

Colonial First State Wholesale Index Australian Share Fund

Monthly Factsheet

31 August 2020

Portfolio Description

To invest in a diversified portfolio of companies representative of the Australian share market.

Investment Strategy

Detailed risk analysis is used to design a portfolio of shares which provides the greatest likelihood of matching the performance of the S&P/ASX 200 Accumulation Index. All shares in this fund are maintained within a very close margin to their weight in the index. The fund predominantly invests in Australian companies and therefore does not hedge currency risk.

Investment Objective

To closely track the S&P/ASX 200 Accumulation Index with the aim of generating returns (before tax and fees and assuming income is reinvested) comparable to the Australian sharemarket as measured by that benchmark over rolling one-year periods.

Product Overview

APIR code	FSF0652AU
Inception date	13 July 2004
Fund Size (A\$)	4,256 million
Benchmark	S&P/ASX 200 Accumulation Index
Number of stock holdings	203
Buy / Sell spread	0.10% / 0.10%
Minimum investment (A\$)	5,000
Management cost (p.a.)*	0.4%

* Information on Management Costs (including estimated indirect costs) is set out in the Fund's PDS.

Performance Summary (%)

Period	1mth	3mth	1yr	3yr	5yr	7yr	10yr	SI
Net return	2.8	6.0	-5.2	5.8	7.1	6.5	7.5	7.6
Benchmark return	2.8	6.0	-5.1	6.1	7.5	6.8	7.8	7.9
Excess net return	0.0	0.0	-0.1	-0.3	-0.3	-0.3	-0.3	-0.3
Income return	0.0	1.1	4.1	6.2	5.4	5.0	4.8	7.0
Growth return	2.8	4.8	-9.2	-0.4	1.7	1.5	2.6	0.6

Note: Net return is the return after management fee

Sector Breakdown (%)

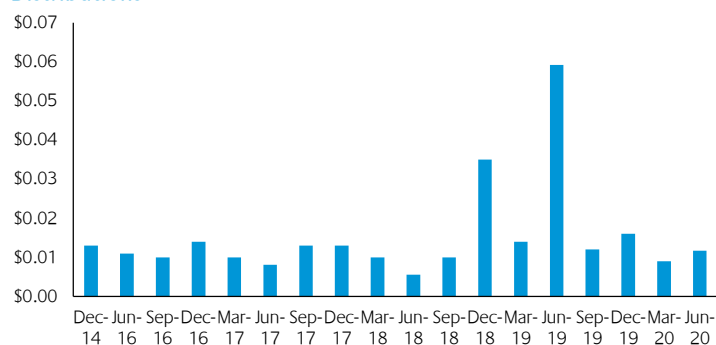
Sector	Fund Weight
Financials	26.09
Materials	19.91
Health Care	11.73
Industrials	7.41
Consumer Discretionary	7.37
Real Estate	6.80
Consumer Staples	6.37
Information Technology	4.04
Communication Services	3.87
Energy	3.71
Utilities	1.70
Others*	0.99

*Includes Cash and Futures

Realindex Investments

Realindex aims to deliver performance slightly better than the reference benchmark (before fees) by intelligently managing the trade-off between implementation costs and tracking risk and using implementation strategies to add incremental, risk controlled value. Realindex aims to deliver portfolio returns that are consistent with the risk and return characteristics of the benchmark index.

Distributions



Top 10 Holdings

Stock	Fund Weight
CSL	7.72
Commonwealth Bank	7.19
BHP Group	6.64
Westpac Bank	3.77
National Australia Bank	3.41
Wesfarmers	3.20
ANZ Bank	3.08
Woolworths	2.99
Macquarie Group	2.50
Transurban	2.19

Market review

The S&P/ASX 100 Accumulation Index ended the month 2.5% higher, the best August performance since 2009.

The favourable return was driven primarily by the strength of overseas markets, rather than being indicative of a particularly strong earnings season.

Forward-looking earnings forecasts had come under scrutiny during July as concerns increased about a potential second wave of virus infections. There was particular consternation about Victoria re-introducing lockdown measures, but the path to economic normality remained highly uncertain nationally.

Investors had become extremely pessimistic, particularly towards hospitality and tourism stocks. They appeared to 'look through' the weak earnings results, however, instead focusing on when earnings might start to recover. Even though stocks like Qantas, Corporate Travel Management, Flight Centre and Webjet contributed to the market's positive returns, Australian shares lagged their overseas peers, suggesting the earnings season was not received as positively as profit updates in the US.

Australia's technology sector continued to impress, delivering the best sector-level return for a fifth consecutive month (+18.2%).

Commodity prices were mixed through August. The gold price declined. Combined with increased capital expenditure and cost guidance, this drove the majority of Australian-listed gold producers lower.

Iron ore rallied in both USD and AUD terms, however, enabling bulk commodity producers like BHP Group, Rio Tinto and Fortescue Metals Group to appreciate.

Communication Services (-5.6%) was the worst performing sector. Australia's largest telecommunications company, Telstra (-11.4%) continues to suffer from increased competition, particularly in its mobile business. As a result, the company announced it had lowered long-term targets for returns on invested capital.

The S&P/ASX Small Ordinaries Index fared very well, adding 7.2% over the month.

Performance returns are calculated net of management fees and transaction costs. Performance returns for periods greater than one year are annualised. Past performance is not a reliable indicator of future performance.

Data source: First Sentier Investors 2020

Data as at: 31 August 2020

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