



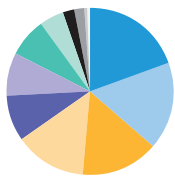
# AB Global Equities Fund

## 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.

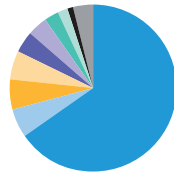
## Fund Structure

### Sector Allocation



- Financials: 19.7%
- Technology: 16.8%
- Healthcare: 15.1%
- Consumer Discretionary: 13.9%
- Industrials: 8.9%
- Communication Services: 8.3%
- Consumer Staples: 7.5%
- Energy: 4.8%
- Materials: 2.2%
- Real Estate: 1.9%
- Utilities: 0.6%
- Cash: 0.5%

### Country Allocation



- US: 65.0%
- France: 5.7%
- UK: 5.7%
- Japan: 5.5%
- China: 4.1%
- Switzerland: 4.0%
- Netherlands: 2.7%
- Korea: 2.1%
- Hong Kong: 1.1%
- Other: 3.6%

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	3.76%	3.70%	3.70%	0.00%	3.79%	-0.09%
Three Months	10.20%	10.01%	10.01%	0.00%	8.65%	1.36%
FYTD	14.32%	13.72%	13.72%	0.00%	12.68%	1.04%
One Year	6.31%	5.57%	4.62%	0.95%	3.78%	1.78%
Three Years	10.21%	9.35%	8.34%	1.01%	11.95%	-2.60%
Five Years	10.15%	9.26%	8.19%	1.07%	9.87%	-0.60%
Since Inception†	9.77%	8.80%	7.91%	0.90%	8.82%	-0.02%

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	6.8	3.4
Otis Worldwide	3.7	0.1
Alphabet Inc.	3.6	2.0
Coca-Cola	3.5	0.4
Asahi Group	3.5	0.0
Goldman Sachs	3.5	0.2
Anthem	3.4	0.2
Visa	3.4	0.6
Sanofi	3.3	0.2
Shell	2.6	0.3
<b>Total Number of Stocks</b>	61	2,879

## Key Facts

Portfolio Managers	Klaus Ingemann, David Dalgas and Rasmus Lee Hansen
Inception Date	22 July 2015
Fund Size	A\$1,212,289,614
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

## Fund Review

- In March, the Fund underperformed its benchmark, the MSCI All Country World Index, which was up 3.79% in Australian dollar terms.

## Detractors

- Commercial real estate firm CBRE detracted. Shares fell amid a broad sell-off in real estate stocks as the Fed dashed hopes that the turmoil in banking would lead to a pause in rate hikes. The Portfolio's Investment Management Team (the Team) finds CBRE strongly positioned within the commercial real estate services space with leading positions across property sales, leasing and facility management among others. CBRE's balance sheet is strong and valuation undemanding, in the Team's opinion.
- Wells Fargo detracted as US banks suffered from a broad sell-off following the collapse of Silicon Valley Bank as investors feared further contagion in the financial system. The Team reduced its position in Wells Fargo as better risk/reward was observed elsewhere within financials, i.e., within exchanges.
- US-based investment bank Goldman Sachs detracted. The volatility in the US banking system led to a broader banking sell-off that also hurt Goldman Sachs. The Team finds Goldman Sachs attractively valued, with just north of 1X book value for high-teens return on tangible equity targets. The Team also believes Goldman Sachs's excess capital is healthy, allowing for robust payout.

## Contributors

- Software giant Microsoft contributed during the month. The company has shown early leadership in artificial intelligence (AI) services, such as its recent development in cybersecurity AI. The Team finds Microsoft attractively valued with secular growth drivers being underappreciated, as well as a healthy balance sheet and a discount compared with other software players.
- France-based multinational pharmaceutical and healthcare company Sanofi contributed. Its asthma drug Dupixent, jointly developed with Regeneron, showed promising results for treating chronic obstructive pulmonary disease, sending shares higher. The Team's investment rationale in Sanofi is supported by attractive valuation, which doesn't fully cover the expected growth from Dupixent over the coming years.
- China-based e-commerce giant Alibaba Group contributed after the company announced it will split into six different businesses to help spur growth. The new business units may explore outside funding, including potential initial public offerings. The Team maintains Alibaba Group due to its compelling valuation.

## Fund Change Highlights

- The Team established a position in SLB, the global market leader within the oil service industry. Strong projected revenue growth is underpinned by a period of underinvestment in exploration and production since the oil price collapse in 2014 and 2015. The Team expects that more than 50% of free cash generation will be returned to shareholders via dividends and buybacks. The remainder will be used for mergers and acquisitions and additional debt reduction. SLB has guided toward a reduced capital intensity and improving return on invested capital. The stock currently trades at low-teens earnings that we find attractive, considering its superior growth profile and healthy balance sheet.

- The Team reintroduced a position in London Stock Exchange after having exited the stock in October. Since that time, the exchange and data group has significantly underperformed European banks. With the stock now trading at close to a five-year low on earnings multiples, the Team finds the current entry point compelling. Further, the discount versus its US peers is attractive, as is the company's collection of strong brands and structural growth drivers.
- The Team also initiated a position in Alnylam Pharmaceuticals, the leader in RNAi gene therapy, with a large portfolio of patents protecting its technology. The company is fast growing and is already in commercial stage, with four drugs recently approved for rare diseases and two additional drugs submitted for approval. The Team models for top-line compound annual growth rates of greater than 20% from 2022 to 2030, with very strong margin expansion.
- The Team also added a position in Carlsberg, a leading brewer, which is well positioned to benefit from the premiumization trend in the global brewer market. Carlsberg holds a dominant market position in most of the markets in which it operates and has a portfolio that includes a good mix of local and global brands. While most cost savings have already been achieved, there is meaningful upside potential for group margins from a regional shift toward Asia and Eastern Europe. Carlsberg is a highly cash generative business with a strong track record of returning cash to shareholders.
- The Team exited Citigroup as part of a risk-off move within the financials sector following the failures at Silicon Valley Bank and Signature Bank. While the Team finds the two US regional banking failures to be more idiosyncratic in nature than systemic, it decided to further reduce the Portfolio's banking exposure on the back of increased uncertainty, early signs of some erosion of trust for the banking system and reduced net investment income estimates. Among Portfolio holdings, Citigroup ranked the weakest in terms of risk/reward, and with shares having outperformed other US bank holdings year to date, Citigroup was a natural choice for reduction.
- The Team trimmed its position in Wells Fargo, a risk-off move similar to Citigroup.
- The Team reduced its holding in Volvo following a strong run in share price and limited risk/reward at updated valuation levels.
- The Team trimmed its position in Iberdrola as better risk/reward was found outside of utilities.

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