

# **Fidelity Global Demographics Fund (Managed Fund)**

ARSN 160 557 353

## **Interim report**

**For the half-year ended 31 December 2023**

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 30 June 2023 and any public announcements made in respect of Fidelity Global Demographics Fund (Managed Fund) during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

These financial statements cover Fidelity Global Demographics Fund (Managed Fund) as an individual entity.

The Responsible Entity of Fidelity Global Demographics Fund (Managed Fund) is FIL Responsible Entity (Australia) Limited (ABN 33 148 059 009). The Responsible Entity's registered office is Level 17, 60 Martin Place, Sydney NSW 2000.

## Directors' Report

The directors of FIL Responsible Entity (Australia) Limited (ABN 33 148 059 009) (the "Responsible Entity"), the Responsible Entity of Fidelity Global Demographics Fund (Managed Fund) (the "Fund"), present their report together with the interim financial report of Fidelity Global Demographics Fund (Managed Fund), for the half-year ended 31 December 2023 and the auditor's review report therein.

### Directors

The following persons held office as directors of the Responsible Entity during the half-year or since the end of the half-year and up to the date of this report:

David Midolla

Andrea Jacob

Brian Chambers

Lawrence Hanson

May Li (Appointed 19 October 2023)

### Review and Results of Operations

The Fund continued to invest funds in accordance with the provisions of the Fund's Constitution.

The performance of the Fund, as represented by the results of its operations, was as follows:

	<b>Half-year ended</b>	
	<b>31 December 2023</b>	31 December 2022
Profit for the half-year (\$'000)	<u>969</u>	<u>3,601</u>

### Significant Changes in State of Affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Fund that occurred during the period under review.

### Rounding of Amounts

Amounts in the Directors' Report and the Financial Statements have been rounded to the nearest thousand dollars in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, unless otherwise indicated.

## **Directors' Report (continued)**

### **Auditor's Independence Declaration**

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 3 .

This report is made in accordance with a resolution of the directors of the Responsible Entity.

Director: David Midolla  
David Midolla

Director: Andrea Jacob  
Andrea Jacob

Sydney

7 March 2024

7 March 2024

The Board of Directors  
FIL Responsible Entity (Australia) Limited  
Level 17, 60 Martin Place  
Sydney NSW 2000

Dear Directors

**Auditor's Independence Declaration to Fidelity Global Demographics Fund (Managed Fund)**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of FIL Responsible Entity (Australia) Limited as Responsible Entity of Fidelity Global Demographics Fund (Managed Fund) (the "Fund").

As lead audit partner for the review of the half year financial report of the Fund for the half year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- Any applicable code of professional conduct in relation to the review.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Declan O'Callaghan  
Partner  
Chartered Accountants

Fidelity Global Demographics Fund (Managed Fund)  
Condensed Statement of Profit or Loss and Other Comprehensive Income  
For the half-year ended 31 December 2023

**Condensed Statement of Profit or Loss and Other Comprehensive Income**

		Half-year ended	
		31 December 2023	31 December 2022
	Notes	\$'000	\$'000
<b>Investment Income</b>			
Interest income		66	35
Dividend income		428	310
Net gains on financial instruments at fair value through profit or loss (including FX gains/(losses))		950	3,730
<b>Total net investment income</b>		<b>1,444</b>	<b>4,075</b>
<b>Expenses</b>			
Responsible Entity's fees		459	428
Custody fees		11	19
Transaction costs		7	20
Other operating expenses		5	—
<b>Total operating expenses</b>		<b>482</b>	<b>467</b>
<b>Operating profit before income tax</b>		<b>962</b>	<b>3,608</b>
Income tax (benefit)/expense	5(a)	(7)	7
<b>Profit for the half-year</b>		<b>969</b>	<b>3,601</b>
Other comprehensive income		—	—
<b>Total comprehensive income for the half-year</b>		<b>969</b>	<b>3,601</b>

The above Condensed Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Fidelity Global Demographics Fund (Managed Fund)  
Condensed Statement of Financial Position  
As at 31 December 2023

