Monthly Fact Sheet 29.02.2024

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AB Concentrated Australian Equities Fund Class A

Fund Objective

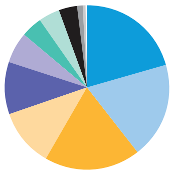
- The AB Concentrated Australian Equities Fund Class A (the "Fund") aims to achieve returns that exceed the S&P/ASX 300 Accumulation Index after fees over the medium to long term.

Why Consider Investing in This Fund?

- The Fund is designed for investors with high risk tolerances and who want the potential for long-term capital growth and franked dividend income by investing in a concentrated portfolio of approximately 15 to 25 securities listed in Australia.

Fund Structure

Sector Allocation



- Industrials: 20.7%
- Materials: 19.0%
- Financials: 18.7%
- Communication Services: 11.4%
- Healthcare: 10.4%
- Energy: 6.2%
- Consumer Staples: 4.2%
- Consumer Discretionary: 4.1%
- Real Estate: 3.6%
- Cash: 1.0%
- Futures: 0.8%

Numbers may not sum due to rounding.

Key Facts

Lead Portfolio Manager	Roy Maslen
Inception Date	27 June 2017
Fund Size	A$551,450,721
APIR	ACM0005AU
Minimum Investment	A$25,000
Entry/Exit Fee	None
Buy/Sell Spread	0.25%/0.25%
Management Fee	0.40% p.a.
ICR*	0.40% p.a.
Distribution Frequency	Quarterly

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

Fund Performance

	Gross Fund Returns	Total Returns	Growth Returns	Distribution Returns	Benchmark Returns†	Relative Returns
One Month	-1.13%	-1.16%	-1.16%	0.00%	0.98%	-2.14%
Three Months	6.01%	5.90%	4.48%	1.42%	9.46%	-3.56%
FYTD	5.60%	5.32%	3.90%	1.41%	9.70%	-4.39%
One Year	7.29%	6.86%	2.64%	4.23%	10.53%	-3.67%
Three Years	11.26%	10.76%	7.38%	3.38%	9.09%	1.67%
Five Years	8.53%	8.02%	5.10%	2.92%	8.61%	-0.59%
Since Inception*	9.10%	8.57%	5.74%	2.83%	8.82%	-0.25%

See Performance Figures disclosures.

* Fund inception: 27 June 2017

† Benchmark: S&P/ASX 300 Accumulation Index

Top 10 Holdings (% Total Net Assets)

Stock Name	Portfolio	Index
Westpac Banking	10.1	3.9
Rio Tinto	9.2	2.0
Transurban	9.1	1.8
Telstra	7.1	1.9
CSL	6.3	5.9
Woodside Energy	6.2	2.4
South32	4.9	0.6
Medibank	4.4	0.4
Computershare	4.3	0.6
Nine Entertainment	4.3	0.1
Total Number of Stocks	**20**	**292**

Fund Review

- During February, the Fund underperformed the benchmark, the S&P/ASX 300, which was up 0.98% in Australian-dollar terms.

Detractors

- On a sector basis, communication services and materials were the main detractors, while industrials and consumer staples contributed.
- Mining company South32 underperformed, driven initially by softer commodity markets, particularly aluminum falling from US$2,240 per ton to $2,132. The company then disappointed the market by approving a new mine with softer-than-hoped investment metrics and cancelling a share buyback.
- A lack of exposure to Wesfarmers detracted from relative results as the conglomerate outperformed the market. Wesfarmers reported 1H earnings with discount department store brands of Kmart and Target materially beating market expectations and provided positive forward-looking commentary.
- Rio Tinto detracted from relative results, while a lack of exposure to BHP contributed. The mining companies underperformed due to weak commodity prices, particularly iron ore, which was down US$12 per ton in February and $5 per ton in January.

Contributors

- Integrated services company Downer EDI contributed as its recent result showed strong and stable cash flows.
- Westpac Banking outperformed following a strong quarterly result where it showed better margin outcomes than peers and stable pre-bad debt earnings.

Fund Change Highlights

- During the month, we added to our position in CSL following a period of underperformance triggered by the realisation of negative catalysts that kept us more materially underweight. As the leading player in plasma-derived therapeutics, CSL is a key beneficiary of positive industry trends including strong growth in plasma collection volumes and donor fee cost deflation. While competitive threats are starting to emerge in its core immunoglobulin franchise, increasing penetration in existing indications and growth in new indications should more than offset any near-term headwinds.
- We added shares of Evolution Mining as we rotated our materials and commodities exposure, increasing the Portfolio's allocation to gold as the gold price rallied.
- We trimmed our position in Downer EDI after a run of outperformance.
- We trimmed our position in casino slot machines and online game company Aristocrat Leisure, taking profits as it outperformed the index on a strong start to the year.

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