



# AB DYNAMIC GLOBAL FIXED INCOME FUND

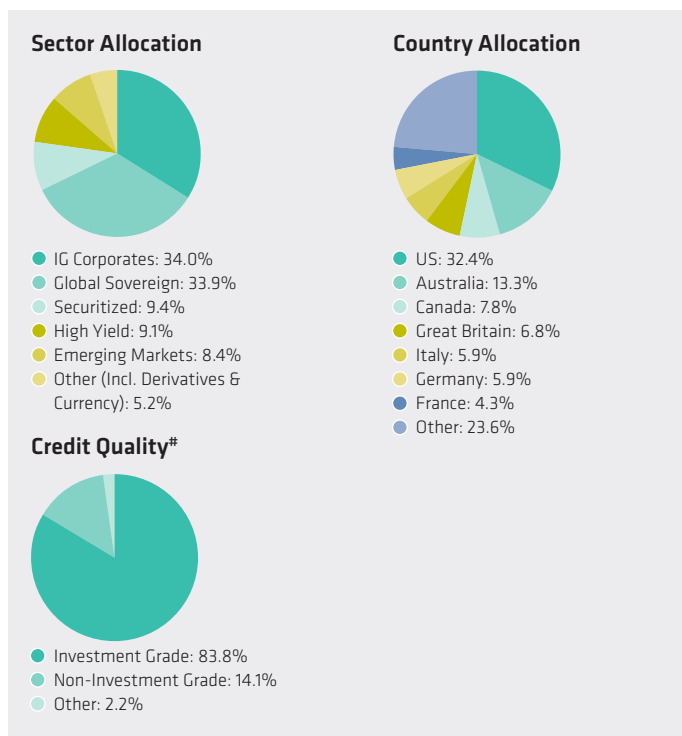
## FUND OBJECTIVE

+ The AB Dynamic Global Fixed Income Fund (the "Fund") aims to achieve returns that exceed the Bloomberg Ausbond Bank Bill Index after fees over 5 year periods.

## WHO SHOULD CONSIDER INVESTING IN THIS FUND?

- + Investors with higher risk tolerances
- + Investors seeking income returns exceeding Australian bank bill rates over the long term by investing in global debt or fixed income securities.

## FUND COMPOSITION (% OF ASSETS)



## FUND PERFORMANCE AS AT AUGUST 31, 2021

	Gross Fund Returns	Total Returns	Growth Returns	Distribution Returns	Benchmark Returns <sup>1</sup>
<b>1 month</b>	0.11%	0.06%	0.06%	0.00%	0.00%
<b>3 month</b>	0.88%	0.74%	(2.21)%	2.95%	0.01%
<b>1 year</b>	1.90%	1.35%	(2.99)%	4.34%	0.04%
<b>2 year</b>	2.22%	1.67%	(1.82)%	3.49%	0.35%
<b>3 year</b>	3.22%	2.67%	(0.32)%	2.99%	0.84%
<b>4 year</b>	2.81%	2.26%	(0.28)%	2.53%	1.09%
<b>5 year</b>	2.93%	2.35%	(0.54)%	2.88%	1.22%
<b>Since Inception<sup>2</sup></b>	3.54%	2.93%	0.28%	2.66%	1.59%

See Fund Composition Disclosure and Performance Figures disclosures.

## KEY FACTS

<b>Lead Portfolio Manager</b>	John Taylor
<b>Inception date</b>	June 2, 2014
<b>Fund size</b>	A\$685,468,602
<b>APIR</b>	ACM0001AU
<b>Minimum investment</b>	A\$50,000
<b>Entry/Exit price</b>	None
<b>Buy/Sell spread</b>	0.15%/0.15%
<b>Management cost</b>	0.55% p.a.
<b>ICR<sup>3</sup></b>	0.55% p.a.
<b>Distribution frequency</b>	Quarterly

## FUND STATISTICS

<b>Weighted Duration<sup>4</sup></b>	2.16
<b>Current Yield</b>	2.57
<b>Yield to Maturity<sup>5</sup></b>	1.23
<b>Total Number of Issues<sup>6</sup></b>	400

