

Fidelity Australian Equities Fund

Monthly report

As at 30/04/2022

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Fund description

Invests in a diversified selection of around 30 to 50 Australian companies. Using a bottom-up stock-selection approach that focuses on undiscovered earnings potential, value and growth and is designed to be a core holding.

Fund facts

Portfolio manager: Paul Taylor

Benchmark: S&P/ASX 200 Accumulation Index

Inception date: 30/06/2003

Fund size: AU\$6,023.85M

Number of stocks: 30 to 50

Management cost: 0.85% p.a.

Buy/sell spread: 0.15%/0.15%

Portfolio guidelines

Stocks: +/-5% from benchmark

Sector: +/-7% from benchmark

Cash: Target range between 0% and 10%

Top 10 holdings (%)

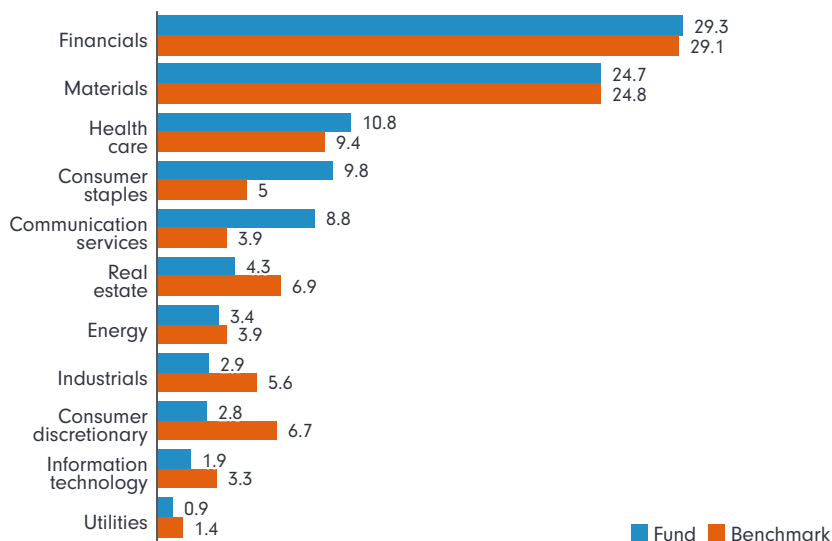
	Fund	B'mark
BHP Group Ltd	11.8	11.1
Commonwealth Bank Australia	10.9	8.1
CSL Ltd	6.7	6.0
Macquarie Group Ltd	5.5	3.4
Igo Ltd	4.8	0.4
Telstra Corp Ltd	4.4	2.2
Coles Group Ltd	4.3	1.1
Suncorp Group Ltd	4.1	0.7
Ramsay Health Care Ltd	4.0	0.7
Goodman Group	3.8	1.9

Performance %

	1 mth	3 mth	6 mth	1 yr	3 yrs p.a.	5 yrs p.a.	7 yrs p.a.	10 yrs p.a.	15 yrs p.a.	Since Inception p.a (30/06/2003)
Fidelity Australian Equities Fund	-0.67	6.16	2.15	11.69	11.88	9.86	8.84	11.09	7.60	11.83
S&P/ASX 200 Accumulation Index	-0.85	8.24	3.59	10.16	9.42	8.81	7.94	9.90	5.67	9.44
Excess return	0.18	-2.08	-1.44	1.53	2.46	1.05	0.90	1.19	1.93	2.39
Growth	-1.83	4.92	-0.37	5.14	6.37	5.27	4.66	7.01	3.9	7.52
Income	1.16	1.24	2.52	6.55	5.51	4.59	4.18	4.08	3.7	4.31

Total net returns represent past performance only. **Past performance is not a reliable indicator of future performance.** Total returns (net) have been calculated using exit prices and take into account the applicable buy/sell spread and are net of Fidelity's management costs, transactional and operational costs and assumes reinvestment of distributions. No allowance has been made for taxation or for any fees charged by operators of master trusts or wrap accounts through which the products are offered. Returns of more than one year are annualised. Returns of the Fund can be volatile and in some periods may be negative. The return of capital is not guaranteed. Growth return is the unit price movement on exit to exit basis. Income is expressed as Total Return less growth component.

