

Centuria LifeGoals

Fidelity Future Leaders Fund

The Fund seeks to achieve returns in excess of the S&P/ASX Mid Small Index over the suggested minimum investment time period of five to seven years.

Investment Manager

FIL Investment Management (Australia) Limited

Investment Strategy

The Fund provides investors with the potential for long-term capital growth by investing in a portfolio of listed mid- and small-cap Australian shares. It delivers significant diversification benefits by investing in 40 to 70 Australian companies. Through in house, bottom up company research, Fidelity aims to uncover the opportunities that it believes offer the greatest scope for outperformance.

Target Allocation

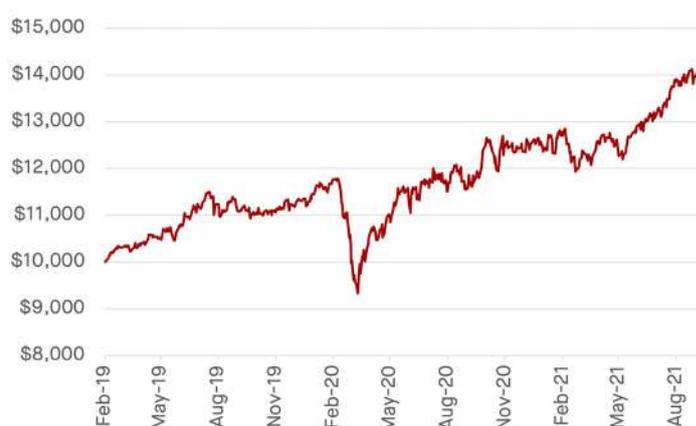
Australian Equities	90-100%
Cash	0-10%

Performance Returns

Returns to 30/9/2021	1 mth	3 mth	6 mth	1 yr	2 yr
Net Return (%)	-1.69	4.96	13.30	16.51	11.44

Past performance is not a reliable indicator of future performance.

Performance Graph



A \$10,000 investment in Centuria Fidelity Future Leaders Fund made at inception is worth \$13,766 as of 30 September 2021 after all fees and taxes paid within the Investment Option.

Key Features

APIR Code	OVS5444AU
Minimum Initial Investment	\$500
Minimum Additional Investment Plan	\$100
Minimum Switching Amount	\$500
Minimum Balance	\$500
Contribution Fee	Nil
Annual Management Fee*	1.14%
Suggested Timeframe	Minimum 5-7 years

* Refer to PDS for fee breakdown.

For more information contact Centuria on **1300 50 50 50** or visit lifegoals.centuria.com.au to download the PDS. **Simple Flexible Versatile.**

Market Performance

Australian equities advanced over the quarter, outperforming regional indices and global peers, driven by strong corporate earnings. However, gains were capped on concerns over the resurgence of COVID-19, a consequent lockdown and worries over the slowdown in the economic recovery. At a sector level, energy-led gains, buoyed by strong oil prices. The information technology (IT) sector also advanced, aided by strong results. Sentiment towards technology stocks was further boosted following US payments giant Square's proposal to takeover Afterpay, a buy-now-pay-later model. Conversely, weakness in commodity prices amid concerns over a slowdown in demand from China undermined miners, notably iron ore players. The Reserve Bank of Australia (RBA) kept its record low interest rates unchanged. The decision was driven by the weakness in the economy in the third quarter following the outbreak of the Delta variant of COVID-19 and the associated restrictions on activity.

The unemployment rate fell to 4.5% in August, from July's 4.6%, logging the lowest reading since November 2008 and markedly down from the 7.4% peak reached in July 2020. The retail turnover slid in August, with each of the eastern mainland states suffering falls in line with their respective level of lockdown restrictions. The business confidence index produced by National Australia Bank (NAB) improved to -5.3 points in August from -7.3 points in July. The index remained entrenched below the zero-point threshold signaling concerns regarding economic conditions going forward. Meanwhile, business conditions strengthened in August. The Westpac-Melbourne Institute's consumer sentiment index rose to 106.2 in September from 104.1 in August, indicating that there were more optimists than pessimists among Australian consumers.

