



# Fidelity Investments Podcast Series

## Fidelity Next

### Career Spotlight: Building products for a greener world

**Jeff Peyer**, Product Solutions, Senior Analyst

**Julianna Martino**, Investment Associate

**Quinn Flaherty**, Host

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**Announcer:** Hello and welcome to FidelityNext, a podcast for post-secondary students, brought to you by Fidelity Investments Canada, where we'll provide you with the tools you need to navigate your impending careers successfully in today's landscape.

On today's podcast, we're focusing on Fidelity Canada's product team with team members Jeff Peyer and Julianna Martino joining host Quinn Flaherty.

Jeff is a Product Solutions Senior Analyst, and Julianna is an Investment Associate and former co-op student.

Jeff and Julianna will share stories of their own personal career growth, offer advice for those starting their career, and speak about the role of the product team here at Fidelity. Specifically, the role the product team plays in the development of new products, such as the Fidelity Climate Leadership suite of funds, which were launched in May 2021.

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**Quinn Flaherty:** Hello, and welcome to Fidelity Next. My name is Quinn Flaherty. I am the research and thought leadership manager here at Fidelity Investments Canada. And of course, I'm super excited to be your host of today's show. If you've been joining our shows of late, you'll know that we've been really taking a tour and a deep dive into some of the roles and departments here at Fidelity. Today I'm super excited to continue on with you on this journey and we're going to be talking all about products here at Fidelity.

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I'd like to bring in two amazing colleagues of mine from the product team to talk all about this. I'm super excited to introduce Jeff Peyer and Julianna Martino from our product team. Jeff, Julianna, welcome to Fidelity Next.

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**Julianna Martino:** Thanks for having us, Quinn. Happy Friday. Very excited to be here.

[00:02:23]

**Jeff Peyer:** Happy to be here, Quinn. Thank you for having us.

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**Quinn Flaherty:** Why don't I start with a question that I have here. It's so interesting from our briefings and conversations, Julianna and Jeff, you both have unique career journeys here at Fidelity. I touched a little bit on my intro but there's so much more to dive into. I'd be interested to know, maybe Julianna, you could start. How did you get your start at Fidelity to get to where you are on the product team today?

[00:02:45]

**Julianna Martino:** Not too long ago I was in all of your shoes. My journey at Fidelity started back in 2018 as a co-op through my school's co-op program. I had gone to Laurier University for the BBA program and I had heard so many great things about the company and wanted to see for myself. I applied and thankfully landed my first term in the fund treasury group. What I found is that the culture, the people and the work all really did live up to the hype which is why I decided to come back for my second term on the ETF team. After two really great experiences, I really wanted to come back again. I had my final term in product research which is now the team I'm a part of full time. I was very fortunate to receive a full-time offer at the same time that I was given a return offer for one of my co-op terms. I had officially started full-time last September immediately after graduating.

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**Quinn Flaherty:** Fantastic. We're very happy to have you. Jeff, you have your own unique journey.

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**Jeff Peyer:** Thanks Quinn. My journey, very early on, started in Switzerland. That's where I was born. I've been in Canada for a very long time. The beginning of my Fidelity story really goes all the way back to the end of high school, actually. That's really when I fell in love with the markets, trading and investing generally. Years later, after I graduated from university, I started looking for a job within the investment industry and doing pretty much anything investment-related. The problem at the time is that I wasn't getting any replies for any of the investment-related jobs I applied for. That was mainly because I didn't have any experience. Eventually I did get a few offers, happily. Three, to be exact. Two from two of the big Canadian banks and one from Fidelity but none for the jobs I actually wanted to do. I decided I'm going to accept one of the offers just because it's a good way to get in the door and just get that experience that I needed. After doing a little bit of research and talking to a few people, I decided to go with Fidelity's offer, honestly, because it really seemed like a good place to just grow professionally with a lot of different opportunities to move around the company. And, to be honest, I had a good feeling about it. You know what, I think it turned out to be right.

