



AB Managed Volatility Equities—Carbon Offset Class

MVE-Carbon Offset Class Objective

- The MVE-Carbon Offset 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.

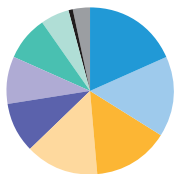
Why Consider Investing in This Fund?

The MVE-Carbon Offset 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 that aims to reduce net greenhouse gas emissions associated with its portfolio holdings

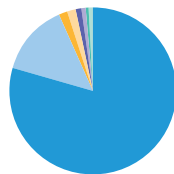
Class Structure

Sector Allocation



- Financials: 18.5%
- Healthcare: 15.6%
- Industrials: 14.5%
- Consumer Staples: 14.2%
- Materials: 9.7%
- Communication Services: 9.1%
- Consumer Discretionary: 8.7%
- Technology: 5.7%
- Energy: 0.7%
- Cash: 3.2%

Country Allocation*



- Australia: 77.0%
- US: 13.6%
- UK: 1.6%
- Japan: 1.4%
- Canada: 1.2%
- Germany: 0.7%
- Singapore: 0.7%
- Denmark: 0.6%

Numbers may not sum due to rounding.

* Australia exposure is composed of ASX-listed securities

- Having made reasonable inquiries, 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-Carbon Offset Class as at the date of this monthly fact sheet.

MVE-Carbon Offset Class Performance

	Gross Fund Returns	Total Returns	Growth Returns	Distribution Returns	Benchmark Returns [†]	Relative Returns
One Month	1.77%	1.74%	1.31%	0.43%	3.26%	-1.53%
Three Months	4.04%	3.92%	3.48%	0.44%	5.43%	-1.51%
FYTD	4.45%	4.09%	2.72%	1.37%	13.28%	-9.20%
One Year	5.82%	5.34%	1.70%	3.64%	14.40%	-9.06%
Three Years	6.52%	6.07%	0.59%	5.48%	9.43%	-3.36%
Five Years	6.63%	6.18%	1.79%	4.40%	9.15%	-2.97%
Since Inception [‡]	8.20%	7.74%	3.51%	4.22%	11.08%	-3.34%

See Performance Figures disclosures.

[†] S&P/ASX 300 Accumulation Index

[‡] MVE-Carbon Offset Class inception: 19 December 2018

Top 10 Holdings (% Total Net Assets)

Stock Name	Portfolio	Index
Medibank	4.9	0.4
Coles Group	4.9	0.9
Sonic Healthcare	4.8	0.6
Telstra	4.7	1.8
Woolworths	4.7	1.7
CSL	4.5	5.8
Transurban	4.5	1.7
Lottery Corp	4.3	0.5
Computershare	4.0	0.6
Spark New Zealand	3.7	0.0
Total Number of Stocks	48	296

Key Facts

Lead Portfolio Manager	Roy Maslen
Inception Date	19 December 2018
Class Size	A\$37,490,117
Carbon Credit Cost	0.11%
Minimum Investment	A\$500,000
Entry/Exit Fee	None
Buy/Sell Spread	0.25%/0.25%
Management Fee	0.35% p.a.
ICR [§]	0.46% p.a.
Distribution Frequency	Quarterly

[§] Indirect cost ratio (ICR). Financial year to date, annualised. The ICR includes a 0.11% p.a. accrual made for our estimate of the carbon credit cost.

Monthly Fact Sheet

Class Review

- In March, the Fund underperformed its benchmark, the S&P/ASX 300, which was up 3.26% in Australian-dollar terms.

Detractors

- Each sector weighed on relative results, with the real estate and communications-services sectors detracting the most. The utilities and financial sectors only slightly underperformed.
- Toll road company Transurban underperformed as the independent review of tolling in its major market, NSW, was released. The report highlighted many worthwhile opportunities for improvement as well as the need to protect the interests of toll road operators. As such, we see the report as neutral to Transurban's outlook.
- Global stock exchange company Cboe Global Markets underperformed in line with its global stock exchange peers as its defensive, cash-flow-generative nature was not in favour in March.
- A position in royalty asset manager Deterra Royalties detracted, while a lack of exposure to Fortescue Metals contributed to relative performance. Iron ore traded down 12% through March on increasing concerns of softer demand and a slower-than-hoped restart after Chinese New Year.

Contributors

- Novo Nordisk, a diversified pharmaceutical company based in Switzerland, contributed to performance as uptake expectations for its weight-loss drug continued to be strong.
- Oracle, a US computer technology company, outperformed as its fiscal third-quarter cloud revenue growth beat expectations.

Class Change Highlights

- During the month, we added to our position in telecom software provider Amdocs, attracted by its strong cash flow and steady earnings growth profile.
- We added to our shares of BAE Systems, a UK-based defense and aerospace company, as primary markets saw strong demand supportive of stable earnings and cash flows.
- We sold our shares of National Australia Bank after a strong run of performance.
- We exited our position in Switzerland-based diversified pharmaceutical company Novartis following a strong run of performance, as we saw better risk-adjusted opportunities elsewhere.

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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AllianceBernstein Australia Limited Level 32, Aurora Place, 88 Phillip Street, Sydney NSW 2000 T: +61 (0)2 9255 1200
F: +61 (0)2 9247 9910 | Level 49, Rialto South Tower, 525 Collins Street, Melbourne VIC 3000 T: +61 (0)3 8630 2200
F: +61 (0)3 8630 2210 | alliancebernstein.com.au

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