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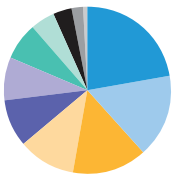
# AB Global Equities Fund

## Fund Objective

- The AB Global Equities Fund (the "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.

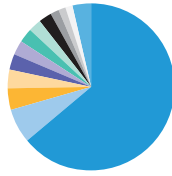
## Fund Structure

### Sector Allocation



- Technology: 22.4%
- Financials: 16.2%
- Healthcare: 14.4%
- Consumer Discretionary: 11.1%
- Industrials: 9.2%
- Consumer Staples: 8.1%
- Communication Services: 7.3%
- Energy: 4.8%
- Materials: 3.6%
- Real Estate: 2.3%
- Cash: 0.6%

### Country Allocation



- US: 63.7%
- UK: 6.7%
- Denmark: 3.9%
- Switzerland: 3.6%
- China: 3.1%
- Japan: 2.9%
- Germany: 2.6%
- France: 2.5%
- Korea: 2.5%
- Netherlands: 1.6%
- Taiwan: 1.6%
- Canada: 1.2%
- Other: 3.5%

Numbers may not sum due to rounding.

## Ratings



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## Fund Performance

	Gross Fund Returns	Total Returns	Growth Returns	Distribution Returns	Benchmark Returns*	Relative Returns
One Month	-0.68%	-0.74%	-1.88%	1.14%	1.80%	-2.54%
Three Months	-0.80%	-0.98%	-2.12%	1.14%	0.49%	-1.46%
FYTD	13.98%	13.28%	11.98%	1.31%	18.98%	-5.70%
One Year	13.98%	13.28%	11.98%	1.31%	18.98%	-5.70%
Three Years	6.58%	5.85%	4.82%	1.03%	9.63%	-3.78%
Five Years	9.68%	8.90%	7.85%	1.04%	11.86%	-2.96%
Since Inception†	10.45%	9.61%	8.59%	1.02%	10.46%	-0.85%

See Performance Figures disclosures.

\* Benchmark: MSCI All Country World Index in Australian dollars

† Fund inception: 22 July 2015

## Top 10 Holdings (% Total Net Assets)

Stock Name	Portfolio	Index
Microsoft	7.6	4.3
Anthem	4.6	0.2
NVIDIA	4.2	4.2
Otis Worldwide	4.0	0.1
Goldman Sachs	3.9	0.2
Coca-Cola	3.7	0.4
Alphabet Inc	3.3	2.7
Nike	2.8	0.1
Samsung Electronics	2.6	0.4
Asahi Group	2.4	0.0
<b>Total Number of Stocks</b>	<b>61</b>	<b>2,753</b>

## Key Facts

Portfolio Managers	Klaus Ingemann, David Dalgas and Rasmus Lee Hansen
Inception Date	22 July 2015
Fund Size	A\$1,158,960,383
APIR	ACM0009AU
Minimum Investment	A\$50,000
Entry/Exit Fee	None
Buy/Sell Spread	0.17%/0.17%
Management Cost	0.70% p.a.
ICR‡	0.70% p.a.
Distribution Frequency	Annually

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

## Fund Review

- In June, the Fund underperformed its benchmark, the MSCI All Country World Index, which was up 1.8% in Australian dollar terms.

## Detractors

- Nike: Athletic footwear and apparel giant Nike detracted. The stock declined sharply as the company unexpectedly announced a projected sales decline in its new fiscal year. Demand has slowed more than expected for its lifestyle footwear. The Portfolio's Investment Team (the Team) continues to like Nike as it is the leader in a structural growing industry with margin upside from direct-to-consumer.
- Yum China: Yum China, a China-based fast-food restaurant company, detracted from results. Dining recovery in China has been slower than expected following the lifting of COVID-19 restrictions, but there are opportunities for the operator of KFC and Pizza Hut restaurants to expand in lower-tier cities, which should help revenue and may support margin expansion. Further, we're attracted by the strong level of new store openings as well as shareholder-friendly deployment of capital.
- Otis Worldwide: Elevator manufacturer Otis Worldwide detracted as the stock gave back some of its solid year-to-date gains. While new installations may slow amid slowing population growth, modernizing the large number of aging elevators will likely provide medium-term growth opportunities. This, combined with a leading position within elevators and escalators and a profitable service segment, makes the case for a compelling investment.

## Contributors

- Samsung Electronics: Semiconductor giant Samsung Electronics contributed. Shares had suffered from a slump in previous months on concerns that Samsung's high-bandwidth memory chips had failed tests from artificial-intelligence (AI) chipmaker NVIDIA. Recent comments from NVIDIA's management clarified that the chips had not failed and only required additional engineering, sending Samsung's stock higher. The Team owns the stock for its leading position in memory as well as cost leadership. Valuation is viewed as compelling, both on an absolute basis as well as relative to other semis.
- Microsoft: Microsoft contributed to results, as the software giant joined the rally of large-cap tech stocks. The Team continues to like Microsoft for its strong positioning across software, cloud, gaming and security. (Third quarter earnings were in April.)
- Taiwan Semiconductor Manufacturing: Taiwan Semiconductor Manufacturing (TSMC) contributed as the multinational semiconductor manufacturing giant continued to benefit from the AI boom. TSMC leverages its superior technology processes to keep innovating. It has strong pricing power and is a key supplier for AI leaders such as NVIDIA.

## Fund Change Highlights

- CVC Capital Partners: Despite its strong IPO debut, shares of CVC Capital Partners continue to trade at a compelling valuation on both relative and absolute terms. The Team believes CVC has superior fundamentals in terms of growth, flow, performance and profitability and, therefore, added to exposure.
- B3: The Team added to its position in the Brazil-based financial services firm B3. Brazil's higher interest rates have caused daily domestic equity volume to lag, pressuring the company's share price. The Team views the current headwinds as more temporary than secular and has used the opportunity to add to its position in what it believes to be a great company with monopolistic market positioning, structural growth, superior returns and shareholder-friendly capital deployment.
- Galaxy Entertainment: The Team exited its position in Galaxy Entertainment as its share price has underperformed over recent years. Headwinds from regulation and excessive required investments are structural and have pressured return on invested capital. In addition, the Team expects a low level of free cash flow.
- ABN AMRO: The Team's investment case for ABN AMRO has been supported by improving return on equity, an attractive valuation and excess capital/payout. Recently, the excess capital/payout has taken a setback as a result of mergers and acquisition activity, as well as risk-weighted asset inflation. As a consequence, the Team has lowered exposure, although it acknowledges that there is still upside to the base case.

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## 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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A Target Market Determination (TMD) for the AB Global Equities Fund is available free of charge from our website, [www.alliancebernstein.com.au](http://www.alliancebernstein.com.au). The TMD sets out the class of persons who comprise the target market for the AB Global Equities Fund and the distribution conditions that are applicable, together with a number of other matters that should be considered by retail investors and their advisers.

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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](http://alliancebernstein.com.au)  
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