

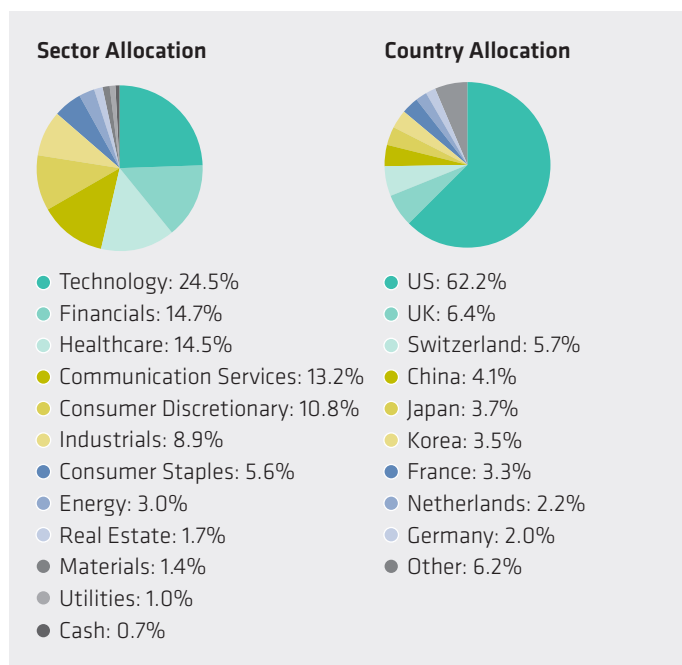


# AB GLOBAL EQUITIES FUND

## 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 JANUARY 31, 2022

	Gross Fund Returns	Total Returns	Growth Returns	Distribution Returns	Benchmark Returns <sup>1</sup>	Relative Returns
<b>1 month</b>	0.09%	0.02%	0.02%	0.00%	(1.88)%	1.96%
<b>3 months</b>	3.77%	3.55%	3.55%	0.00%	2.88%	0.89%
<b>FYTD</b>	6.47%	5.94%	5.94%	(0.00)%	6.95%	(0.48)%
<b>1 year</b>	26.54%	25.46%	24.89%	0.57%	23.30%	3.23%
<b>3 years</b>	16.44%	15.46%	14.38%	1.08%	16.74%	(0.30)%
<b>5 years</b>	15.98%	14.97%	13.94%	1.03%	14.33%	1.65%
<b>Since Inception*</b>	12.49%	11.45%	10.52%	0.93%	11.00%	1.49%

See Performance Figures disclosures.

## TOP TEN HOLDINGS (% TOTAL NET ASSETS)

Stock Name	Portfolio	Index
Microsoft	5.6	3.3
Alphabet Inc.	4.1	2.4
Meta Platforms	3.9	1.1
Anthem	3.7	0.2
Otis	3.6	0.1
Samsung Electronics	3.5	0.5
Coca-Cola	3.5	0.4
Visa	3.3	0.6
Cognizant	2.7	0.1
Sanofi	2.7	0.2
<b>Total Number of Stocks</b>	56	2,952

## 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\$1,052,166,815
<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>	0.70% p.a.
<b>ICR<sup>1</sup></b>	0.81% 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 January, the Fund outperformed its benchmark, the MSCI All Country World Index, which was down -1.88% in Australian dollar terms.

### CONTRIBUTORS

- + US-based Activision Blizzard contributed after Microsoft announced that it would buy the video-game holding company, which is known for its popular titles, including Candy Crush and Call of Duty. Activision's share price had struggled since July 2021, after employees staged a walkout and a labor lawsuit alleged violations of equal pay and fair employment laws. The company's share price rose dramatically in mid-January, following news of the Microsoft acquisition. The Portfolio's Investment Management Team (the Team) exited Activision Blizzard during the month.
- + Shell, formerly Royal Dutch Shell, achieved its deleveraging targets while continuing to deliver very strong cash flows buoyed by surging oil prices. At the end of January, Shell completed the consolidation of its two share classes and relocated its head office to London in order to more easily fulfill its commitment to return cash to shareholders via buybacks and higher dividends. Shell's aggressive decarbonization targets and focus on helping its customers transition from fossil fuels to low-carbon alternatives was well received, as was the sale of its Permian Basin assets to ConocoPhillips, which furthered its goal to become a net-zero energy business by 2050. The Team believes that Shell trades at a compelling valuation versus its US peers, with superior free cash flow.
- + US-based VMware contributed during the month. The company develops and markets virtualization and cloud infrastructure solutions for software-defined data centers and hybrid cloud computing and was spun off from US-based computer company Dell Technologies in late 2021. VMware's share price rose in January after an analyst upgraded the stock and because of a general bid for more value-oriented tech names. The Team finds VMware attractively priced for a leading position in virtualization as well as underappreciated growth from its security segment.

### DETRACTORS

- + Applied Materials, a US-based company that supplies manufacturing and software services to the semiconductor industry, detracted. Along with other chip stocks, its share price declined throughout the month amid rising interest rates and signs that the prolonged high demand and pandemic-induced semiconductor shortage may be easing. The Team's investment case for Applied Materials is based on a leading position in semi equipment. While the industry is highly cyclical, long-term growth potential remains very healthy.
- + Enterprise software company SAP, based in Germany, detracted. Although its share price rose in mid-month after fourth-quarter results showed a surge in revenue from its cloud offerings, its stock ultimately declined for

January. Overall market volatility dragged on performance, as did news of SAP's plan to buy a majority stake in Taulia, a privately held US fintech that provides supply-chain financing. The Team finds SAP attractively valued. The company is investing for growth with more recurring revenue through its cloud migration.

- + US-based funeral-services company SCI declined amid general market volatility. In addition, staffing shortages related to COVID-19 have made it difficult to meet the higher demand generated by the ongoing pandemic. The Team believes that SCI is strongly positioned, with a solid management team and a secular tailwind from demographics.

### FUND CHANGE HIGHLIGHTS

- + The Team added shares of PayPal on weakness after the stock sold off as investors rotated away from growth stocks. The Team's underlying investment case remains intact, and it views PayPal as a high-growth company with margin opportunity, which is currently more attractive post-re-rating.
- + The Team initiated a position in Citigroup, an investment bank and financial-services corporation that the Team views as trading at a significant discount, compared with its US peers. Citigroup is now the only larger US bank trading below tangible book value. The Team supports CEO Jane Fraser's strategy to streamline and simplify the business by divesting noncore markets, including several consumer markets in Asia. Citigroup is hosting a capital-market day in March, during which the Team expects an announcement of a clear path to higher return on equity that should pave the way for a re-rating of the shares.
- + The Team also introduced a position in Netflix, on weakness after the stock was pressured by higher interest rates, which triggered a market aversion to technology and growth-oriented shares. The investment case rests on the Team's view of Netflix as a dominant franchise with pricing power. Furthermore, the Team expects material margin optionality, as incremental margins on new users are very high.
- + The Team exited information and analytics company RELX, after the price target was reached.
- + The Team also exited its position in CME, after shares reached the established price target.
- + 3M was also exited, after shares reached the Team's price target.
- + The Team exited Activision Blizzard, following Microsoft's takeover bid, which lifted share price significantly.

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.

\* Fund inception: July 22, 2015

† Benchmark: MSCI All Country World Index in Australian dollars

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A Target Market Determination for the AB Global Equities Fund is available free of charge from our website [www.alliancebernstein.com.au](http://www.alliancebernstein.com.au). The TMD sets out the class of persons who comprise the target market for the AB Global Equities Fund and the distribution conditions that are applicable, together with a number of other matters which should be considered by retail investors and their advisers.

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