

Centuria Lifegoals

Centuria

AB Managed Volatility Equities Fund

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 30/06/2022	1 MTH	3 MTH	6 MTH	1 YR	2YR ¹
Net returns (%) ²	-2.75%	-3.50%	-5.51%	-1.79%	2.58%

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 \$11,505 as of 30 June 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 fee¹	0.69%
Suggested timeframe	Minimum 5 years

1. Refer to PDS for fee breakdown.

Fund commentary

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

Detractors

Gold producers Evolution Mining and Northern Star Resources (NST) underperformed as gold prices softened. NST also reported higher costs for the first three months of the year.

Our underweight to biopharmaceuticals company CSL detracted from relative returns as the healthcare sector outperformed.

Contributors

For June, overweights to the consumer-staples and communication-services sectors contributed to performance, while underweights to energy and consumer discretionary detracted.

Our overweight to private health insurer Medibank contributed as the insurance sector outperformed in part because of the benefits of rising interest rates for insurance companies.

Retail drinks and hospitality business Endeavour contributed as consumer staples outperformed. Investors were attracted by the pricing power of the sector, which allows them to mitigate and even benefit from inflation to grow revenue and earnings.

Natural gas and energy infrastructure company APA Group outperformed, with a distribution that was ahead of expectations in June. The company's inflation-linked revenues continue to be attractive in a high-inflation environment.

MVE - class change highlights

During the month, we reduced our holdings in Dutch supermarket Ahold Delhaize and American retailer Walmart. We believe that Australian supermarkets are better positioned to manage inflation, and we preferred to shift the weight to global pharmaceuticals in this environment.

We bought shares in pharmaceutical company Novartis. The company exhibits stability from its diverse range of products, has a quality balance sheet and is at a reasonable price, in our opinion.

We added to our holdings in natural gas and energy infrastructure company APA Group, attracted by its strong free cash flow and balance sheet.

We added shares in Deterra Royalties, an Australian mining investment company. The position provides exposure to iron ore but with lower volatility, as a royalty company is exposed to price rather than earnings, and percentage declines in price tend to be lower than percentage falls in earnings.

We trimmed our holdings in Canadian telecom Cogeco Communications, as we saw more attractive opportunities elsewhere.

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

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