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I started at Fidelity as a bilingual client relations rep in the client services group. I did that for a couple of years then I transitioned to a role within the institutional services, sales and services team as an institutional analyst. My role there was essentially responsible for supporting the institutional sales process. That includes various things, responding to requests for proposals, RFPs, requests for information, RFIs, due diligence questionnaires as well as doing client reporting and just responding to ad hoc client requests. I honestly learned enormously through that role. I think because of that, I was able to transition to what I'm doing now which is within the retail property development team. I really love this role and this is much closer to what I wanted to do when I graduated university.

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**Quinn Flaherty:** Awesome. Thanks, Jeff. Why don't we talk about that? Retail product development, how does Fidelity create a product? I imagine, and I know, that it's not as easy as snapping your fingers and saying, let's create this mutual fund. There is a lot that goes into it and your team and your role is primarily responsible for that whole process. Can you give our audience a glimpse into your role and responsibility and that process in developing these sort of products?

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**Jeff Peyer:** My team is actually responsible for retail product development. That's the development and launch of our retail mutual fund products. We're essentially responsible for the entire development process, starting from idea generation to getting the product to market. It starts with idea generation and sometimes the ideas are generated within our team. We do that by just evaluating the market, looking what people are buying at the moment. We also look inwards and look where are the holes in our current product shelves to see what we can plug. We also look at the current market environment. Those ideas also sometime comes from outside the team. Whether it's the investment teams, the sales team or even the senior executive team.

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After that, we move on to product design. For that, we usually team up with the investment teams essentially to design a product that meets investor goals. From there, we spend a lot of time building business cases. Once we've selected a product that we may want to launch, designed it, we essentially have to build a case that outlines why launch that specific product at the specific time and we have to present that to the senior executive team for approval. From there, our role kind of merges into somewhat of a project management role where we work with various teams, various teams within the firm to really help bring the product to market. That includes working with marketing where we help them develop the story and the messaging for the fund and some of the marketing material, helping the advertising team with the advertising campaign, supporting sales by ensuring that they have everything they need to sell the products.

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Working with the legal team as well just to help them draft those legal documents. Working with corporate affairs, Quinn's group actually, just to coordinate all of our internal and external communications. Also working with the learning and development team to develop training for new products. Lastly, there's one more thing we're responsible for, is also just making sure that our current product shelf is optimized, always looking at our current product shelf and looking how we can make improvements over time.

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**Quinn Flaherty:** It sounds like a very comprehensive summary there, Jeff. What comes out to me, and I'm sure to our audience members, is how important ... it's about that analytical ability to create those business cases but also about collaboration and teamwork. You mentioned all the different teams that you work with. Can you speak to why those two skill sets, both highly analytical and collaboration, communication are so important in your type of role?

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**Jeff Peyer:** I would say they're very important because we use both very often, right? Obviously, whenever we're doing research whether it's for idea generation or designing a product, that's really when we put our analytical skills to work and obviously that's a very important part of the process. But the other part of the process is really working with all the other teams within the firm to make the product launch happen. That takes a lot of soft skills, collaboration. It also includes running a lot of meetings and doing a lot of presentations. I would say both set of skills are extremely important in our team.

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**Quinn Flaherty:** Thanks, Jeff. The product has been developed, we've gone through all those different steps in that process that Jeff, you've outlined. The product is now launched and now, Julianna, maybe I can ask you, once the product is launched, your role as an investment associate is really support the fund going forward. Maybe you can give our audience a glimpse into what kind of support you provide in your role as an investment associate on the research team.

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**Julianna Martino:** To start, I'll describe the role of an investment associate. Each analyst on our team covers a handful of funds where we're known to be the subject matter experts and work as the middle man between the portfolio managers and then all other areas of the business, whether that be sales, marketing, finance and so on. It's really our job to communicate the voice and thoughts of the portfolio managers. Similar to Jeff and his team, once a product is launched, it's truly a collaborative effort between my group and then various departments going forward, which I think is kind of the key to the product's success.

We work with the sales teams to address increase from your clients. We work with marketing to prepare resources and materials to promote the fund. We work with finance to gather data around the fund's performance. We also meet with the portfolio managers on a quarterly basis to get their updated thoughts on how the fund is performing and the current market environment which we then translate that commentary into regulatory documents amongst some other responsibilities as well. Overall, when it comes to the product's success going forward, I'd say that collaboration and communication really are two key factors.