Industry breakdown %



Fidelity funds are available on platforms and mastertrusts via financial advisers. Investors who wish to place at least \$25,000 in a single fund can invest with us directly. For further information, please visit www.fidelity.com.au or call Client Services on 1800 044 922.

This Fund is subject to risk of stock market fluctuations. Management costs and the buy/sell spread are current as at the date of shown above, but may be subject to change in the future. Management costs include GST and exclude abnormal expenses, transactional and operational costs. Investors accessing the Fund through a master trust or wrap account will also bear any fees charged by the operator of such master trust or wrap account. Any apparent discrepancies in the numbers are due to rounding.

Monthly report

Market performance

Australian equities declined in April but outperformed regional and global peers. A more hawkish stance by the US Federal Reserve and rising concerns over monetary tightening across central banks weighed on sentiment. Global supply chain challenges, coupled with the ongoing war in Ukraine, also muted investor confidence. At a sector level, technology continued to underperform as rising yields negatively impacted growth stocks. Meanwhile, investors favoured defensives such as utilities and consumer staples. Materials declined due to weakness in industrial metal prices and a strong run-up in such stocks in previous months. The Reserve Bank of Australia (RBA) kept its policy rate unchanged and maintained supportive monetary conditions, while closely monitoring inflation and the evolution of labour costs. On the economic front, the Westpac-Melbourne Institute's Index of Consumer Sentiment fell to 95.8 in April from 96.6 in March. Concerns about higher interest rates and rising inflation amid the uncertainty surrounding the war in Ukraine undermined consumer confidence. Australia's business confidence index, as measured by the National Australia Bank, rose to +16 points in March from +13 points in February. Forward

orders remained strong, while capacity utilisation increased. Australia's business conditions and confidence are now back to levels seen before the rebound following the outbreak of the Delta variant of COVID-19. The S&P Global Australia manufacturing Purchasing Managers' Index (PMI) remained in expansionary territory. Higher demand boosted manufacturing output, leading to higher purchasing and hiring activity. However, supply constraints and price rises continued. The unemployment rate remained unchanged at a historic low of 4.0% in March, while the participation rate remained at a record high of 66.4%.

Fund performance

The Fund outperformed the index over the month, primarily due to security selection in the materials sector. Shares in leading private hospital operator Ramsay Healthcare rallied after it was approached by a consortium led by KKR with an attractive takeover bid. The conviction holding in industrial property manager Goodman Group advanced as investors sought to increase their exposure to high-quality real estate names. Its strength is underpinned by ongoing structural growth and encouraging development pipeline. Investors accumulated shares in financial conglomerate Suncorp Group due to attractive valuations and a positive outlook for financials in the rising interest rate environment. Meanwhile, not

holding information technology (IT) services company Block boosted relative returns as its shares tumbled after it reported heavy losses for Afterpay, which it had acquired earlier in the year. The position in mining company Mineral Resources gained after the announcement of increasing its lithium production in response to the unprecedented demand for the metal. Its upsized debt offering was also well received by investors. Conversely, the holding in IGO declined after the battery metals producer increased the price of its takeover bids for nickel producer Western Areas. However, the takeover is expected to strengthen IGO's position as a diversified electric vehicle (EV) metal player. Pizza chain operator Domino's Pizza slid amid profitability concerns, worsened by inflationary pressures, especially in the Asian market. Shares in property listings company Domain Holdings slid after it raised funds at a discounted valuation, from institutional investors, to acquire real estate campaign manager Realbase. Nevertheless, it remains a high-quality company led by a well credentialed management team. Likewise, investors took profits in job listing portal SEEK. However, it remains a high-quality business with leading positions in its key markets, supported by a healthy balance sheet and a proven management team.

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