



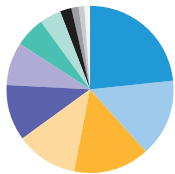
# AB Global Equities Fund

## Fund 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.

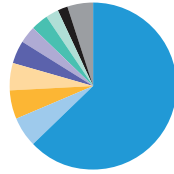
## Fund Structure

### Sector Allocation



- Technology: 23.4%
- Financials: 15.1%
- Consumer Discretionary: 14.7%
- Healthcare: 12.1%
- Communication Services: 10.8%
- Industrials: 8.5%
- Consumer Staples: 5.6%
- Energy: 4.3%
- Real Estate: 2.2%
- Materials: 1.5%
- Utilities: 1.1%
- Cash: 0.9%

### Country Allocation



- US: 62.3%
- UK: 5.9%
- Japan: 5.3%
- China: 5.3%
- France: 4.4%
- Korea: 3.5%
- Switzerland: 3.1%
- Germany: 2.5%
- Hong Kong: 2.0%
- Other: 4.8%

Numbers may not sum due to rounding.

## Ratings



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## Fund Performance

	Gross Fund Returns	Total Returns	Growth Returns	Distribution Returns	Benchmark Returns*	Relative Returns
One Month	(2.69)%	(2.75)%	(2.75)%	0.00%	(1.96)%	(0.73)%
Three Months	(1.55)%	(1.73)%	(2.61)%	0.88%	(1.26)%	(0.29)%
FYTD	1.90%	1.78%	1.78%	0.00%	3.36%	(1.46)%
One Year	(14.22)%	(14.85)%	(15.61)%	0.77%	(10.33)%	(3.89)%
Three Years	5.25%	4.40%	3.44%	0.96%	7.41%	(2.16)%
Five Years	10.38%	9.46%	8.39%	1.07%	10.14%	0.24%
Since Inception†	8.84%	7.86%	6.90%	0.96%	8.25%	0.59%

See Performance Figures disclosures.

\* Benchmark: MSCI All Country World Index in Australian dollars

† Fund inception: 22 July 2015

## Top 10 Holdings (% Total Net Assets)

Stock Name	Portfolio	Index
Microsoft	6.0	3.3
Alphabet Inc.	4.0	2.2
Otis Worldwide	3.6	0.1
Asahi Group	3.5	0.0
Visa	3.2	0.6
Goldman Sachs	3.2	0.2
Samsung Electronics	3.1	0.4
BlackRock	2.9	0.2
PayPal	2.9	0.2
Anthem	2.8	0.2
<b>Total Number of Stocks</b>	<b>55</b>	<b>2,888</b>

## Key Facts

Portfolio Managers	Klaus Ingemann, David Dalgas and Rasmus Lee Hansen
Inception Date	22 July 2015
Fund Size	A\$1,027,315,050
APIR	ACM0009AU
Minimum Investment	A\$50,000
Entry/Exit Fee	None
Buy/Sell Spread	0.20%/0.20%
Management Cost	0.70% p.a.
ICR‡	0.70% p.a.
Distribution Frequency	Annually

‡ Indirect cost ratio (ICR). Financial year to date, annualised

## Monthly Fact Sheet

**Fund Review**

- In August, the Fund underperformed its benchmark, the MSCI All Country World Index, which was down 1.96% in Australian dollar terms.

**Detractors**

- France-based multinational pharmaceutical and healthcare company Sanofi detracted. Shares fell after the company halted development of a potential breast cancer treatment following disappointing clinical trial results. Litigation concerns involving Zantac, a now-recalled heartburn drug that the company helped market, also weighed on investor sentiment. The Portfolio's Investment Management Team (the Team) finds Sanofi attractively valued with market concerns for Zantac overhang excessive.
- US-based elevator company Otis Worldwide detracted despite reporting solid 2Q:22 earnings and order growth, as it faced rising costs and exchange-rate headwinds. The Team maintains Otis for its strong position within the elevator market, especially within services.
- Shares of Philips, the Netherlands-based electronics and healthcare technology company, fell on news that the FDA had provided a proposed consent decree in connection with the company's massive recall of CPAP devices and ventilator machines. The impact of the June 2021 recall, as well as supply-chain headwinds, led to a decline in sales. The Team's investment case in Philips is supported by valuation; its stock is currently trading at a significant discount compared with its medtech peers.

