



# AB MANAGED VOLATILITY EQUITIES FUND—MVE CLASS

## MVE-CLASS OBJECTIVE

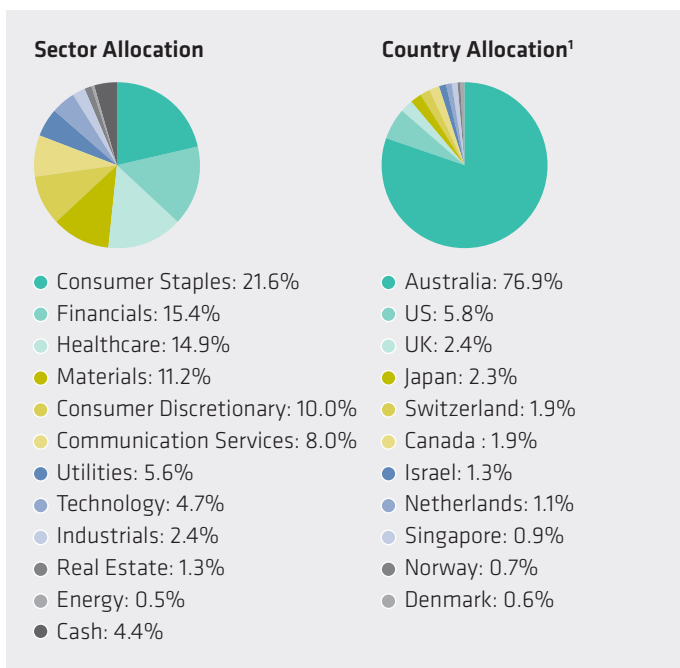
+ The AB Managed Volatility Equities Fund—MVE Class (the “MVE-Class”) aims to achieve returns that exceed the S&P/ASX 300 Accumulation Index after fees over the medium to long term.

## WHO SHOULD CONSIDER INVESTING IN THE MVE-CLASS?

The MVE-Class is designed for equity investors, including retirees and pre-retirees, seeking:

- + Lower volatility
- + Reduced downside risk in falling equity markets
- + The potential for long-term capital growth and some income, including franked Australian dividend income

## MVE-CLASS STRUCTURE



Numbers may not sum due to rounding.

## RATINGS



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## MVE-CLASS PERFORMANCE<sup>2</sup> AS AT JANUARY 31, 2021

	Gross Fund Returns	Total Returns	Growth Returns	Distribution Returns	Benchmark Returns	Relative Returns
<b>1 month</b>	0.76%	0.71%	0.71%	0.00%	0.33%	0.38%
<b>3 months</b>	4.29%	4.15%	3.45%	0.70%	12.05%	(7.90)%
<b>FYTD</b>	4.80%	4.48%	3.74%	0.74%	14.10%	(9.62)%
<b>1 year</b>	(4.04)%	(4.59)%	(5.48)%	0.89%	(2.69)%	(1.91)%
<b>3 years</b>	8.13%	7.58%	5.85%	1.73%	7.13%	0.45%
<b>5 years</b>	9.91%	9.35%	7.02%	2.33%	10.14%	(0.79)%
<b>Since Inception<sup>4</sup></b>	11.00%	10.46%	7.71%	2.75%	7.37%	3.09%

See Performance Figures disclosures.

## TOP TEN HOLDINGS (% TOTAL NET ASSETS)

Stock Name	Portfolio	Index
Coles Group	4.8	1.3
Medibank	4.5	0.4
Sonic Healthcare	4.5	0.9
Wesfarmers	4.4	3.2
Telstra	3.9	1.9
Commonwealth Bank of Australia	3.8	7.8
Woolworths	3.8	2.7
ResMed	3.4	0.5
APA Group	2.8	0.6
CSL	2.8	6.5
<b>Total Number of Stocks</b>	67	296
<b>Beta<sup>5</sup></b>	<b>0.6</b>	

## KEY FACTS

<b>Lead Portfolio Manager</b>	Roy Maslen
<b>Inception date</b>	March 31, 2014
<b>MVE-Class size</b>	A\$1,364,289,222
<b>APIR</b>	ACM0006AU
<b>Minimum investment</b>	A\$50,000
<b>Entry/Exit fee</b>	None
<b>Buy/Sell spread</b>	0.25%/0.25%
<b>Management cost</b>	0.55% p.a.
<b>ICR<sup>6</sup></b>	0.55% p.a.
<b>Distribution frequency</b>	Quarterly

