



Fidelity Emerging Markets Value Focus Index

Index Methodology Document

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Section 1: Introduction

Fidelity Factor Indices are designed to provide investors exposure to targeted strategic factors

Fidelity Emerging Markets (EM) Value Focus Index

The Fidelity EM Value Focus Index is designed to reflect the performance of large- and mid-cap stocks in emerging market countries with attractive valuation metrics.

Index Methodology Summary

Parameter	Fidelity EM Value Focus Index
Universe	Largest 800 EM stocks based on float-adjusted market cap, after the application of liquidity and investability constraints
Portfolio Construction	<ul style="list-style-type: none">• Calculate composite score based on targeted factors• Using an optimizer, maximize exposure to the composite value factor score• Long only with constraints on maximum security weights set at +1% relative weight; minimum lower bound active security weight set at -1% relative to the universe weight.
Rebalancing	Quarterly with a 7.5% constraint per rebalance

Section 2: Defining Investment Universe

Defining Eligibility Criteria

Constructing the emerging markets universe begins with selecting the largest 800 emerging markets stocks based on market cap and certain liquidity and investability requirements. These 800 securities are the eligible investment universe for Fidelity EM Value Focus Index. These securities are used to determine the weights of the broader Emerging Markets Equity market (Emerging Markets Equity market).

Top 800 Selection: Sort the remaining stocks by free-float market cap. The market cap of all share classes is combined into a single value for the stock. The largest 800 stocks comprise the eligible starting universe. Weights for constituents and sectors in the Emerging Markets Equity market are also determined using combined free-float market cap.

Sanctions: Fidelity Product Services LLC has the discretion to exclude any stocks whose security is currently under sanction/has broad based government-imposed trading restrictions. These securities will be handled on a case-by-case basis by the Index Committee

Section 3: Constructing the Fidelity EM Value Focus Index

Calculating Composite Factor Score

To determine the level of exposure each stock has to the targeted value factor, a composite score is calculated.

Characteristics of Fidelity EM Value Focus Index

Target attractively valued companies based on:

Factor	Definition
Free Cash Flow Yield	Free cash flow per share divided by the share price
EBITDA to Enterprise Value	Earnings before interest, tax, depreciation, and amortization divided by enterprise value
Book Value to Price	Company's total book value over price
Earnings over next twelve months to Price	Based on consensus estimates of earnings

Computing the Composite Factor Score

Composite scores are calculated for each security in the Investment Universe.

Constructing the Index

Index construction is designed as an optimized process to create a portfolio, which maximizes the composite factor scores each quarter subject to the constraints listed below:

- a) Long only (no short positions)
- b) Max/Min stock level relative weight of up to +/- 1%
- c) Quarterly turnover constraint of 7.5% per rebalance

Section 4: Maintaining the Fidelity EM Value Focus Index

Frequency of Rebalance

The index is rebalanced quarterly.

Ongoing Maintenance

The index is also reviewed on an ongoing basis to account for corporate events such as mergers, takeovers, delistings, group changes, suspensions, spin-offs/demergers or bankruptcies. Changes to index composition and related weight adjustments are made as soon as they are effective. Corporate actions will be treated as follows:

STOCK EVENT TYPE	SPDJI CORPORATE ACTION TREATMENT	DIVISOR CHANGE
Stock Forward/Reverse Split	Market cap neutral event. Shares change offset by price adjustment in the morning.	No
IWF Change	IWF increase/decrease has no impact on index shares as the AWF will adjust to offset the IWF change.	No
Share Issuance	Shares outstanding increase/decrease has no impact on index shares as the AWF will adjust to offset the shares outstanding change.	No
Standard rights treatment (mcap neutral) - default	If the rights are in the money, the spot price of the underlying security will be adjusted after market close of the day prior to the exDate and the index shares of the underlying security will adjust to offset the price adjustment thus making the event a market cap neutral event.	No
Special cash dividend (standard treatment)	The spot price of the underlying security will be adjusted after market close of the day prior to the exDate.	Yes
Delisting (due to bankruptcy or cancellation of listing)	The delisted security will be deleted from the company (at either the last traded price of a zero price).	Yes
Spin-off (Price Adjustment), add spinoff	In the event that SPDJI applies the event as a non-ZPSO event, the spun-off company is added to the index with respect to spinoff ratio. The spot price of the underlying security is adjusted after market close of the day prior to the exDate by the closing spot price of the spinoff company multiply by the spinoff ratio, thus making it a mcap neutral event. The divisor will not be adjusted.	No
M&A (Cash acquisition)	The acquired company is deleted from the index.	Yes
M&A (Stock acquisition, cash and/or stock acquisition) Sanctions	The acquired company is deleted from the index. The index shares of the acquirer will not be adjusted. S&P DJI reviews sanctions on a case-by-case basis. The sanctioned company will be removed as necessary from the index with approval from the Fidelity Product Services LLC Index Committee	Yes Yes

Section 5: Index Data Calculation and Distribution

Data Calculation

Following data calculations will be generated

- a. Price Return
 - i. Index Name = **Fidelity Emerging Markets Value Focus Index PR**
 - ii. Calculated Real Time = NYSE Trading hours (i.e. 9:30-4 EST)
 - iii. Ticker = FIDEMVFP

- b. Total Return
 - i. Index Name = **Fidelity Emerging Markets Value Focus Index TR**
 - ii. Calculated as of EOD
 - iii. Ticker = FIDEMVFT

- c. Net Total Return
 - i. Index Name = **Fidelity Emerging Markets Value Focus Index NR**
 - ii. Calculated as of EOD
 - iii. Ticker = FIDEMVFN

Index Holiday Schedule

Index schedule will follow the NYSE holiday schedule

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