

Centuria Lifegoals

Centuria

AB Managed Volatility Equities Fund

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 31/12/2024	1 MTH	3 MTH	6 MTH	1 YR	2YR ¹	3YR ¹
Net returns (%) ²	-0.71%	1.57%	5.07%	8.64%	5.80%	2.56%

Performance graph



A \$10,000 investment in Centuria AB Managed Volatility Equities Fund made at inception is worth \$13,134 as of 31 December 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 ³	0.69%
Suggested timeframe	Minimum 5 years

Fund commentary

Fund performance

The AB Managed Volatility Equities Fund (MVE Class) was up for the quarter and outperformed its Benchmark, before fees. An underweight to materials and stock selection within consumer discretionary contributed the most to relative performance, while an underweight to financials to selection within materials detracted.

Share registry company Computershare contributed as the company provided a trading update at their Annual General Meeting which indicated that core business operations and cash balances were tracking ahead of expectations. Increases in forward rate expectations

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

were also viewed as positive for the company as they earn significant interest income on cash balances held on behalf of clients.

Gaming company Aristocrat Leisure also contributed, outperforming the market on continued strong market feedback on game performance in the North American 'premium' game space along with a softening Australian dollar.

An underweight to Commonwealth Bank detracted as banks more broadly outperformed. Commonwealth Bank continues to trade close to an all-time-high price-to-earnings multiple, which we believe is not justified by the forward earnings outlook.

Newmont Mining underperformed after it provided updated medium term production guidance, downgrading expectations for gold production volumes (predominantly at the assets acquired with the Newcrest Mining acquisition at the end of CY23).

Positioning and outlook

During the quarter, we exited our entire position in Woodside and bought Shell as we reweighted our energy exposure. Compared to Australian energy companies, Shell is more stable, has stronger free cash flow generation and is more attractively valued. We also trimmed our positions in Sonic Healthcare and Transurban as we reweighted the portfolio to increase our momentum factor capture.

Markets are currently characterized by stretched valuations in a narrow range of large-cap stocks. We think there is an opportunity in avoiding these crowded trades. We remain focused on diversifying risks and investing in high-quality and stable companies with attractive valuations — we believe these characteristics will outperform through the cycle. We also 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 AllianceBernstein's quarterly factsheet available on their website.

Contact Information

Sean Cole

Relationship Manager

Email: sean.cole@centuria.com.au

Jeremy Drake

Distribution Manager

Email: jeremy.drake@centuria.com.au

Paul Roach

Distribution Manager

Email: paul.roach@centuria.com.au

Paul Wilson

Relationship Manager

Email: paul.wilson@centuria.com.au

Centuria Investor Services | 1300 50 50 50 | enquiries@centuria.com.au | **centuria.com.au**

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