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**Quinn Flaherty:** When you speak about the importance of communication, I know from our conversation before this webcast today, the importance of creating great communication about the product and answering the questions of our clients. I know you work directly with our sales team and financial advisors who have questions about the product. Can you give some examples of the type of questions that you get from advisors about our products that we've launched into the marketplace?

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**Julianna Martino:** Typically, the questions that I receive span a diverse spectrum. I think I would go about bucketing them between fund updates, competitor comparisons, thoughts on specific areas of the market and then more broadly from an organizational perspective. For fund updates, this would be things like the fund's current performance and positioning, highlighting which holdings might contribute or detract from a fund's performance, providing the portfolio managers thesis for holding a specific company and also their general outlook on the markets and areas that they're finding investment opportunities.

When it comes to competitive comparisons, it's very often where an advisor is in a situation where they're kind of comparing various mandates from different investment providers and are looking for the best solution for them. This is where I'd analyze the similarities and differences between competitive products and make a case for why our fund may be best suited. In terms of market, advisors also love to get the portfolio managers' thoughts on specific areas. If we're thinking about ESG specifically, for example, they may want their thoughts on renewable energy or hydrogen and then just from a broader organizational perspective, again, in terms of ESG, what Fidelity is doing to grow their presence in this space and also the resources that we have available to illustrate that.

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**Quinn Flaherty:** Your responsibility is not to just cover one specific fund. You, in your role as an investment associate, cover multiple funds. Can you speak to the mandate in the coverage that you provide for our sales and advisor clients?

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**Julianna Martino:** Are you asking about my line up in particular, what I cover?

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**Quinn Flaherty:** Just the range. Just the point that it's not only one, there's multiple.

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**Julianna Martino:** Although ESG is under my coverage, we do have an analyst that looks at fixed income. We do have an analyst that may look at U.S. equity. We kind of split it by the asset class but as our team is growing, so are the responsibilities and funds under our line-up. We're starting to see a lot more diversity as we launch more products, but it really does range across all different asset classes.

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**Quinn Flaherty:** Thanks, Julianna. This is a great segue, talking about ESG, let's talk about how we've discussed the process in creating the products and the day-to-day support of them. Let's use Climate Leadership Fund, our recently launched fund, as an example of all of this. Maybe Jeff, I'll direct this question to you, as part of the product development team, you're a key member of creating this Climate Leadership Fund, a fund that both has performance-related objectives as a mutual fund product, but also other objectives beyond that in creating impact. Can you talk a little bit about its development and how it was built?

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**Jeff Peyer:** When we're designing the climate leadership product, we essentially have two goals in mind. As you said, first and foremost, we really wanted to design a product that would perform. Obviously, that's what's most important to our clients to help them achieve their financial goals. We did that in several ways. We partner with our very own, Hugo Lavallée, which is a portfolio manager here in our Canadian office. He has a stellar long-term performance record and was essentially an ideal candidate to run this type of strategy. Not only was he a good portfolio manager, he also really believed in the values associated with the strategy, essentially the fact that we need to transition to a low-carbon economy. That's something that he lives every day.

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Second, we also design it to have some flexibility just to ensure that it can perform well in every possible type of market environment. We ensure to build some flexibility to allow the portfolio manager to be able to protect the portfolio during times of volatility. We also design it in a way that he can essentially take advantage of all the potential opportunities that will come up over time.

The third aspect of performance or achieving performance was really just by virtue of focusing on decarbonization or the transition to a low-carbon economy. We would essentially ensure that the fund will have good performance. That's essentially because we believe that decarbonization, transition to a low-carbon economy is one of the biggest trends of the century. Companies and countries around the world are going to have to invest trillions of dollars in this transition and the companies that are well-positioned for this are going to be doing well.

