

Fidelity Global Demographics Fund

(Managed Fund) ASX: FDEM

Quarterly report

As at 30/09/2022

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Fund description

Designed to benefit from demographic trends by investing in 50 to 70 companies where demographic factors are likely to be the single most important driver of company earnings growth over the medium- to long-term.

Fund facts

ASX Code: FDEM

Portfolio manager: Aneta Wymimko / Alex Gold / Oliver Hextall

Benchmark: MSCI All Country World Index NR

Inception date: 30/11/2012

Fund size: AU\$91.89M

Number of stocks: 50 to 70

Management cost: 0.89% p.a.

Buy/sell spread: 0.20%/0.20%

iNAV tickers: RIC FDEMAUiv.P

Bloomberg Code: FDEMIVAU Index

Portfolio guidelines

Stocks: Typically between 1% to 3% Absolute

Sector: Unconstrained

Region: Unconstrained

Country: Unconstrained

Cash: Target range between 0-10

Top 10 holdings (%)

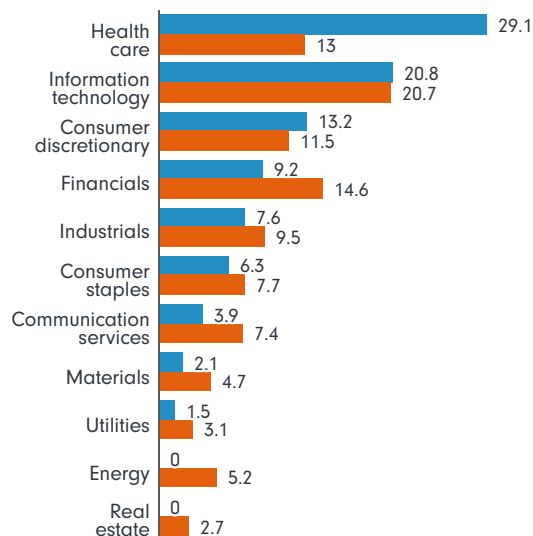
	Fund	B'mark
Microsoft Corp	6.3	3.2
Amazon.com Inc	4.5	2.0
Lvmh Moet Hennessy Se	3.4	0.3
Danaher Corp	3.3	0.3
Thermo Fisher Scientific Inc	3.3	0.4
L'oreal Sa	3.1	0.2
Boston Scientific Corp	3.0	0.1
Alphabet Inc	3.0	2.2
Iqvia Holdings Inc	3.0	0.1
Stryker Corp	2.9	0.1

Performance %

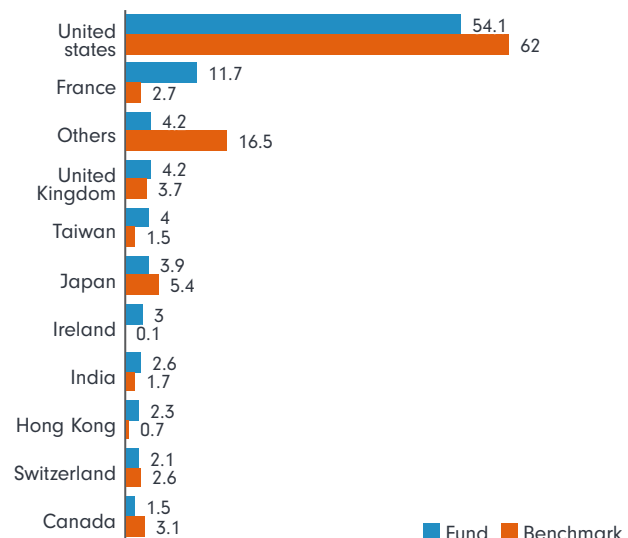
	1 mth	3 mth	6 mth	1 yr	3 yrs p.a.	5 yrs p.a.	7 yrs p.a.	Since Inception p.a (30/11/2012)
Fidelity Global Demographics Fund (Managed Fund) ASX: FDEM	-2.92	0.81	-10.74	-17.78	4.81	9.15	8.76	13.93
MSCI All Country World Index NR	-3.58	-0.34	-8.21	-10.86	5.41	8.69	8.79	12.76
Excess return	0.66	1.15	-2.53	-6.92	-0.60	0.46	-0.03	1.17

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.

Industry breakdown %



Geographic breakdown %



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This Fund is unhedged and is subject to the risk of fluctuations in international stock markets and currencies. Management costs and the buy/sell spread are current as at the date shown above but may be subject to change in the future. Management costs include GST but exclude abnormal expenses and 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.

Quarterly report

Market performance

Global equities declined over the quarter. Worries about aggressive interest rate hikes by central banks and concerns over an economic slowdown, weakening demand and persistent inflation continued to loom over markets. In September, the US Federal Reserve (Fed) delivered a 0.75 percentage point interest rate hike, as widely expected, for the third consecutive meeting, pushing borrowing costs to the highest level since 2008. The European Central Bank also raised its key interest rates by 0.75 percentage points in September. Fears that a lengthy period of restrictive monetary policy could lead to slower economic growth and softening labour market conditions dampened confidence. Against this backdrop, all sectors declined, with interest rate-sensitive communication services and real estate stocks driving the selloff. Meanwhile, health care stocks were negatively impacted by the emergence of litigation risks and the prospect of the eventual passage of drug pricing reforms.

Fund performance

Key contributors

Shares in drainage solutions manufacturer

Advanced Drainage Systems rallied, driven by strong results across the board, with a 9% beat on revenues and 32% beat on earnings before interest taxes depreciation and amortisation (EBITDA). E-commerce leader Amazon benefited from a solid second quarter. While net sales beat consensus estimates as improving in-stock levels and delivery times drove demand, its Amazon Web Services (AWS) segment grew c.33% year-on-year, supported by strong backlogs. Guidance for the third quarter was also ahead of expectations. Holdings in innovative medical solutions provider Boston Scientific and medical equipment and consumables manufacturer Stryker also supported returns.

Key detractors

Hearing aid manufacturer Sonova was a notable detractor from returns, given uncertainties around slowing customer demand and elevated input costs, which cut its FY 2022 outlook. Elsewhere, the current macroeconomic environment and lower biotech funding dampened investor sentiment towards contract research organisation IQVIA. Life insurer AIA was another key detractor from performance amid a resurgence in COVID-19 cases as a new variant (B.A.5.) was found in Shanghai. Chipmaker Taiwan Semiconductor also traded lower.

Major contributors (%)

As at 30/09/2022	Active pos.	Contribution
Advanced Drain Sys Inc Del	1.4	0.6
Amazon.com Inc	2.5	0.4
Boston Scientific Corp	2.7	0.4
Stryker Corp	2.5	0.4
Danaher Corp	2.8	0.4

Major detractors (%)

As at 30/09/2022	Active pos.	Contribution
Sonova Holding Ag	2.2	-0.6
AIA Group Ltd	2.2	-0.4
Iqvia Holdings Inc	3.1	-0.3
Taiwan Semiconductor MFG Co Ltd	2.2	-0.2
Chailease Holding Co Ltd	1.4	-0.2

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