
Industrial And Commercial Bank Of Chi...	Financial Services	3.61%
AIA Group Ltd	Financial Services	2.26%
China Pacific Insurance (Group) Co Ltd H	Financial Services	2.22%
Axis Bank Ltd	Financial Services	2.20%
Infosys Ltd	Technology	2.09%
Reliance Industries Ltd	Energy	2.08%

Volatility Measurements	
3-Yr Std Dev (volatility)	14.10%
3-Yr Mean Return (average)	17.68%

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FUND PERFORMANCE

Performance from 1st January 2014 to 28th February 2019:

	2014	2015	2016	2017	2018	2019
Fidelity Emerging Asua Fund	24.27%	0.44%	25.72%	26.65%	-7.70%	5.99%
iShares MSCI AC Far East Ex Japan ETF	8.54%	-5.92%	27.34%	28.84%	-10.18%	5.11%

Performance over 12 months, 3 years, 5 years and since launch:

	1 year	3 years	5 years	Since launch
Fidelity Emerging Asua Fund	-3.26%	58.43%	91.70%	84.27%
iShares MSCI AC Far East Ex Japan ETF	-5.74%	56.79%	65.20%	57.08%

You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

UPDATE....

The fund targets Emerging Asia where it sees the biggest growth potential. The fund is benchmark aware, but they are happy to go away from it. They currently have three positions in Vietnam. They have trimmed back India where they still think positively on the long-term outlook but feel it is expensive.

The fund is skewed towards large cap as they are concerned about liquidity issues especially in smaller economies and companies. They like financials especially private banks. They are positive about China and believe the stimulus has been positive, although there will be a lag before the benefits come through.

They also see improving fundamentals in Thailand, Indonesia, Philippines and Malaysia. Some of the companies they like include Bank Central Asia, China International Travel Services, Axis Bank and SK Hynix.

In terms of a point of difference, this is hard to really pin point. The manager highlighted that he is a stock picker and he is more interested in what impacts his company than macro events. He is looking for businesses with strong moats. These are businesses that are hard to replicate and beat. He is looking for companies which have strong management teams and favourable valuations.

Looking at the track record and speaking to the manager the fund does seem to respond well in both down and up markets. Looking at 2015 and 2018 the fund didn't fall as much as the index but in a fast-rising market the fund does struggle to keep up. The fund over three years has matched the index, but the gap widens over 5 years and since launch.

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In summary, this is one of a number of Asia funds. It does appear to focus on downside protection and evidence shows it doesn't fall as much as the index in down markets. Equally, however, when the market is racing away as in 2017 the fund tends to track the index. Over five years and since launch it has outperformed the index significantly but short term the gap is narrower.

The source of information in this note has been provided by Fidelity and is correct as at March 2019. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.