

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 June 2003
Fund size: AU\$5,761.92M
Number of stocks: 30 to 50
Management cost: 0.85% p.a.
Buy/sell spread: 0.20%/0.20%

Portfolio guidelines

Stocks: +/-5% from benchmark
Industry: +/-7% from benchmark
Cash: Target range between 0% and 10%

Top 10 holdings %

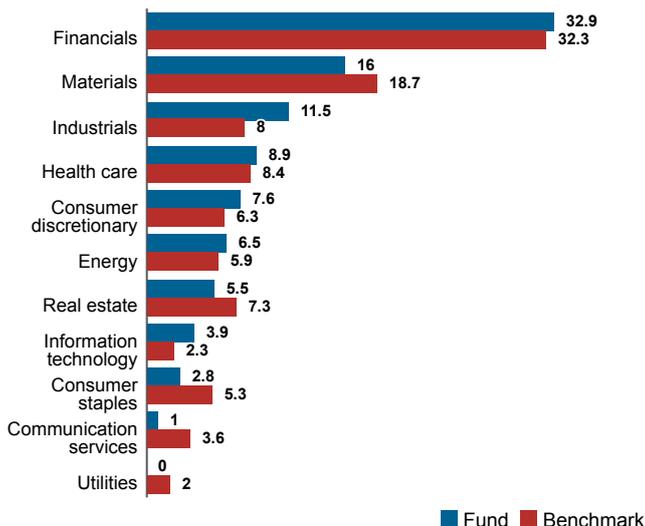
	Fund	B'mk
COMMONWEALTH BANK AUSTRALIA	9.8	7.9
BHP GROUP LTD	7.7	6.7
AUSTRALIA & N ZEAL BKG GRP LTD	6.5	4.9
SUNCORP GROUP LTD	6.1	1.1
WESTPAC BANKING CORP	5.8	5.6
CSL LTD	5.4	5.3
MACQUARIE GROUP LTD	4.2	2.5
OIL SEARCH LIMITED	3.9	0.7
GOODMAN GROUP	3.9	1.3
RAMSAY HEALTH CARE LTD	3.5	0.5

Past 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	6.00	9.48	-1.96	7.35	11.17	7.40	11.02	12.20	11.39	11.84
S&P/ASX 200 Accumulation Index	5.98	9.95	-0.26	7.05	12.91	7.30	10.05	11.12	8.82	9.33
Excess return	0.02	-0.47	-1.70	0.30	-1.74	0.10	0.97	1.08	2.57	2.51

Past performance is not a reliable indicator of future performance. Total returns (net) have been calculated using mid prices and are net of Fidelity's management costs, transactional and operational costs and assumes reinvestment of distributions. No allowance has been made for tax or the buy/sell spread. Returns of more than one year are annualised. The return of capital is not guaranteed.

Industry breakdown %



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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.

Market performance

Australian equities advanced in February against a positive global macroeconomic backdrop. Expectations of a slowdown in the pace of interest rate increases in the US and a potential resolution of US-China trade issues supported global equity markets. At a sector level, financials led gains in the domestic markets. Asset managers advanced amid a rebound in equity markets. Better-than-expected outcome of the Royal Commission's final report also supported sentiment towards some banking and diversified financial stocks. Among resources related companies, energy stocks gained in light of positive earnings results and higher crude oil prices, while firm iron ore and base metal prices supported related miners. Meanwhile, positive profitability trends at some information technology companies led gains in the sector. Elsewhere, weaker-than-anticipated earnings for some companies weighed on the consumer staples sector. On the economic front, National Australia Bank's monthly business survey's business conditions index rebounded in January following a sharp decline in December. In trend terms, mining retained the strongest business conditions, while retail continued to weigh on the aggregate business conditions index. The survey's business confidence also edged higher but remained below its long-term average. The Westpac-Melbourne Institute index of consumer sentiment advanced in February. The survey indicated an improvement in respondents' assessment of the economic outlook and family finances. Employment growth surpassed expectations in January. Strong growth in full-time employment outpaced a decline in part-time jobs. Meanwhile, the unemployment rate remained unchanged around a seven-year low. The central bank left interest rates unchanged. It also noted that the chances of a move in either direction were more evenly balanced than they had been over the preceding year, when an increase in the cash rate had appeared more likely.

Portfolio performance

The portfolio delivered healthy returns in February, broadly in line with the index. Preferred holdings in waste management company Cleanaway Waste Management and private hospitals operator Ramsay Health Care lifted returns in light of their solid half-year results. The former delivered healthy revenue growth and its management indicated a continuation of its positive earnings momentum, driven by organic growth and synergies from its acquisition of Toxfree Solutions. Ramsay Health Care delivered solid revenue growth and margin expansion in Australia and France, and reiterated its full-year earnings guidance. Industrial property company Goodman Group's half-year results surpassed market expectations, led by its development and funds management businesses. It also upgraded its full-year profit guidance in view of its earnings growth momentum. The overweight allocation to Sydney Airport added value. A draft report on the economic regulation of airports did not suggest any significant change to current regulations on aeronautical services. The company also posted healthy full-year results, which further supported its shares.

Conversely, weak same-store sales in Australia and France weighed on pizza chain operator Domino's Pizza Enterprises' half-year profits. It also lowered its same-store sales and store rollout guidance for the current fiscal year, which hurt sentiment. Elsewhere, the holding in logistics software provider WiseTech Global declined following strong recent gains. Its healthy half-year earnings and upgraded full-year profit guidance did not meet elevated market expectations.

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Total net returns represent past performance only. Past performance is not a reliable indicator of future performance. Returns of the Fund can be volatile and in some periods may be negative. The return of capital is not guaranteed. The returns shown have been calculated using the net asset value of the Fund from one period to the next. The returns include any re-invested distributions and are after fees and expenses. 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. For periods greater than one year returns have been annualised.

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