



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.

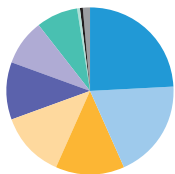
Why Consider Investing in This Fund?

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

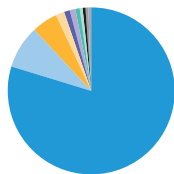
Class Structure

Sector Allocation



- Financials: 24.4%
- Materials: 19.1%
- Consumer Discretionary: 13.2%
- Industrials: 12.9%
- Consumer Staples: 11.1%
- Health Care: 8.9%
- Communication Services: 8.0%
- Real Estate: 0.6%
- Information Technology: 0.5%
- Cash: 1.2%

Country Allocation*



- Australia: 79.1%
- United States: 8.0%
- United Kingdom: 5.2%
- Singapore: 1.4%
- Italy: 1.3%
- Ireland: 1.1%
- Netherlands: 0.7%
- Sweden: 0.6%
- Japan: 0.6%
- Denmark: 0.5%
- Spain: 0.4%

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	0.69%	0.66%	0.66%	0.00%	2.25%	-1.59%
Three Months	-3.36%	-3.46%	-3.46%	0.00%	-1.52%	-1.94%
FYTD	-3.09%	-3.45%	-4.66%	1.21%	4.23%	-7.67%
One Year	-1.27%	-1.70%	-7.22%	5.52%	10.14%	-11.84%
Three Years	4.75%	4.31%	-1.15%	5.47%	9.57%	-5.26%
Five Years	5.56%	5.12%	-0.71%	5.83%	8.16%	-3.04%
Since Inception[‡]	7.32%	6.90%	2.11%	4.79%	10.17%	-3.26%

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
Rio Tinto	6.1	2.3
Telstra	5.4	2.2
Coles Group	5.3	1.1
Medibank	5.1	0.5
Lottery Corporation	5.0	0.5
Insurance Australia	4.7	0.7
Suncorp Group	4.6	0.7
Newmont	4.4	0.5
Computershare	3.9	0.6
ResMed	3.8	0.6
Total Number of Stocks	50	

Key Facts

Portfolio Managers	Hamish FitzSimons and Anja Samardzic
Inception Date	19 December 2018
Class Size	\$27,682,651
Minimum Investment	A\$500,000
Entry/Exit Fee	None
Buy/Sell Spread	0.25%/0.25%
Management Fee	0.35% p.a.
Carbon Credit Cost	0.12% p.a.
ICR [§]	0.42% p.a.
Distribution Frequency	Quarterly

[§] Indirect cost ratio (ICR). Financial year to date, annualised. The ICR includes a 0.07% p.a. accrual made for our estimate of the carbon credit cost.

Monthly Fact Sheet

Class Review

- In April, the MVE – Carbon Offset Class underperformed its benchmark, the S&P/ASX 300 Index, which was up 2.25% in Australian-dollar terms.

Detractors

- Selection within materials and consumer discretionary detracted the most from relative performance, while selection within financials and healthcare contributed.
- An overweight to medical devices company ResMed detracted as it was impacted by broader sector weakness and ongoing investor debate around the potential long-term impact of GLP-1 weight-loss drugs on sleep apnoea treatment demand. Despite this near-term sentiment pressure, ResMed's third-quarter result demonstrated continued operational strength, with revenue growth of approximately 11% and earnings ahead of consensus. We continue to believe ResMed is well positioned to deliver attractive medium-term earnings growth, supported by strong demand for sleep and respiratory care, ongoing mask and device innovation, and the benefits of its connected-care ecosystem.
- An overweight to packaging company Amcor detracted as investors remained cautious on the near-term earnings outlook ahead of the company's third-quarter result, with sentiment weighed down by concerns around rising resin prices and subdued packaging demand. We continue to believe Amcor is well positioned to generate meaningful medium-term value through scale benefits, portfolio optimisation and cost synergies. In the near term, Amcor's defensive end-market exposure and contractual ability to pass through resin price increases should help mitigate earnings pressure.
- An overweight to defence company BAE Systems detracted as the shares underperformed following a period of strong performance, with investors taking profits and remaining focused on uncertainty around the timing and detail of future defence spending commitments. We continue to believe BAE remains well positioned given structurally higher defence expenditure across NATO and allied markets, a record order backlog and strong visibility of medium-term earnings growth.

Contributors

- An underweight to Australian banks National Australia Bank and Westpac Banking contributed as both companies pre-announced earnings headwinds from higher credit impairment charges, reflecting a more challenging macroeconomic backdrop and increased provisioning for bad debts. We remain cautious on the

banks given elevated sector valuations, slowing credit growth, rising credit costs and limited scope for positive earnings revisions.

- An overweight to health insurer Medibank contributed as investors reacted positively to the announced removal of age-based rebates for older, higher-claiming cohorts, which was viewed as supportive for the company's claims cost outlook. We continue to believe Medibank is well positioned to deliver resilient earnings growth, underpinned by its leading market position, disciplined pricing and strong capital position.
- An overweight to general insurer Suncorp Group contributed as the company reaffirmed FY 2026 earnings guidance and announced the placement of a five-year aggregate reinsurance cover at an attractive price, which should reduce catastrophe-related earnings volatility over the medium term. We continue to believe Suncorp Group is well positioned to deliver attractive earnings growth, supported by disciplined pricing, improved reinsurance protection and a stronger capital position following portfolio simplification.

Class Change Highlights

- During the month, we exited our positions in small-cap gold miners Ramelius Resources and Capricorn Metals, as well as mining services contractors Monadelphous and Macmahon, as we viewed these companies as most exposed in a potential fuel-rationing scenario. We increased our position in diversified gold miner Newmont Mining, whose offshore asset base provides greater operational defensiveness, and added to supermarket operator Woolworths, given its defensive earnings profile and exposure to essential consumer spending.

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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