



## FIDELITY INTERNATIONAL LAUNCHES EMERGING EUROPE, MIDDLE EAST AND AFRICA FUND

- **Thematic drivers in the region include industrialisation, natural resources, urbanisation, infrastructure and consumerism**

**London, 16 July 2007** – Fidelity International, the UK's largest mutual fund manager\*, today announces the launch of the **Fidelity Funds Emerging Europe, Middle East and Africa Fund**.

The new fund will be run by Nick Price, a 9 year veteran at Fidelity. Nick will seek to profit from a number of long-term investment trends including the impact of global industrialisation, the rapid urbanisation of the region and continued strong demand for natural resources.

**Nick Price comments:** "The region of Emerging Europe, Middle East and Africa (EMEA) offers one of the most exciting investment opportunities in today's market. It has an investment universe of \$1.5 trillion\*\* and with low correlation to the US, Europe and UK, and low inter-market correlation across the region it offers diversification benefits and the potential for significant risk-adjusted returns."

The EMEA region embraces the Czech Republic, Egypt, Hungary, Israel, Jordan, Morocco, Poland, Russia, South Africa and Turkey. These countries are rich in natural resources having more than 80% of the world's proven oil reserves\*\*\*, 97% of the world's platinum reserves, 95% of the world's chromium and an abundance of other resources including iron ore, nickel, copper and gold which means the region is well placed to benefit from global secular trends.

"As China and India continue to industrialise we will see rising levels of consumption, resulting in growing demand for oil and commodities from these countries. The EMEA region will be a direct beneficiary of this trend." **continues Price.**

"In addition, the EMEA region is enjoying significant productivity gains that are a direct result of the global export of cheap manufactured goods from China and India. While this



would be a potential threat to developed economies, the EMEA region can benefit from first time access to cheaper technology.”

### **Fidelity Funds Emerging Europe, Middle East and Africa Fund**

The fund, which is domiciled in Luxembourg, aims to generate long-term capital growth through investing primarily in securities of companies which have their head office or which have a predominant part of their activity in Central, Eastern and Southern Europe (including Russia), Middle East and Africa. It will typically hold between 50 and 70 stocks.

The benchmark of the fund is the MSCI Emerging EMEA Index (capped 5%). However, the manager will not be constrained to this benchmark and will therefore be able to invest in other countries in the region such as Bulgaria, Estonia, Kazakhstan, Latvia, Lithuania, Oman, Qatar, Romania, Slovenia and the United Arab Emirates, where suitable opportunities arise.

The fund has Dollar, Euro and Sterling share classes. The Sterling share class has an initial charge of 3.5% and an annual management charge of 1.5%. The minimum investment in this share class will be £1,000 for lump sum investments and £50 for monthly savings plans.

### **Nick Price**

#### *Emerging Europe, Middle East and Africa Portfolio Manager*

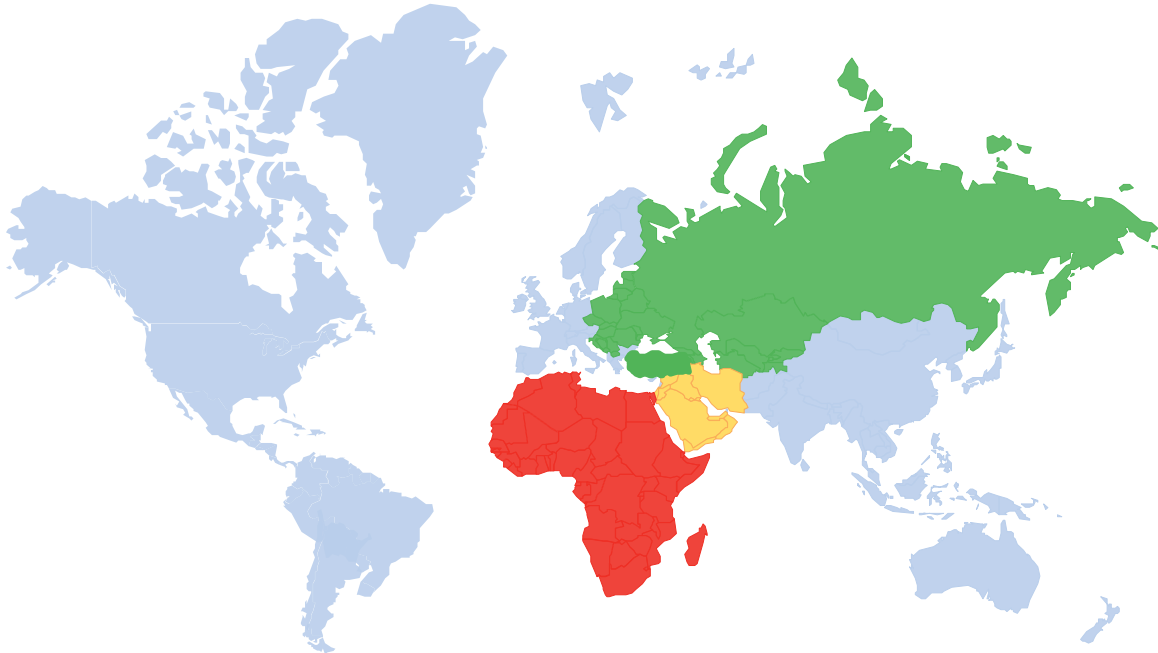
Nick is a bottom-up stock picker who takes a value-based approach to investing. He is a high conviction investor who runs a concentrated portfolio, typically holding 50 to 70 stocks. He seeks opportunities in ‘market misses’, or companies with sustainable earnings that are underappreciated by the market. Nick pays close attention to income statements, balance sheet numbers, business models and implied valuations. He is supported by Fidelity’s five dedicated EMEA research analysts.