**Contributors**

- PayPal, the US-based digital payments company, contributed in August. PayPal reported second-quarter earnings and revenue that beat expectations, largely due to growth of its Venmo payment app. The company also announced a new share buyback program. The Team finds PayPal attractively valued, with support from superior growth, market share gain, cost-cutting potential, a healthy balance sheet and prudent capital deployment.
- Shares of US-based biopharmaceutical company Alnylam Pharmaceuticals rose on positive top-line clinical trial results for Onpattro. The RNAi-based drug, already FDA approved as a polyneuropathy treatment, showed benefits in treating a rare heart condition. The Team's investment case in Alnylam has played out, and Alnylam was exited during the month.
- UK-based oil giant Shell contributed as oil prices climbed on fears that conflicts in Libya may result in production outages. While a global economic slowdown may curb some demand in oil worldwide, Shell's CEO warned of a prolonged energy crisis in Europe, where the cessation of Russia's oil supply will create long-term shortages. The Team believes that Shell is priced at compelling valuation, both absolute and relative to US peers.

**Fund Change Highlights**

- During the month, the Team initiated a position in BNP Paribas, the second-largest bank in Europe by assets. The Team believes that BNP is a well-positioned bank with a seasoned management team and continued share gains. Capital is strong and, like other European banks, BNP is starting to experience the tailwinds from higher interest rates, leading to positive earnings revisions. Its valuation remains low compared to its European peers, while its quality and execution is superior. The upcoming US\$16.9 billion investment of BNP's US operations (Bank of the West) should be a positive catalyst, allowing for excessive capital deployment and inorganic bolt-on acquisitions.
- The Team established a position in Techtronic Industries (TTI), a Hong Kong-listed power tools company that produces global tool brands such as Milwaukee, Ryobi, Hart, AEG, Hoover and VAX. In 2016, TTI was the third-largest global power tools producer, with a market share of 10%—but by 2021, it had reached the number-one position, with a global market share of 19%. This development is the result of a successful retail partnership strategy in the US, a strong product platform resulting from a major research and development push, and an early transition toward battery-powered power tools during the pandemic. TTI, along with the power tools market in general, generated strong growth from demand related to do-it-yourself home improvement, but its stock has, similar to stocks of its competitors, derated during 2022 in anticipation of post-pandemic normalization. The Team believes that TTI has a more resilient earnings profile than its peers and will grow strongly in 2022, offering an attractive entry point.
- After shares derated, the Team increased its holdings in Cognizant. Currently, Cognizant trades at low-teens earnings, which the Team believes is too cheap for one of the leaders in digital consulting. Peers like Accenture trade at significantly higher levels. Cognizant has a long runway ahead for mid-single digit top line growth, helping clients transform digitally.
- Alnylam Pharmaceuticals, a recent addition to the Portfolio, was sold after overwhelmingly good preliminary study results from an important drug development program sent the stock approximately 50% higher. Although the Team likes the company's potential for further success, the odds of additional stock price upside was materially lower, and the Team exited accordingly.
- The Team trimmed Prosus, as the holding discount has narrowed.
- The Team also trimmed its position in Moody's, as the relative risk/reward has weakened.

**To find out more, please speak with your financial adviser or visit**  
[AllianceBernstein.com.au](https://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 reinvested 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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A Target Market Determination (TMD) 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 that should be considered by retail investors and their advisers.

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This document is released by AllianceBernstein Australia Limited ABN 53 095 022 718, AFSL 230 698.

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