

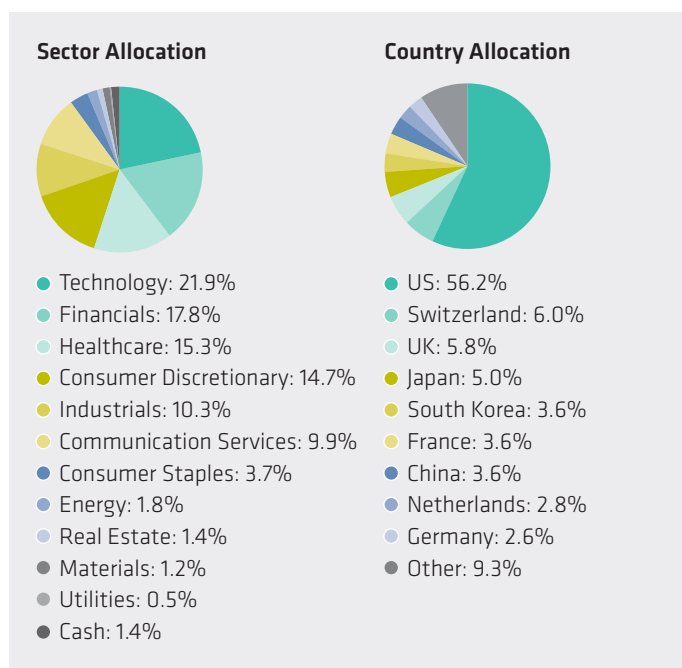


# AB GLOBAL EQUITIES FUND

## PERFORMANCE OBJECTIVE

+ The AB Global Equities Fund (the Fund) aims to achieve returns in excess of the MSCI All Country World Index in Australian dollars after fees over the medium to long term.

## PORTFOLIO COMPOSITION (% OF ASSETS)



Numbers may not sum due to rounding.

## RATINGS



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## FUND PERFORMANCE AS AT JUNE 30, 2021

	Gross Fund Returns	Total Returns	Growth Returns	Distribution Returns	Benchmark Returns <sup>1</sup>	Relative Returns
<b>1 month</b>	3.83%	3.75%	3.28%	0.47%	4.47%	(0.64)%
<b>3 months</b>	9.78%	9.55%	9.05%	0.50%	8.95%	0.83%
<b>FYTD</b>	28.41%	27.33%	26.75%	0.58%	27.72%	0.69%
<b>1 year</b>	28.41%	27.33%	26.75%	0.58%	27.72%	0.69%
<b>3 years</b>	15.42%	14.44%	13.37%	1.07%	13.96%	1.46%
<b>5 years</b>	16.54%	15.50%	14.46%	1.04%	14.43%	2.12%
<b>Since Inception*</b>	12.61%	11.57%	10.55%	1.02%	10.89%	1.72%

See Performance Figures disclosures.

## TOP TEN HOLDINGS (% TOTAL NET ASSETS)

Stock Name	Portfolio	Index
Microsoft	4.9	2.9
Alphabet	3.9	2.2
Anthem	3.9	0.1
Samsung Electronics	3.6	0.6
Facebook	3.2	1.3
Otis Worldwide	3.1	0.1
SAP SE	2.6	0.2
Naspers	2.6	0.1
Roche	2.5	0.4
Cognizant	2.5	0.1
<b>Total Number of Stocks</b>	65	2,962

## KEY FACTS

<b>Portfolio Managers</b>	Klaus Ingemann, David Dalgas and Rasmus Lee Hansen
<b>Inception date</b>	July 22, 2015
<b>Fund size</b>	A\$793,289,991
<b>APIR</b>	ACM0009AU
<b>Minimum investment</b>	A\$50,000
<b>Entry/Exit fee</b>	None
<b>Buy/Sell spread</b>	0.20%/0.20%
<b>Management cost</b>	0.85% p.a.
<b>ICR<sup>1</sup></b>	0.85% p.a.
<b>Distribution frequency</b>	Annually

<sup>1</sup> Indirect Cost Ratio (ICR). Financial year-to-date, annualised

## AB GLOBAL EQUITIES FUND

### Monthly Fact Sheet

#### FUND REVIEW

- + In June, the Fund underperformed its benchmark, the MSCI All Country World Index, which was up 4.47% in Australian dollar terms.