## Condensed Statement of Financial Position

		As at	
		31 December	30 June
		2023	2023
	Notes	\$'000	\$'000
<b>Assets</b>			
Cash and cash equivalents		1,675	4,076
Receivables		34	35
Other receivables		106	91
Financial assets at fair value through profit or loss	4	<u>100,565</u>	<u>103,959</u>
<b>Total assets</b>		<u>102,380</u>	<u>108,161</u>
<b>Liabilities</b>			
Distribution payable		–	824
Payables		170	356
Deferred tax liability	5(b)	<u>2</u>	<u>2</u>
<b>Total liabilities</b>		<u>172</u>	<u>1,182</u>
<b>Net assets attributable to unitholders - equity</b>	3	<u><u>102,208</u></u>	<u><u>106,979</u></u>

The above Condensed Statement of Financial Position should be read in conjunction with the accompanying notes.

Fidelity Global Demographics Fund (Managed Fund)  
Condensed Statement of Changes in Equity  
For the half-year ended 31 December 2023

## Condensed Statement of Changes in Equity

		Half-year ended	
		31 December 2023	31 December 2022
	Notes	\$'000	\$'000
<b>Total equity at the beginning of the half-year</b>		<b>106,979</b>	88,058
<b>Comprehensive income for the half-year</b>			
Profit for the half-year	3	969	3,601
Other comprehensive income		—	—
<b>Total comprehensive income for the half-year</b>		<b>969</b>	3,601
<b>Transactions with unitholders</b>			
Applications	3	4,833	7,053
Redemptions	3	(10,661)	(6,512)
Units issued upon reinvestment of distributions	3	88	584
<b>Total transactions with unitholders</b>		<b>(5,740)</b>	1,125
<b>Total equity at the end of the half-year</b>	3	<b>102,208</b>	92,784

The above Condensed Statement of Changes in Equity should be read in conjunction with the accompanying notes.



**Fidelity Global Demographics Fund (Managed Fund)**  
**Condensed Statement of Cash Flows**  
**For the half-year ended 31 December 2023**

**Condensed Statement of Cash Flows**

	<b>Half-year ended</b>	
	<b>31 December</b>	<b>31 December</b>
	<b>2023</b>	<b>2022</b>
<b>Notes</b>	<b>\$'000</b>	<b>\$'000</b>
<b><i>Cash flows from operating activities</i></b>		
Proceeds from sale of financial instruments at fair value through profit or loss	<b>14,790</b>	21,173
Purchase of financial instruments at fair value through profit or loss	<b>(10,345)</b>	(16,184)
Transaction costs of financial instruments at fair value through profit or loss	<b>(7)</b>	(20)
Dividends received	<b>427</b>	354
Interest received	<b>66</b>	35
Other income received	<b>6</b>	1
Responsible Entity's fees paid	<b>(465)</b>	(424)
Payment of other expenses	<b>(13)</b>	(10)
Income tax refund/(paid)	<b>7</b>	(7)
	<u><b>4,466</b></u>	<u>4,918</u>
<b><i>Net cash inflow from operating activities</i></b>		
	<u><b>4,466</b></u>	<u>4,918</u>
<b><i>Cash flows from financing activities</i></b>		
Proceeds from applications by unitholders	<b>4,812</b>	7,019
Payments for redemptions by unitholders	<b>(10,844)</b>	(6,473)
Distributions paid	<b>(736)</b>	(5,607)
	<u><b>(6,768)</b></u>	<u>(5,061)</u>
<b><i>Net cash outflow from financing activities</i></b>		
	<u><b>(6,768)</b></u>	<u>(5,061)</u>
<b><i>Net decrease in cash and cash equivalents</i></b>	<b>(2,302)</b>	(143)
Cash and cash equivalents at the beginning of the half-year	<b>4,076</b>	2,265
Effects of foreign currency exchange rate changes on cash and cash equivalents	<b>(99)</b>	197
	<u><b>1,675</b></u>	<u>2,319</u>
<b><i>Cash and cash equivalents at the end of the half-year</i></b>		
	<u><b>1,675</b></u>	<u>2,319</u>
Non-cash financing activities	<b>3</b>	584

*The above Condensed Statement of Cash Flows should be read in conjunction with the accompanying notes.*

## **1 Summary of Material Accounting Policies**

The Fund is a registered managed investment scheme under the *Corporations Act 2001* and was admitted to trading status on the ASX under the AQUA Rules on 13 December 2021.

