



AB MANAGED VOLATILITY EQUITIES - GREEN

INVESTMENT RETURN OBJECTIVE

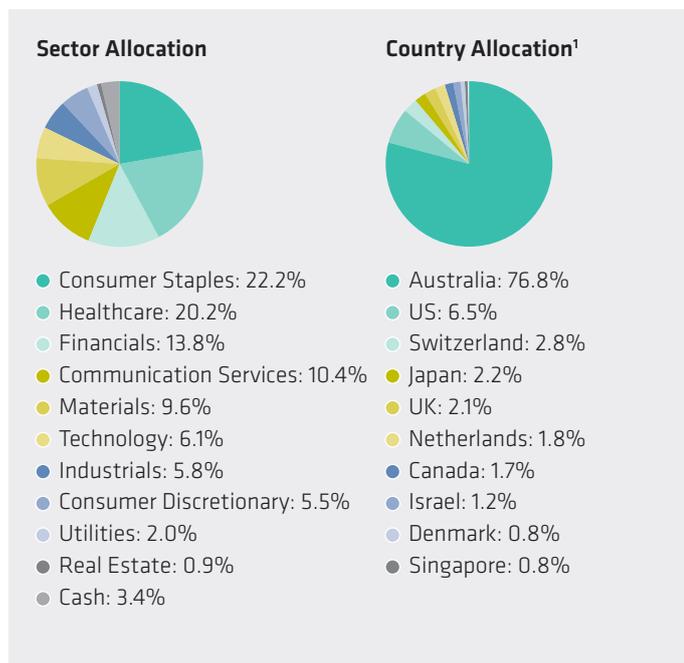
The MVE-Green Class aims to achieve returns that exceed the S&P/ASX 300 Accumulation Index after fees over the medium to long term and to reduce net greenhouse gas emissions associated with its portfolio holdings.

WHO SHOULD CONSIDER INVESTING IN THIS CLASS?

The MVE-Green Class is designed for equity investors seeking:

- + Lower volatility
- + Reduced downside risk in falling equity markets
- + The potential for long-term capital growth and some income, including franked Australian dividend income
- + An investment which aims to reduce net greenhouse gas emissions associated with its portfolio holdings

CLASS STRUCTURE



Numbers may not sum due to rounding.

- + Having made reasonable enquiries, we are not aware of any companies with a primary business in carbon capture and storage, nuclear technology or nuclear power in the current portfolio holdings of the MVE - Green Class as at the date of this monthly fact sheet.

CLASS PERFORMANCE AS AT DECEMBER 31, 2021

	Gross Fund Returns	Total Returns	Growth Returns	Distribution Returns	Benchmark Returns ²	Relative Returns
1 month	2.14%	2.10%	1.20%	0.91%	2.65%	(0.55)%
3 month	2.15%	2.05%	1.14%	0.91%	2.21%	(0.16)%
FYTD	5.26%	5.04%	4.11%	0.93%	4.03%	1.01%
1 year	14.61%	14.14%	8.01%	6.13%	17.54%	(3.40)%
2 year	6.94%	6.49%	2.26%	4.23%	9.35%	(2.86)%
Since Inception³	12.44%	11.97%	8.13%	3.83%	14.30%	(2.33)%

See Performance Figures disclosures.

TOP TEN HOLDINGS (% TOTAL NET ASSETS)

Stock Name	Portfolio	Index
Sonic Healthcare	5.1	1.0
Coles Group	5.0	1.1
Telstra	4.9	2.3
Medibank	4.3	0.4
ResMed	3.8	0.6
Woolworths	3.2	2.1
CSL	3.1	6.3
Amcor	2.8	0.6
Westfarmers	2.7	3.1
Healius	2.6	0.1
Total number of stocks	64	294

KEY FACTS

Lead Portfolio Manager	Roy Maslen
Inception date	December 19, 2018
Class size	A\$44,879,037
Minimum investment	A\$500,000
Entry/Exit fee	None
Buy/Sell spread	0.25%/0.25%
Management fee	0.35% p.a.
ICR⁴	0.41% p.a.
Distribution frequency	Quarterly

¹ Australia exposure is comprised of ASX-listed securities

² S&P/ASX 300 Accumulation Index

³ MVE-Green Class Inception: December 19, 2018

⁴ Indirect Cost Ratio (ICR). Financial year-to-date, annualised. The ICR includes a 0.06% p.a. accrual made for our estimate of the carbon credit cost

AB MANAGED VOLATILITY EQUITIES - GREEN

Monthly Fact Sheet

CLASS REVIEW

- + In December, the MVE – Green Class underperformed its benchmark, the S&P/ASX 300 Index, which was up 2.65% in Australian-dollar terms.

DETRACTORS

- + For December, sector selection drove relative underperformance, led by an overweight to the consumer-staples sector. Stock selection within financials was also negative; however, stock selection was overall positive, as selection within healthcare and technology contributed.
- + Not holding shares of Commonwealth Bank of Australia detracted. Although the stock recouped some of the losses incurred following a profit downgrade in November, we remain concerned about rising costs and intense competition in the banking industry.
- + After a run of strong performance, the share price of private health insurer Medibank declined as a lack of positive news affected companies across the sector. However, we remain optimistic about Medibank's earnings outlook and believe that a soft claims environment, expanding policyholder base and robust balance sheet will drive future growth.
- + Shares of retailer Coles Group, which sells food along with other consumer goods and services, declined after fellow retailer Woolworths reported higher costs than expected. Although Coles did not release its own update, we believe the company has done a better job than its competitors at managing costs in recent years, and we expect the overall industry to recover from short-term challenges.

CONTRIBUTORS

- + Not holding Afterpay contributed to performance. The buy-now-pay-later company's share price declined as the industry faced increased regulatory scrutiny for its allegedly low credit standards and concealed high fees. Afterpay's stock price also dipped in line with the overall technology sector and a drop in the US share price of mobile payment company Block—formerly known as Square—which has made a takeover bid for Afterpay.

- + Medical laboratory company Sonic Healthcare outperformed on the expectation that resurgent COVID-19 case numbers will drive demand for the company's PCR testing capabilities. We believe Sonic can use the strong cash flows from this business to fund other areas and sustain longer-term profits.
- + An underweight to biotherapeutics company CSL contributed. After the company announced plans to acquire Switzerland-based pharmaceutical company Vifor Pharma, CSL's stock price declined on worries about the number of new shares to be issued and the company's potential distraction from its core plasma business.

CLASS CHANGE HIGHLIGHTS

- + During the month, we trimmed our position in medical equipment manufacturer ResMed, although its stock remains a key overweight in the Portfolio. We are optimistic about the company's 2022 prospects, thanks to the ongoing fallout from a product recall by key competitor Philips, a Netherlands-based electronics company. However, as ResMed ramps up production of a new breathing machine to meet increased demand, we expect its profits to be more robust in the second half of the year.
- + We took profits and exited our position in GUD, which makes products for cars and water systems. After a period of outperformance, the company issued new shares to fund an acquisition, and following these developments we felt we had better opportunities elsewhere.
- + We added to our position in retail drinks and hospitality business Endeavour Group. The company is due to have a strong operational outcome, as pubs and hotels in key states Victoria and New South Wales ease pandemic-related capacity restrictions.

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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