

# Centuria Lifegoals

AB Managed Volatility Equities Fund

# Centuria

**The Fund aims to achieve returns that exceed the S&P/ASX 300 Accumulation Index 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 30/06/2024	1 MTH	3 MTH	6 MTH	1 YR	2YR <sup>1</sup>	3YR <sup>1</sup>
Net returns (%) <sup>2</sup>	4.65%	0.63%	3.39%	2.92%	4.23%	2.19%

## Performance graph



A \$10,000 investment in Centuria AB Managed Volatility Equities Fund made at inception is worth \$12,499 as of 30 June 2024 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 <sup>3</sup>	0.69%
Suggested timeframe	Minimum 5 years

## Fund commentary

### Fund performance

The MVE Class underperformed its benchmark, before fees over the quarter. The financials and communication services sectors detracted the most from relative performance, while materials and consumer staples contributed.

A lack of exposure to major banks Commonwealth Bank of Australia and National Australia Bank detracted on limited news. The big four banks are now trading near all-time high price-to-earnings multiples, and we continue to believe that the forward earnings outlook does not justify current valuations.

1. Periods greater than 1 year are expressed in annualised terms.
2. Past performance is not a reliable indicator of future performance.
3. Refer to PDS for fee breakdown.

For more information contact Centuria on **1300 50 50 50** or visit [lifegoals.centuria.com.au](https://lifegoals.centuria.com.au) to download the PDS.  
**Simple Flexible Versatile.**

Royalty asset manager Deterra Royalties underperformed as it announced a bid to acquire UK-listed royalty company Trident and as iron ore fell on demand concerns in China.

Gold producer Newmont Mining outperformed on the back of a strong gold price and the release of its 1Q:24 production report was better than expected.

Diagnostic imaging software company Pro Medicus contributed as the market reacted positively to the announcement of new contract wins, which are a key driver of earnings growth.

Computer technology company Oracle contributed to results as the market reacted positively to a quarterly earnings report that showed a strong lift in cloud growth indicators, providing upside risk to near-term earnings growth.

#### **Positioning and outlook**

During the quarter, we added shares of hearing implants company Cochlear as we are attracted by its strong balance sheet and robust earnings profile, which will benefit in the near term from a product upgrade cycle following the release of its next-generation hearing device

We rotated iron ore exposures, trimming our position in Deterra Royalties and adding shares of BHP as the relative risk/reward shifted.

We exited our position in conglomerate Wesfarmers, taking profits as the stock has performed strongly and is trading at peak multiples.

More broadly, risks we have long been concerned about such as inflation, rising rates, asset bubbles, and major economic and geopolitical tension are all currently unfolding, with Australian markets seemingly unconcerned. It is not clear that this optimism will be rewarded. We maintain our focus on diversifying risks, and are particularly focused on the ability of companies to offset inflationary pressures with pricing power. We aim to use fundamental insight to reduce our exposure to stocks with cyclical pressure, balance-sheet stress or negative events.

Disclaimer: This commentary has been directly sourced from the Alphinity quarterly factsheet available on their website.

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