

## Fidelity Funds - Emerging Europe, Middle East and Africa Fund (FF -EMEA Fund) - Segregate Russian assets into new ring-fenced share classes ("**Side pockets**")

### Key Messages

The Russian invasion of Ukraine in February 2022 brought to a series of sanctions issued by the EU, UK, US, and Russia and actions by market counterparties on Russian-related assets that made these securities non-tradable. These sanctions, combined with the partial closure of the Russian Stock Exchange and the resulting inability of market participants to trade and settle Russian equities, prevented the Fund from being able to dispose of these assets (the "Russian Assets"). The Russian Assets continue to be illiquid. As of February 25, 2022, they represented 25.3% of the FF - EMEA Fund value. On February 28, 2022, Fidelity applied a fair valuation to the Russian assets. From March 1<sup>st</sup>, 2022 their value was reset to zero.

In the interest of shareholders of the fund, Fidelity Funds Sicav Board has therefore approved the launch of new share classes ("side pockets") which will only hold Russian securities. The rest of the fund will continue to trade as normal.

If the assets in the "**Side Pocket**" realise any value, Fidelity will sell the assets (at the discretion of the Fund Manager) and return the proceeds (net of expenses) to investors via a capital distribution. Fidelity will not charge fees for management or administration of the "**Side Pocket**" but may meet external costs such as audit and custodian fees from any recovery in the value of the assets held. "**Side Pocket**" share classes do not charge any AMC.

Shareholders who do not agree with the above measures can:

- a) Convert their holdings of FF - EMEA Fund into another available fund within June 5<sup>th</sup>
- or
- b) Switch out or redeem their holdings in FF - EMEA Fund at any value date of the fund within June 5<sup>th</sup>. In this case, though, they will not benefit from any future recovery in the value of the Russian assets held by "Side Pocket" share classes.

### Key Dates

- **5<sup>th</sup> May 2023:** shareholder mailing date. From **the cut-off of May 4<sup>th</sup> (15.00 GMT)**, subscriptions and switches in - including Monthly Saving Plans will be blocked.
- **5<sup>th</sup> June 2023:** Launch of Side Pocket containing Russian Assets and assignment of the corresponding shares to the existing shareholders of FF - EMEA Fund.

## **Q&A**

### **1. What will happen upon launch date of the “Side Pocket” share classes?**

FF- EMEA Fund's Russian securities will be transferred to the newly created "Side Pocket" share classes, and new "Side Pocket" shares will be issued for each existing holding in FF - EMEA Fund. Such holdings in FF - EMEA Fund "Side Pocket" will have a minimum value (i.e EUR 0.0001).

### **2. How many shares will the existing shareholders receive on June 5<sup>th</sup>?**

The existing shareholders of FF - EMEA Fund will receive the same number of shares in the new "Side Pocket" Share Class, with a 1:1 conversion factor.

### **3. What will be the last day for subscriptions and conversions into the fund by clients?**

Subscriptions and switches into the Fund (including Monthly Saving Plans) will be temporarily blocked and will not be accepted after the cut-off (15:00 GMT), **on May 4, 2023**. Redemptions and switches out of the Fund still be accepted and will be processed as usual during the shareholder notice period. Subscriptions will resume as normal from Monday, June 5, 2023. Transfers of FF - EMEA Fund units to another account will still be permitted.

### **4. Is it possible to transfer “Side Pocket” share classes to another account?**

Yes, from June 5th onwards, the new SP share classes can be transferred to other accounts, provided this is done independently from FF EMEA Fund share classes, as they have different ISIN codes and an independent operativity.

### **5. What is the estimated liquidation timeline for securities held in the “Side Pocket” share classes?**

We are unable to estimate a timeline, as this depends on the unknown outcomes of the war in Ukraine and the resulting sanctions.

### **5. Will the above changes affect in any way the Fund management style, investment objective or risk profile?**

No changes in the Fund's overall investment strategy or risk factors are expected. The Fund will continue to be managed in accordance with the existing investment objective and policy. The management team will continue to consist of Zoltan Palfi (Lead), Nick Price (Co), Chris Tennant (Co)

### **6. Will the Fund benchmark change?**

The fund's benchmark remains appropriate, as the index provider has removed Russia from its components from March 10, 2022. However, the fund is actively managed and uses the index only for risk monitoring and performance comparison purposes.

### **7. Will the fund’s legal documents be updated to reflect the changes?**

The KIDs, Prospectus and factsheets for all the Fund's share classes will remain unvaried, as no changes apply to the Fund's name or investment objective. No legal documents will be published for the “Side Pocket” share classes, as they are not traded.

## 8. Which are the available share classes of the Fund?

EXISTING SHARE CLASS	ISIN	NEW "SIDE POCKET" SHARE CLASS	ISIN
FF - Emerging Europe, Middle East and Africa Fund A-ACC-EUR	LU0303816705	FF - Emerging Europe, Middle East and Africa Fund SP A- ACC-EUR	LU2536453348
FF - Emerging Europe, Middle East and Africa Fund A-ACC-USD	LU0303823156	FF - Emerging Europe, Middle East and Africa Fund SP A- ACC-USD	LU2536453777
FF - Emerging Europe, Middle East and Africa Fund A-EUR	LU0303816028	FF - Emerging Europe, Middle East and Africa Fund SP A- EUR	LU2536453934
FF - Emerging Europe, Middle East and Africa Fund A-USD	LU0303821028	FF - Emerging Europe, Middle East and Africa Fund SP A- USD	LU2536454239
FF - Emerging Europe, Middle East and Africa Fund E-ACC-EUR	LU0303816887	FF - Emerging Europe, Middle East and Africa Fund SP E- ACC-EUR	LU2536454403
FF - Emerging Europe, Middle East and Africa Fund I-ACC-USD**	LU0742535122	FF - Emerging Europe, Middle East and Africa Fund SP I- ACC- USD**	LU2536454585
FF - Emerging Europe, Middle East and Africa Fund Y-ACC-EUR	LU0936576247	FF - Emerging Europe, Middle East and Africa Fund SP Y- ACC-EUR	LU2536454668
FF - Emerging Europe, Middle East and Africa Fund Y-ACC-USD	LU0370788910	FF - Emerging Europe, Middle East and Africa Fund SP Y- ACC-USD	LU2536454742

\*\* Institutional Share Class