These financial statements are general purpose financial statements prepared in accordance with the Australian Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Act 2001*.

The interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 30 June 2023 and any public announcements made in respect of Fidelity Global Demographics Fund (Managed Fund) during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The Responsible Entity of the Fund is FIL Responsible Entity (Australia) Limited (ABN 33 148 059 009) (the "Responsible Entity"). The Responsible Entity's registered office is Level 17, 60 Martin Place, Sydney NSW 2000.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

There are no new standards, interpretations or amendments to existing standards that are effective for the first time for the financial half-year beginning 1 July 2023 that would be expected to have a material impact on the Fund.

## **2 Fair Value Measurement**

The Fund measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets / liabilities at fair value through profit or loss (FVPL) (see Note 4)
- Derivative financial instruments (see Note 4)

The Fund has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

### **Fair Value Hierarchy**

AASB 13 requires disclosure of fair value measurements by level of the following fair value hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
  - (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
  - (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3)
- (i) *Fair Value in an Active Market (Level 1)*

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

The Fund values its investments in accordance with the accounting policies set out in Note 1. For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

The quoted market price used for financial assets held by the Fund is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price. When the Fund holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

(ii) *Fair Value in an Inactive or Unquoted Market (Level 2 and Level 3)*

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

## 2 Fair Value Measurement (continued)

### (ii) Fair Value in an Inactive or Unquoted Market (Level 2 and Level 3) (continued)

The fair value of derivatives that are not exchange traded is estimated at the amount that the Fund would receive or pay to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date.

Investment in other unlisted unit trusts are recorded at the redemption value per unit as reported by the investment managers of such funds.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Fund for similar financial instruments.

### Recognised Fair Value Measurements

The tables below set out the Fund's financial assets and financial liabilities (by class) measured at fair value according to the fair value hierarchy at 31 December 2023 and 30 June 2023.

<b>31 December 2023</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	<b>Total \$'000</b>
<b>Financial assets at fair value through profit or loss</b>				
Equity securities	<b>100,565</b>	–	–	<b>100,565</b>
<b>Total</b>	<b>100,565</b>	–	–	<b>100,565</b>
 30 June 2023	 Level 1 \$'000	 Level 2 \$'000	 Level 3 \$'000	 Total \$'000
<b>Financial assets at fair value through profit or loss</b>				
Derivatives				
Forward currency contracts	–	1	–	1
Equity securities	103,958	–	–	103,958
<b>Total</b>	<b>103,958</b>	<b>1</b>	–	<b>103,959</b>

The Fund's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

### Transfers Between Levels

There were no transfers between the levels of the fair value hierarchy during the half-year ended 31 December 2023 and year ended 30 June 2023.

### 3 Net Assets Attributable to Unitholders

Movements in number of units and net assets attributable to unitholders during the half-year were as follows:

	<b>As at</b>			
	<b>31 December 2023 No.'000</b>	<b>31 December 2022 No.'000</b>	<b>31 December 2023 \$'000</b>	<b>31 December 2022 \$'000</b>
Opening balance	4,019	4,120	106,979	88,058
Applications	185	312	4,833	7,053
Redemptions	(409)	(288)	(10,661)	(6,512)
Units issued upon reinvestment of distributions	3	28	88	584
Profit for the half-year	—	—	969	3,601
Closing balance	<u>3,798</u>	<u>4,172</u>	<u>102,208</u>	<u>92,784</u>

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right in the underlying assets of the Fund. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund. Units are redeemed on demand at the unitholder's option.

#### Capital Risk Management

The Funds consider their net assets attributable to unitholders as capital. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unitholders.

Daily applications and redemptions are reviewed relative to the liquidity of the Funds' underlying assets on a daily basis by the Responsible Entity. Under the terms of the Funds' Constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of unitholders.

#### Entering and exiting the Fund

The Fund was admitted to trading status on the ASX under the AQUA Rules on 13 December 2021. Previously investor could only enter or exit the Fund by applications to or withdrawals directly from the Responsible Entity. Investors can now enter or exit the Fund via buying/selling units on the ASX or by applications/withdrawals direct to/from the Responsible Entity.

There are important differences between entering and exiting the Fund by applying for and withdrawing units directly with the Responsible Entity or via the ASX. These differences include, but are not limited to, the entry and exit price received, and whether investment minimums apply. Further details are available in the Fund's PDS.

