31 March 2022– Factsheet

Centuria Lifegoals

AB Managed Volatility Equities Fund

Centuria

The Fund aims to achieve returns that exceed the S&P/ASX 300 Franking Credit Adjusted Daily Total Return Index (Tax-Exempt) after fees over the medium to long term.

Investment manager

AllianceBernstein Investment Management Australia Limited

Investment strategy

The Fund implements a managed volatility equities strategy that aims to reduce volatility by identifying, and investing in, high quality listed equity securities that have reasonable valuations, high-quality cash flows and relatively stable share prices. This fund can invest up to 20% in international shares.

Target allocation

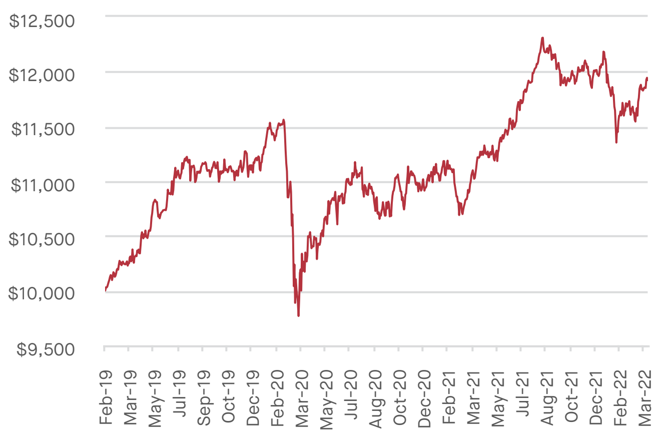
Australian equities	60-100%
Global equities	0-20%
Cash	0-20%

Performance returns

RETURNS TO 31/03/2022	1 MTH	3 MTH	6 MTH	1 YR	2YR[1]
Net returns (%)[2]	2.23%	-2.09%	-0.94%	7.55%	7.96%

1. Periods greater than 1 year are expressed in annualised terms.
2. Past performance is not a reliable indicator of future performance.

Performance graph



A $10,000 investment in Centuria AB Managed Volatility Equities Fund made at inception is worth $11,922 as of 31 March 2022 after all fees and taxes paid within the Investment Option.

Key features

APIR code	OVS3629AU
Minimum initial investment	$500
Minimum additional investment plan	$100
Minimum switching amount	$500
Minimum balance	$500
Contribution fee	Nil
Annual management fee[1]	0.69%
Suggested timeframe	Minimum 5 years

1. Refer to PDS for fee breakdown.

For more information contact Centuria on **1300 50 50 50** or visit **lifegoals.centuria.com.au** to download the PDS.

Simple Flexible Versatile.

Fund commentary

In March, the MVE – Class underperformed its benchmark, the S&P/ASX 300 Index.

Detractors

During March, despite global inflation fears and the Ukraine invasion, cyclical stocks rallied in Australia even though the largest cyclical sector, banks, had slower EPS growth than the broader market. The Portfolio lagged because of its defensive positioning and underweight to banks and resources. For both the one- and six-months periods, bank EPS revisions have lagged the index, despite expectations for five or more rate rises this year. Therefore, multiple expansion is the source of outperformance, at a time when multiples are high and inflated by negative bad debts.

Iron ore–related stocks continued to drag, as commodity prices stayed high because of the Ukraine war. In contrast, contributions from the Portfolio's underweight to the real estate and consumer-discretionary sectors helped offset some of these losses.

Not holding BHP detracted the most during the period, as the miner outperformed when several of its key commodities—iron ore, metallurgical coal and oil—rallied in the first quarter. In addition, BHP's shares experienced higher demand and market weight as the company delisted from the UK to list exclusively in Australia.

Our underweight to Commonwealth Bank of Australia detracted as the bank sector generally outperformed in March on anticipation of higher central bank rates.

An overweight to health insurer Medibank detracted during the month as the insurance sector more broadly sold off.

Contributions

An underweight to biotherapeutics company CSL contributed as the stock underperformed during the quarter, along with stocks across the healthcare sector. In addition, investors continued to worry that CSL's acquisition of Vifor Pharma, a renal pharmaceutical company based in Switzerland, represents a shift into new therapeutic areas that could distract from its core plasma business.

Fertiliser and explosives company Incitec Pivot (IPL) contributed as fertiliser prices, already on the rise because of higher input costs, surged after Russia's invasion of Ukraine disrupted supply chains. Incitec benefits from higher prices for ammonia, urea and phosphates.

Elders contributed after releasing a trading update that exceeded market expectations. The agribusiness benefitted from strong commodity prices and good rainfall levels during the period.

MVE - class change highlights

During the month, we exited our position in UK-based consumer packaged goods company Unilever because of Russia/Ukraine exposure, rising input costs and M&A risk.

We bought shares of IPL, as fertiliser prices have risen substantially since Russia invaded Ukraine in late February. Both countries are significant grain exporters and Russia is a major exporter of nitrogen and phosphates. While some commodity suppliers will experience short-term price spikes that will revert, we see IPL as a structural medium- and longterm winner from the reshaping of global energy supply and demand that will, in our opinion, occur because of the war.

We bought shares in US-based healthcare company Merck, as we are attracted to its strong cash flow and diversified revenue streams.

We trimmed our position in winemaker and distributor Treasury Wine Estates out of concern about the company's declining free-cash-flow levels and its acquisition of US-based Frank Family Vineyards.

Disclaimer: this commentary has been directly sourced from the AllianceBernstein's quarterly factsheet available on their website.

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