



ALLIANCEBERNSTEIN

# Take a fresh look at the global investment landscape

## AB Global Equities Fund Why Now?

### Our COVID-19 Outlook

We remain cautiously constructive on most parts of the market. We've marked-to-market our valuation models, and upside potential across our portfolio remains compelling. Similarly, our pipeline of new investment ideas looks attractive. For the broader equity market, the current environment remains a balance between potential headwinds (e.g., COVID-19, US-China trade tensions, US presidential election, weak macro numbers) compared with tailwinds (e.g., fiscal stimulus and continued central bank actions). Valuation on most metrics are at the extreme, but lower-for-longer interest rates have to be taken into consideration as well.

### Key Details

#### Objective

- + The AB Global Equities 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.

#### Strategy

- + The Fund invests in equities anywhere in the world, including developed, emerging and frontier markets.
- + It targets investments the managers consider to offer good prospects for attractive relative returns.
- + Generally, it aims to ensure that security selection is the key driver of return and seeks to limit bias towards any country, sector, investment style, macroeconomic influence or company size.

#### Who Should Consider Investing?

- + The Fund is designed for equity investors with high risk tolerances who want the potential to achieve long-term capital growth and some income by investing in global equity securities.

## About AB

### Who We Are

AllianceBernstein is a leading global investment management firm that offers high-quality research and diversified investment services to institutional investors, individuals and private wealth clients in major world markets. We are one of the largest investment management firms in the world, with US\$600 billion in assets under management as of 30 June 2020. Our global client base includes some of the world's leading institutions as well as private wealth clients and retail investors. We maintain research, portfolio management, wealth-management and client service offices around the world, reflecting our global capabilities and the needs of our clients. Partnering closely with our clients, our research and portfolio management teams collaborate across asset classes, regions, sectors, and investment strategies to spark new thinking and deliver superior outcomes to keep our clients "Ahead of Tomorrow."

**Singular Focus:** We believe our exclusive focus on asset management—without the potential distractions or conflicts associated with investment banking, insurance writing, commercial banking, or proprietary trading—helps us maintain a highly effective investment organization with a culture that exists solely to benefit our clients.

**Defined by a Legacy of Research Excellence:** We maintain large and experienced teams of in-house fundamental and quantitative analysts. We focus the full scope of our research expertise and innovation on the global investing landscape with the goal of making a difference for our clients.

**Responsible Investor:** As a global firm, we care deeply about environmental, social and governance (ESG) issues and the impact they can have on the world and our clients' financial interests. Our long-standing disciplined research process includes ESG factors, and our fundamental analysts carefully assess whether ESG factors could have a material impact on our forecasts and investment decisions. We take a three-pronged approach to active ownership—directly engaging with issuers as part of our research/investment process, utilizing an engagement framework to assist us in identifying companies we should engage with on ESG issues, and selectively engaging as part of our proxy voting process.

### Harnessing Diverse Thinking to Drive Differentiated Insights

Different Viewpoints, Broad Expertise and a Culture of Collaboration Foster Better Ideas



<b>185 Buy-Side Analysts*</b>	
<b>123</b> Fundamental	<b>16</b> Multi-Asset
<b>37</b> Quantitative	<b>21</b> Alternatives
<b>80</b> Equities	<b>14</b> Wealth Management
<b>53</b> Fixed Income	<b>8</b> Economists
<b>17 Average Years of Experience</b>	

<b>140 Portfolio Managers</b>	
<b>45</b> Equities	<b>16</b> Alternatives
<b>45</b> Fixed Income	<b>12</b> Wealth Management
<b>22</b> Multi-Asset	
<b>22 Average Years of Experience</b>	

**Current analysis does not guarantee future results.**

Map shows research and investment-management offices.

\*Includes one quantitative analyst who provides support across multiple platforms

As of 30 June 2020.

Source: AB

## Why Choose AB for Global Equities?

There's an art to portfolio construction. Some fund managers are like painters: they use a market index as a canvas on which to express themselves, creating an original work (or portfolio) according to how they underweight or overweight various stocks or sectors.

The managers of the AB Global Equities Fund are more like mosaic-makers: they start with a universe of individual stocks (about 4,000) from which they carefully select the best, then build the portfolio according to how well those stocks sit together, rather than how they sit within an index.

We believe that this focus on details has two advantages.

First, by having absolute discretion over stock selection, and not being dictated to by an index, the managers have more scope to look for, and find, the stocks they want: those that generate strong and sustainable returns on capital, and which are attractively valued.

Second, by creating a portfolio in which the stocks are chosen for their intrinsic qualities rather than their weighting to an index, the Fund's managers can seek to identify and reduce risks—such as those created by unintended factor overlaps between stocks—which could undermine performance.

This approach to stock selection has resulted in strong returns over time, while the ability to reduce risk at the portfolio level has helped to make the returns consistent.

(Incidentally, while the Fund's managers don't model their strategy on an index, they do use the MSCI All Country World Index as a reference point. The Fund's outperformance of the Index is partly attributable to the fact that 90% of its exposures are normally different from those of the Index.)

Even the best painters run the risk that the canvas and paints they have chosen may not be the right quality or right combination for what they're trying to achieve. Mosaic-makers, on the other hand, seek to have complete control of their materials from the beginning of the creative process to the end.

That's why the AB Global Equities Fund's mosaic of painstakingly selected individual stocks, combined in such a way as to reduce the unintended risks normally associated with index-based portfolios, builds into a big picture of strong, consistent returns over time.

### AB Global Equities: Performance Summary

In Australian dollars

	Periods Ended 30 June 2020				
	Q2 2020	Years to Date	One Year	Three Years	Since Inception
<b>Gross Fund Returns</b>	<b>3.05%</b>	<b>(6.15)%</b>	<b>2.27%</b>	<b>11.64%</b>	<b>9.56%</b>
Total Fund Returns	2.84	(6.57)	1.42	10.77	8.62
Growth Returns	1.39	(7.89)	(0.01)	9.46	7.53
Distribution Returns	1.44	1.31	1.42	1.31	1.09
MSCI Country All World	5.98	(4.29)	4.07	10.03	7.77

#### Past performance does not guarantee future results.

Fund inception date: July 22, 2015; The Total, Growth and Distribution Returns of the Fund are net of fees and costs and do not allow for tax or inflation. Gross Fund Returns are calculated using the Total Fund Return plus fees and costs. Performance is calculated 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.

Source: MSCI and AB

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