There are no separate classes of units and each unit in the Fund has the same rights attaching to it as all other units of the Fund.

### 4 Financial Assets at Fair Value Through Profit or Loss

	<b>As at</b>	
	<b>31 December 2023 \$'000</b>	<b>30 June 2023 \$'000</b>
<b>Financial assets at fair value through profit or loss</b>		
Derivatives	—	1
Equity securities	100,565	103,958
<b>Total financial assets at fair value through profit or loss</b>	<u>100,565</u>	<u>103,959</u>
<b>Comprising:</b>		
<b>Derivatives</b>		
Forward currency contracts	—	1
Total derivatives	<u>—</u>	<u>1</u>
<b>Equity securities</b>		
International equity securities listed on a prescribed stock exchange	100,565	103,958
Total equity securities	<u>100,565</u>	<u>103,958</u>
<b>Total financial assets at fair value through profit or loss</b>	<u>100,565</u>	<u>103,959</u>

## 5 Current and Deferred Income Taxes

### (a) Income Tax Expense

The amount of income tax recognised in the Condensed Statement of Profit or Loss and Other Comprehensive income represents:

	Half-year ended	
	31 December 2023 \$'000	31 December 2022 \$'000
Current income tax	(7)	7
<b>Income tax (benefit)/expense</b>	<b>(7)</b>	<b>7</b>

The income tax expense differs from the amount that would arise from applying the Australian income tax rate applicable to the Fund on profit for the half-year due to the following:

	Half-year ended	
	31 December 2023 \$'000	31 December 2022 \$'000
<b>Operating profit before income tax</b>	<b>962</b>	<b>3,608</b>
Tax at the applicable Australian tax rate of 0% (2022 - 0%)	—	—
Effect of:		
Capital gains tax in foreign jurisdictions on financial assets	(7)	7
<b>Income tax (benefit)/expense</b>	<b>(7)</b>	<b>7</b>

### (b) Deferred Tax

The deferred tax balance comprises temporary differences attributable to:

	As at	
	31 December 2023 \$'000	30 June 2023 \$'000
<b>Deferred tax assets</b>		
Carry forward tax losses on financial assets at fair value through profit or loss	—	—
<b>Deferred tax liabilities</b>		
Unrealised gains on financial assets at fair value through profit or loss	2	2
<b>Net deferred tax liability after set-off of deferred tax assets</b>	<b>2</b>	<b>2</b>

All changes in the deferred tax balances are recognised in the Condensed Statement of Profit or Loss and Other Comprehensive Income.

## 6 Events Occurring After the Reporting Period

No significant events have occurred since the end of the reporting period up to the date of signing the financial report, which would impact on the financial position of the Fund disclosed in the Condensed Statement of Financial Position as at 31 December 2023 or on the results and cash flows of the Fund for the half-year ended on that date.

## 7 Contingent Assets, Liabilities and Commitments

There are no outstanding contingent assets, liabilities or commitments as at 31 December 2023 (30 June 2023: Nil).

## Directors' Declaration

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes as set out on pages 4 to 11 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Fund's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors of the Responsible Entity.

Director: David Midolla  
David Midolla

Director: Andrea Jacob  
Andrea Jacob

Sydney  
7 March 2024

## Independent Auditor's Review Report to the Unitholders of Fidelity Global Demographics Fund (Managed Fund)

### *Conclusion*

We have reviewed the half-year financial report of Fidelity Global Demographics Fund (Managed Fund) (the "Fund"), which comprises the condensed statement of financial position as at 31 December 2023, and the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, notes to the financial statements, including material accounting policy information and other explanatory information, and the directors' declaration as set out on pages 4 to 12.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Fund does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Fund's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

### *Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Fund in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) ("the Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Responsible Entity, would be in the same terms if given to the directors as at the time of this auditor's review report.

### *Directors' Responsibilities for the Half-year Financial Report*

The directors of the Responsible Entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

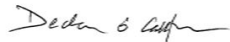
## *Auditor's Responsibilities for the Review of the Half-year Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Fund's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



DELOITTE TOUCHE TOHMATSU



Declan O'Callaghan  
Partner  
Chartered Accountants  
Sydney, 7 March 2024