1 Australia exposure is comprised of ASX-listed securities

2 Please refer to our website [www.AllianceBernstein.com.au](http://www.AllianceBernstein.com.au) to view the MVE-Class performance

3 S&P/ASX 300 Accumulation Index. Please see Performance figures disclosure for more details

4 MVE-Class Inception: March 31, 2014

5 Beta is a measure of market-sensitivity, indicating the extent to which a portfolio fluctuates with an index. The index is assumed to have a Beta of 1.0, whilst a portfolio that is more sensitive to index moves has a Beta greater than 1.0, and a portfolio that is less sensitive to index moves has a Beta less than 1.0

6 Indirect Cost Ratio (ICR). Financial year-to-date, annualised

## AB MANAGED VOLATILITY EQUITIES FUND—MVE CLASS

### Monthly Fact Sheet

#### MVE-CLASS REVIEW

- + In January, the MVE – Class outperformed its benchmark, the S&P/ASX 300 Index, which was up 0.33% in Australian-dollar terms.

#### CONTRIBUTORS

- + Sector selection had a positive impact on relative returns, while stock selection lagged. Stock selection within the healthcare and consumer-discretionary sectors contributed. Some of these gains were offset, as selection within consumer staples and materials detracted.
- + Sonic Healthcare outperformed in January as the market focused on the profit growth from its leading positions in COVID-19 testing in many developed countries.
- + An underweight to biotherapeutics company CSL contributed, as surging COVID-19 cases in the US increased the risk of a slower-than-expected recovery in plasma collection volumes. We continue to be concerned about downside risk to future earnings due to anticipated shortfalls in plasma inventories.
- + Consumer-goods retailer JB Hi-Fi rose sharply after the company posted record online sales and robust increases in earnings and profits.

#### DETRACTORS

- + Lack of exposure to financial technology company Afterpay detracted, as high-growth technology stocks with low cash flows performed strongly during the month. We continue to be concerned about Afterpay's ability to generate the cash flow required to justify current valuations.
- + Being underweight to Westpac Banking detracted, as banks generally performed well during the month. The company

outperformed its peers after having lagged somewhat in the fourth quarter.

- + Multinational packaging company Amcor detracted in the period after posting solid performance in 2020. Packaging stocks in general underperformed in January. In addition, the company's earnings were negatively exposed to the strength of the Australian dollar relative to the US dollar.

#### MVE-CLASS CHANGE HIGHLIGHTS

- + During the month, we trimmed our position in Transurban, a company that manages and develops urban toll road networks. We expect strong traffic growth from Transurban's assets, but are conscious that the company is traditionally treated as an interest rate-sensitive stock, and rates have been rising globally.
- + We took profits in technology company NICE Systems, which has performed extremely well over recent years. This capital was reinvested in Oracle, which appears attractively valued and is well positioned to grow its cloud business.
- + We trimmed Westpac Banking following recent outperformance but continue to see it as the most attractively valued large bank.
- + We purchased shares in Reece, the premier player in the market of supplying fittings and fixtures. Reece has benefited from a strengthening renovation and housing construction market and features high-quality earnings and decent cash flows.
- + Finally, we added to our holding in retailer Harvey Norman due to continued strength in consumer spending for furniture and consumer-electrical products, as well as evidence of improving retailer margins.

To find out more please speak with your financial adviser or visit [www.AllianceBernstein.com.au](http://www.AllianceBernstein.com.au)

#### Performance Figures

In Australian Dollars. Numbers may not sum due to rounding. The Total, Growth and Distribution Returns of the Fund are net of fees and costs and do not allow for tax or inflation. Performance is calculated in accordance with the Financial Services Council Standard No. 6 using the relevant end of month Exit Prices and assumes that income is re-invested and that the investment is held for the full period. The performance figures are historical and past performance is not necessarily an indication of future performance. The information above may change.

The benchmark was changed to the S&P/ASX 300 Accumulation Index on June 1, 2019 and retrospectively to the MVE-Class' inception date of March 31, 2014. The MVE-Class' previous benchmarks are the S&P/ASX 300 Franking Credit Adjusted Daily Total Return Index (Tax-Exempt) which was effective March 1, 2016 and the FTSE ASFA Australia 300 Index - Tax Exempt which was used for the period March 31, 2014 to February 29, 2016.

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