Fund Performance

The holdings in lithium miners Pilbara Minerals and Galaxy Resources added notable value.

Shares in the companies rallied following strong quarterly production updates and higher spot prices for lithium. Sentiment towards lithium producers improved notably after US President Joe Biden signed an executive order that intends for at least half of all new vehicles sold in the US in 2023 to be electric vehicles. Strong lithium demand also lifted the holding in battery materials and technology company Novonix. Meanwhile, diversified mining company IGO advanced after it reported robust quarterly results, benefiting from strong nickel and copper sales and higher metal prices. Among financials, holdings in asset managers Pinnacle Investment Management and Australian Ethical advanced on upbeat earnings and consensus beating net inflows. While the former continued to gain from its affiliates' growing funds under management, a shift towards environmental, social, and governance (ESG) investments proved to be a tailwind for Australian Ethical's performance.

Shares in metal-detector maker Codan slid after its full-year results missed expectations. Asset manager Magellan Financial declined after reporting a sharper-than-expected fall in its performance fees. Meanwhile, financial services platform Netwealth also came under pressure due to a short-term earnings disappointment.

Outlook

The pace of the uptick in the domestic vaccination drive remains a key factor supporting optimism around an economic recovery in Australia, as the country grapples with renewed COVID-19 infections from the Delta variant. Nonetheless, the recent dip in economic activity is likely to be temporary. The potential opening up of international borders should be favourable for demand for inbound entrants into Australia, such as for foreign students and tourists, as well as for the related services industries. Meanwhile, inflationary pressures are gaining ground in the US and the Royal Bank of Australia may be compelled to respond if the US Federal Reserve raises rates sooner than expected. Thus, in a rather unusual market and economic environment, investment

portfolios will likely need to stay balanced between long-term growth winners and exposure to the strong economic recovery through energy, resources, industrials, consumer, financials and technology holdings. Some of the crucial considerations over the next 12 months include pricing power (given rising input costs, inflation, and increasingly tight labour markets); sustainability (as credit costs rise and competitive pressures intensify); valuation discipline (given there are either high or record asset prices in many sectors) and duration (what is really driving company growth - is it cyclical or structural). Bottom-up stock picking will likely become more critical and valuation discipline will return across the market. Earnings upgrades and increased business confidence will likely drive the market higher during financial year 2021/22, despite concerns over inflation and an increase in interest rates.

Disclaimer: this commentary has been directly sourced from the Fidelity Future Leaders Fund factsheet available on their website.

Contact our Distribution team

Ashton Maggs

Relationship Manager, NSW & QLD

Phone: +61 431 433 511

Email: ashton.maggs@centuria.com.au

Thomas Nielsen

Relationship Manager, ACT, SA & WA

Phone: +61 401 727 830

Email: thomas.nielsen@centuriaadviser.com

Sean Cole

Relationship Manager, VIC & TAS

Phone: +61 428 893 007

Email: sean.cole@centuria.com.au

Jack Coleman

Relationship Manager, NSW

Phone: +61 407 256 305

Email: jack.coleman@centuriaadviser.com

Centuria Investor Services | 1300 50 50 50 | enquiries@centuria.com.au | centuria.com.au

This fact sheet provides general information only, and does not take account of any person's individual objectives, financial situation or needs. You should consider the product disclosure statement before any investment decision is made. We recommend that you speak with a licensed financial adviser. Issued by Centuria Life Limited (CLL) AFSL 230867 ABN 79 087 649 054. CLL believes that the information contained in this fact sheet is accurate, but makes no representation as to its accuracy or completeness. To the maximum extent permitted by law CLL excludes liability for any loss or damage arising from use of the information contained in this fact sheet.