#### DETRACTORS

- + Anthem detracted despite raising guidance for FY:21 profit and revenue and releasing strong 1Q:21 results that exceeded expectations. Investor concern around Anthem's ability to offset accelerating medical loss ratios as healthcare demand normalizes post-pandemic has increased somewhat. Anthem's enrollment base continues to expand, its Medicaid and Medicare business lines are strong, and it recently launched its IngenioRX pharmacy offering. The Team's investment case in Anthem is supported by superior earnings growth at attractive valuation.
- + Shares of Netherlands-based electronics company Philips fell on news that it would recall up to four million ventilators and breathing machines after identifying potential health risks. The issue was identified after the release of its 1Q:21 earnings report, which included higher-than-expected sales growth and offered positive guidance. Management expects to take a US\$605 million hit to income but does not expect the issue to affect FY:21 revenue projections, as results from other business segments should offset the impact. The Portfolio's Investment Management Team (the Team) maintains Philips based on structural growth, and it being one of the cheapest names in the developed-market medical-technology space.
- + Cognizant, a leading provider of information technology, consulting and business process services, declined as shares remained under pressure after reporting a strong first quarter and raising guidance, though less than had been anticipated. Cognizant continued to benefit from the pandemic-related demand for digital transformation and recently launched a business group, which will work exclusively with Google Cloud to collaborate on the development of innovative solutions for retail, life sciences, healthcare and financial services. The Team continues to view Cognizant as attractively valued, compared with its peers.

#### CONTRIBUTORS

- + Roche was positively impacted by the US Food and Drug Administration's surprise approval of competitor Biogen's controversial treatment for Alzheimer's disease, aducanumab, the first treatment to slow the course of the disease. The FDA's approval of aducanumab appears to allow a much-easier-than-expected path to market for competing Alzheimer's therapies. Roche has one of the other two Alzheimer's therapies that

work in a similar manner in late-stage development. As a result of the aducanumab approval, the probability that Roche will receive approval for its competing therapy, gantenerumab, has significantly increased. Given the vast size of the Alzheimer's disease market, a successful treatment marketed by Roche would be expected to post sales in the billions of dollars per year. Thus, the increase in Roche's market value as a result of Biogen's aducanumab approval appears warranted. The Team invests in Roche based on its strong risk/reward profile with attractive upside and valuation.

- + Moody's contributed on the back of very strong 1Q:21 results and raised guidance, which led analysts to revise earnings estimates upward. The ratings and analytics company benefited from the pandemic-related surge in demand for risk metrics around a wide range of topics such as regulatory, reputational and supply chain. The Team maintains a strong conviction in Moody's, supported by superior business fundamentals, including market positioning, pricing power, secular growth prospects and margin opportunity.
- + Shares of Microsoft rose higher, supported by its diversified product portfolio, a shift toward a recurring revenue model as evidenced by the success of Azure and a strong management team. Microsoft continues to have a clean balance sheet and strong cash position and is poised for long-term revenue and earnings-per-share growth. The Team finds Microsoft attractively valued.

#### FUND CHANGE HIGHLIGHTS

- + With the price of oil climbing, the energy sector is now generating strong multiyear cash flows, yet several energy names are trading at record relative lows. Given this anomaly, the Team added Royal Dutch Shell back into the Portfolio. Following significant underperformance, Shell trades at a compelling valuation versus its US peers with superior free cash flow, which the Team believes offsets any long-term headwinds. The Team is also constructive on management's strategy, which is centered around growth, transition and upstream. Shell's goal is to become a net-zero energy business by 2050, and it is actively working with clients to accelerate that transition.
- + The Team trimmed its position in Danone after the investment case became less compelling following a decent year-to-date run-up in share price.

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#### 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.

\* Fund inception: July 22, 2015

† Benchmark: MSCI All Country World Index in Australian dollars

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