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The second goal we had in mind was we wanted the strategy to participate in the transition to a low-carbon economy in a very thoughtful manner. We did that by focusing our investments and directed capital towards three types of companies. First, you have what we call climate leaders. Those are companies historically with best-in-class climate practices and solutions and a low carbon footprint. These are companies that have really taken this to heart for a very long time. We really believe that directing capital towards these companies will reinforce that and also encourage other companies to focus on this important aspect.

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The second type of company we aim to invest in is what we call climate solutions providers. Those are the companies that are really going to try to find the solutions and develop the technologies to really facilitate that transition to a low-carbon economy. That could be anything like decarbonizing the transportation sector, so electric vehicles or companies that are trying to grab CO<sub>2</sub> from the air, so carbon capture and sequestration, or even companies that are trying to find better processes to make steel or cement.

The third type of company which, in a way, is probably the most important one are called climate reformers. Those are companies who historically may not have had the best climate track record. They may have been high emitters. They may also have had poor climate policies and practices but recently have started improving their practices and working on just reducing and lowering their impact on the climate. Not only do we direct capital towards these companies, we also work with them and continually engage with them to ensure that they not only continue on that path but accelerate the transition. We really think that that's one of the best ways to have really a real-world impact.

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**Quinn Flaherty:** It sounds like there is a whole lot of analysis and strategy in terms of how this product is built. Maybe, Julianna, I can ask you the next question, logical question here, which is to say how does the Climate Leadership Fund contribute to both the performance aspects of mutual funds that we create? Performance is super important, but how does it also contributes to those other factors, greening of the world, especially considering the title of today's webcast is building products for a greener world? Maybe you could speak to that and Jeff following you.

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**Julianna Martino:** Climate Leadership Fund is really a great product that allows investors to invest with a purpose and work towards addressing climate change issues. At the end of the day, it does still act as one of those core investments that can generate strong returns. The truth of the matter is that climate change is very topical and a very serious issue. Because of this accelerating trend towards decarbonization, there's a very large investment opportunity in this space.

In the past, there used to be this misconception that investors would sacrifice returns when investing in sustainable products but we're now starting to see that myth be debunked. And the Climate Leadership Fund really is a great example of that. As Jeff mentioned, we have Hugo Lavallée as the portfolio manager who is very passionate about this space but also has a very great track record with his other mandates that he also manages. He also has access to an array of global research by leveraging our international colleagues. I think that that research, in collaboration with our international colleagues who have experience in this space, really does play a huge role in the success that we're seeing with the fund's performance and also set that fund apart from our competitors as well.

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**Quinn Flaherty:** Jeff, do you have anything to add to that from your perspective about the fund?

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**Jeff Peyer:** One of the big differentiators for the strategy compared to us in the market ... If you look at a lot of the strategies that are out there in the market that are focused on climate change, often they're very much focused on just reducing the overall carbon footprint of the portfolio. That's very easy to do. You can do that by either excluding certain companies and certain industries from your portfolio or just focusing your investment of the companies that have a low carbon footprint. The problem with that is that it doesn't encourage other companies to change and to lower the carbon footprint. What our fund aims to do, it doesn't restrict investments in companies that may have a high-carbon footprint but instead, if we do find good opportunities in these companies, the portfolio manager essentially aims to engage with the company, work with them to help them transition and create that change. It really has the potential to have a real-world impact.

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**Quinn Flaherty:** It definitely sounds like that benefits both our clients who purchased these funds but also for the companies and for the world in general, which is fantastic and credit to you both in your roles for helping with the creation of this product. I do want to pose this question, I always like to ask it of our guests on Fidelity Next. That's really piece of advice. Jeff, you spoke about wanting to have a role in investment management and applying to many different places. Julianna, from your perspective, with multiple co-op roles at the company, can I ask you from your own unique career journeys, what's a piece of advice that you give to those either new grads or students looking for co-op roles in the future? What advice would you give them? Julianna, I'd ask you to start.

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**Julianna Martino:** I would say don't be afraid to fail not only in the work that you do but the career choices that you make as well. I think especially as students, we feel this pressure to be perfect and may be hesitant to admit that we may not know how to do something. I really recommend asking a lot of questions, finding a mentor and learning from your mistakes because we all start from somewhere.

