

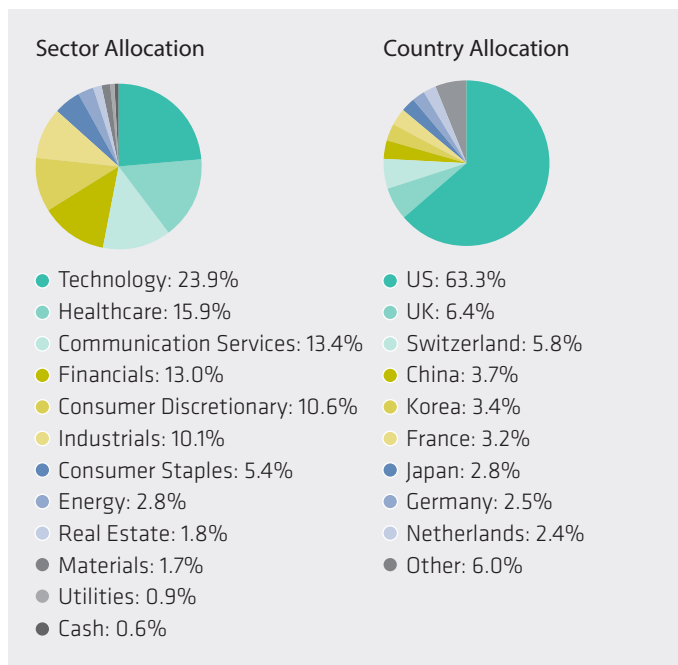


# AB GLOBAL EQUITIES FUND

## 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 DECEMBER 31, 2021

	Gross Fund Returns	Total Returns	Growth Returns	Distribution Returns	Benchmark Returns <sup>1</sup>	Relative Returns
<b>1 month</b>	3.12%	3.05%	3.05%	0.00%	1.43%	1.70%
<b>3 months</b>	5.15%	4.93%	4.93%	(0.00)%	5.99%	(0.83)%
<b>FYTD</b>	6.38%	5.92%	5.92%	(0.00)%	8.99%	(2.62)%
<b>1 year</b>	26.45%	25.38%	24.81%	0.57%	25.81%	0.64%
<b>3 years</b>	18.36%	17.36%	16.26%	1.10%	19.10%	(0.74)%
<b>5 years</b>	15.59%	14.58%	13.55%	1.03%	14.30%	1.29%
<b>Since Inception*</b>	12.65%	11.61%	10.67%	0.94%	11.48%	1.17%

See Performance Figures disclosures.

## TOP TEN HOLDINGS (% TOTAL NET ASSETS)

Stock Name	Portfolio	Index
Microsoft	5.7	3.4
Anthem	4.4	0.2
Meta Platforms	4.0	1.1
Otis	3.6	0.1
Coca-Cola	3.5	0.3
Alphabet Inc.	3.5	2.4
Samsung Electronics	3.4	0.5
Cognizant	3.1	0.1
Visa	2.7	0.5
Prosus	2.6	0.1
<b>Total Number of Stocks</b>	57	2,954

## 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\$1,024,032,987
<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>	0.83% 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 December, the Fund outperformed its benchmark, the MSCI All Country World Index, which was up 1.43% in Australian dollar terms.

### CONTRIBUTORS

- + US-based health benefits company Anthem contributed as its stock recovered from the previous month's losses. Following the discovery of the coronavirus omicron variant, Anthem's shares declined in late November along with overall markets, but they soon recovered as the latest wave of COVID-19 cases appeared to cause less severe symptoms. Anthem's stock price ended substantially up for the year. The Portfolio's Investment Management Team (the Team) maintains Anthem based on a combination of growth and value. Anthem ranks as the second largest US managed care provider (and the top position in 14 states) with a stable market share for the past 15 years. Demographics, outsourcing, pharmacy savings and commercial cross sales provide for double-digit earnings-per-share (EPS) growth, which the Team believes is not reflected in valuation.
- + Cognizant, a US-based provider of technology, consulting and business process services, contributed after the company acquired Devbridge, a US-based software consultancy and product-development company. The acquisition aims to augment Cognizant's software-product engineering capabilities and will extend its global resources by adding more than 600 engineers across North America and Europe. Throughout the pandemic, consulting companies benefited from a surge in demand for cloud, digital and security services, driven by remote working trends. The Team finds Cognizant attractively valued on both an absolute and relative basis. The company is growing nicely within digital and its recent capital markets day provided comfort in the 2021-25 runway for margin expansion and double-digit EPS growth.
- + Coca-Cola contributed after an analyst upgraded the US-based beverage giant on the expectation that reduced pandemic restrictions and higher prices will lift revenue in 2022. The Team's investment case in Coca-Cola is supported by attractive valuation for one of the strongest brands in the world.

### DETRACTORS

- + Gaming company Galaxy Entertainment detracted in December. Headquartered in Hong Kong, the company operates casinos in Macau, where the detection of the first COVID-19 case traced to the omicron variant raised concerns about travel restrictions to the region. Macau casino stocks lagged throughout 2021 on fears that China may impose stricter industry regulations when gaming licenses expire in June 2022. The Team maintains Galaxy Entertainment based on the view that it is the best-positioned player of the six concessions in Macau, a deeply underpenetrated gaming market supported by Chinese middle-class growth.

- + Shares of Japan-based technology conglomerate SoftBank Group detracted as the value of several of its portfolio companies across Asia declined. SoftBank's holdings include e-commerce giant Alibaba Group and ride-hailing company Didi Chuxing Technology, both hampered by the Chinese government's increasing restrictions on online businesses. SoftBank's stock also fell as part of a broader sector decline across the region in December. The Team finds SoftBank Group attractively valued with a significant discount to its net asset value.
- + E-commerce giant Alibaba Group detracted amid continued fallout from the Chinese government's crackdown on technology businesses. Alibaba's stock declined for the month on economic concerns surrounding the omicron variant. The Team's investment case for Alibaba is supported by attractive valuation.

### FUND CHANGE HIGHLIGHTS

- + The Team added to its holding in Credit Suisse as it is attracted to the stock's valuation. Credit Suisse had a tough start to 2021 with shortfalls from the collapse of Archegos Capital Management and Greensill that triggered a subsequent capital raise. Still, the bank reported decent operating results from strong capital-market activity and supportive AUM levels within its International Wealth Management division. While the Team fully acknowledges the challenges that Credit Suisse faces from the fallout of Archegos and Greensill, it believes that those headwinds are more than embedded in the current valuation. Credit Suisse trades at less than 60% of its tangible equity base—an unjustified discount in the Team's view, considering its strong wealth-management franchise in both Europe and Asia.
- + The Team established a position in PayPal. PayPal's ecosystem is strong, with scale, brand recognition, trust technology and breadth of services. The Team expects increased monetization in Venmo (which PayPal owns), approximately 20% top-line growth and decent margin tailwind will drive PayPal forward. Contrary to other "high-growth names," PayPal's valuation is considered attractive, with more than 20% upside.
- + The Team chose to exit its position in PICC Property and Casualty, as the non-life insurance company's risk/reward profile was found to be less compelling compared with other Chinese investment opportunities.
- + The Team also exited Toyota Motor following a strong run in share price and lack of upside in the investment case.

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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