Nick joined Fidelity International in January 1998 as a research analyst covering pan-European chemicals, food manufacturing, tobacco and telecommunications sectors. In September 2004, Nick became assistant portfolio manager on the Fidelity Funds European Growth Fund and was appointed portfolio manager of the internal EMEA



investment pool in November 2005. Before joining Fidelity, Nick worked in a number of roles for SBC Warburg, Daiwa Europe Bank, JP Morgan and Price Waterhouse.

### Map of the EMEA region



Fidelity International Limited ("FIL") and its subsidiary companies serve the major markets of the world by providing investment products and services to individuals and institutional investors outside the US. The FIL Organisation manages a total of £145.0 billion of assets\*\*\*\*.

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#### Notes to editors:

\*Source: IMA, based on institutional and retail funds under management, as at April 2007

\*\*Source: DataStream to 30.04.07

\*\*\*Source: BP Statistical Review of World Energy June 2006

\*\*\*\*Source: Fidelity as at 30.06.07

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## EMEA – Emerging Europe, Middle East and Africa

### Some facts and figures

#### EMEA – the region

- Contains 80 individual countries<sup>1</sup>
- Covers 58 million square kilometres<sup>2</sup>
- Home to 1.5 billion people<sup>3</sup>
- Covers 11 time zones<sup>4</sup>
- Rich in resources<sup>5</sup>
  - 97% of platinum
  - 83% of proven oil reserves
  - 42% of iron ore deposits

#### EMEA – the investment universe

- Equity market valued at \$1.5 trillion<sup>6</sup>
  - South Africa 35%
  - Russia 30%
  - Israel 10%
- More than 2,000 listed companies
  - Financial services 24%
  - Energy 20%
  - Materials 17%

#### EMEA – the economics

- GDP growth between 1995 to 2005 exceeded combined growth of China and India (50% compared with 46%)<sup>7</sup>
- Population growth higher than Western Europe<sup>8</sup>
  - Young population: 44% under the age of 19<sup>9</sup>
- Rapid urbanisation<sup>10</sup>
  - Half of the world's 20 fastest growing cities are in the region
  - Lagos, Nigeria forecast to be world's 3<sup>rd</sup> largest city by 2015

<sup>1</sup> & <sup>3</sup> & <sup>9</sup> Source: Datamonitor/Fidelity, June 2007

<sup>2</sup> Source: Calculated using individual areas from countries listed on [bbc.co.uk](http://bbc.co.uk)

<sup>4</sup> Source: <http://www.timeanddate.com>

<sup>5</sup> Platinum includes all platinum group metals – platinum, palladium, rhodium, ruthenium, iridium, osmium. Source: U.S. Geological Survey, mineral Commodity Summaries, January 2007

<sup>6</sup> Source: DataStream/Fidelity, 30.04.07. Stocks capped at 5%

<sup>7</sup> Source: Country Comparison of GDP, Constant 2000 Prices, US Dollars, 1990-2010

<sup>8</sup> Source: Datamonitor/Fidelity 1996 to end of 2010

<sup>10</sup> Source: 13D Research 31.08.06



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