In terms of your career choices or entering the financial field, I think that students also want to feel like they have it all figured out and figured out at an early stage as well. But if you try something else and learn that it may not be best for you, don't be afraid to change your path. Back in my earlier years of university, I was actually studying accounting and I learned that it was not for me. After my co-op terms at Fidelity being introduced to the financial services field, that's when I switched into finance. At first I was a little concerned that I was lost and didn't know what I wanted to do but you're all still so young, try different things and know that it is okay to try different things as well.

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**Quinn Flaherty:** Jeff, what about you? What advice would you give?

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**Jeff Peyer:** I wish, like Julianna, I would have done more co-op terms. Maybe it would have been easier at the beginning. I definitely suggest co-op, it's a good way to get that experience. I did one myself as an economist, which is a little bit different. I would say learn about what you're interested in. If you're interested in investing, for example, and you want to work in the investment industry, it's never too early to start learning about it and get that knowledge and to just soak it up.

There's various ways of doing that. You can obviously do it on your own. There's so much information available out there. You could also do it through formal education programs like starting the CFA early or anything else that piques your interest. I think that will also probably give you a leg up. If your potential future employers see that you're not only interested but you're knowledgeable even before you started working in the space, that will, I think, definitely present an advantage for you.

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**Quinn Flaherty:** Thank you, Jeff. We do have a question here and Julianna, I'd like to pose it to you. You mentioned that you had multiple co-op roles here at the company. Not all of them were in product. I'm wondering if you can speak to the benefits or reflecting back how the diversity of your different roles has helped you where you're at today.

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**Julianna Martino:** In each of my roles, I learned a different skill, whether it was a hard skill or interpersonal. I think it all contributes to your learning capabilities. In my first term, it was in fund treasury, I was still able to demonstrate analytical skills, but I also think it was a good way to be introduced to what Fidelity is and learn a bit more on the back-office side of things. I was able to carry that forward into my product terms as well.

When I joined ETF team, I didn't know what an ETF was. I wasn't very familiar with products but I learned everything on the job. From there, I was able to take what I learned into my product research role and at that point, I felt like everything transitioned pretty smoothly. I was able to find a mentor who I was able to ask questions and I think that that was kind of key. Networking, asking questions and taking initiative, showing that you're willing to learn and just soaking up all the learning opportunities that you have.

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**Quinn Flaherty:** Thanks, Julianna. Great feedback and great advice and reflection on your different co-op roles. We've got time for one more question and Jeff, I'll push this one towards you. Can you talk a little bit about the disruption because of the pandemic? Being in the office and the collaboration needed for product development, meeting with all the departments, obviously online is a different challenge by itself. Can you speak to how your role has changed because of the pandemic and working from home?

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**Jeff Peyer:** The truth is that my role hasn't changed. We've been lucky enough that I feel, at least within the product team and product development, we're essentially able to do all our day-to-day tasks and activities online. We're lucky enough to have the support and the infrastructure that we need to do our jobs. To be honest, the transition was really smooth. It feels like nothing really changed other than the fact that you're not going to the office.

In terms of doing my day-to-day job and my day-to-day tasks, I don't feel like it's been any more difficult. The only thing I do miss is talking to my colleagues and seeing them once in a while and potentially the random conversations that you have when you bump into someone. In terms of doing my job, no, nothing changed. It feels just like before.

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**Quinn Flaherty:** Considering, Jeff, we used to work very close to each other, I hope you miss our conversations too. It sounds like you do.

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**Jeff Peyer:** 100%.

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**Quinn Flaherty:** Awesome. We've run out of time. Jeff, Julianna, thank you so much for joining us on Fidelity Next. We'll have to have you back to talk about some of our upcoming launch products and what they look like. For now, thank you both for joining us.

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**Jeff Peyer:** Thanks for having us.

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**Julianna Martino:** Thank you.

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**Quinn Flaherty:** If you have any questions or are interested in a co-op role or even a full-time position here at Fidelity, please check your school's job boards or go to fidelity.ca in the career section for any more details and information.

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Thanks, see you next time.

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