- 1 Benchmark: Bloomberg Ausbond Bank Bill Index
- 2 Fund inception: June 2, 2014
- 3 Indirect Cost Ratio (ICR). Financial year-to-date, annualised
- 4 A time measure of the Fund's interest-rate sensitivity
- 5 Return before all fees that the Fund would earn over next year based on current market conditions if no changes to interest rates or current portfolio. It is not an actual return.
- 6 The Total Number of Issues excludes derivatives, derivatives offsets and cash equivalents

## RATINGS



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## AB DYNAMIC GLOBAL FIXED INCOME FUND

### Monthly Fact Sheet

#### FUND REVIEW

- + In August, the Fund outperformed its benchmark. Sector/security selection was the largest contributor this month, mainly due to allocation to corporate credits. Developed-market (DM) high-yield corporate bonds had positive results in a risk-on environment and from continued appetite for higher-yielding assets by investors. Exposure to inflation-linked bonds and hard currency emerging-market (EM) sovereigns and corporates were also additive.
  - + Country/yield-curve positioning was negative overall. Exposure to Brazil hampered returns the most. Exposure to the US also detracted as yields rose as investors looked beyond the near-term impact of the coronavirus delta variant and focused on tapering guidance. Exposure in Australia contributed amid the continued rally in yields, driven by the dovish Reserve Bank of Australia (RBA) which seems likely to hold the monetary-policy line by not adjusting rates until well into 2024.
  - + Currency positioning was also a detractor, with short positions in the yen and Brazilian real having a negative impact on performance over the month.
- noncyclical, consumer cyclical and energy sectors.
  - + Our strategy continues to focus on prudent profit-taking on names that have reached fair or stretched valuations in recent months, while we keep looking for opportunities where spreads still offer room to tighten or that underperform notably in the current bouts of volatility, especially in the crossover segment of the market.
  - + Our currency positioning remains dynamic and focuses mostly on the relative value between currency pairs. Earlier in the year, our currency strategy had pivoted to capitalize on the improved risk sentiment for EM amid the global economic upswing. However, the fast adjustments in US Treasury yields had put limits to the upside on these positions.
  - + Elsewhere in DM currencies, we remained neutral in the British pound.
  - + Outside of Europe, we reduced our long position in the Canadian dollar and remain neutral in the Chinese yuan. We maintained our long position in the New Zealand dollar while we moved short in the Brazilian real.

#### FUND STRATEGY

- + Over the period, we maintained the overall balance of our Fund risk. Within our investment-grade corporate credit exposure, our allocation is mostly balanced between the US and Europe in BBB-rated investment-grade bonds.
- + Over the month, we have slightly increased our largest exposure in banking and reduced our exposure to capital goods, consumer

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#### Fund Composition Disclosure

Numbers may not sum due to rounding.

The Fund seeks to control risks and enhance returns through currency management. The Fund intends to hedge to Australian dollars most of the foreign currency exposures of its debt and fixed income securities, however up to 10% of the Fund's net asset value may be exposed to the risks and returns of international currencies. The Fund is currently 98.5% hedged to Australian dollars. # The Fund may invest up to 40% of its assets in lower rated, higher yielding non-investment grade debt and fixed income securities as rated by a credit rating agency ("CRA"). Debt and fixed income securities that are rated below investment grade are commonly referred to as "junk bonds". They are considered to be more speculative in nature and subject to a greater risk of loss of principal and interest income than investment grade securities. Investment grade rated assets, on the other hand, are those which, in the opinion of a CRA, are more likely to meet their financial commitments. Ratings assigned by a CRA are merely the opinion of that CRA about the likelihood of the issuers of the rated securities to meet their debt obligations when they fall due or the likelihood of loss in the event of a default of the issuer of the rated securities. Credit ratings used by the Investment Manager are intended for use by wholesale clients, and should not be relied upon by retail clients when making a decision about the product offered in the Fund's PDS. Ratings should not be taken to be an indication of investment merit or a recommendation to buy, sell or hold any particular investment. There are inherent limitations with credit ratings; future events and developments cannot be foreseen and credit ratings may change over time due to, among other things, a change in the financial condition of the issuer. The investment manager may use credit ratings of securities as an input into security selection alongside the investment manager's own screening, research and risk management processes.

#### 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.

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