

# Centuria Lifegoals

# Centuria

## Alphinity Sustainable Australian Shares Fund

**The Fund aims to outperform the S&P/ASX 300 Accumulation Index after costs and over rolling five-year periods.**

### Investment manager

Alphinity Investment Management Pty Ltd

### Investment strategy

The Fund provides a diversified portfolio of Australian stocks listed on the ASX that have strong Environmental, Social and Governance (ESG) characteristics and, where possible, contribute towards the advancement of the UN Sustainable Development Goals (SDG) agenda. The Fund aims to be invested across different industries and sectors in order to meet the Fund's investment objectives in a risk-controlled manner. The Fund will utilise Alphinity's unique process of seeking sustainable, undervalued companies in or about to enter an earnings upgrade cycle.

### Target allocation

Australian equities 90-100%  
Cash 0-10%

### Performance returns

RETURNS TO 31/03/2026	1 MTH	3 MTH	6 MTH	1 YR	2YR <sup>1</sup>	3YR <sup>1</sup>
Net returns (%) <sup>2</sup>	-6.83%	-2.02%	-3.70%	8.93%	6.16%	7.36%

### Performance graph<sup>3</sup>



A \$10,000 investment in Centuria Alphinity Sustainable Australian Shares Fund made at inception is worth \$14,385 as of 31 March 2026 after all fees and taxes paid within the Investment Option.

### Key features

APIR code	OVS9577AU
Minimum initial investment	\$500
Minimum additional investment plan	\$100
Minimum switching amount	\$500
Minimum balance	\$500
Contribution fee	Nil
Annual management fee <sup>4</sup>	0.97%
Suggested timeframe	5 years

1. Periods greater than 1 year are expressed in annualised terms.
2. Past performance is not a reliable indicator of future performance.
3. Fund inception on 28/09/2020.
4. Refer to product disclosure statement 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 product disclosure statement. **Simple Flexible Versatile.**

## Fund Commentary

The Fund outperformed its benchmark in the March quarter. The biggest contributions came from diversified miners BHP and RIO, and avoiding gaming stock Aristocrat and gold miner Northern Star. Having oil stocks excluded hindered performance, along with holdings in technology stock (tracking app) Life 360, Property Trust Charter Hall and retailer Harvey Norman which were the largest detractors.

### Market Outlook

This may as well be called the Trump Outlook, because where Trump goes, so do markets, and where Trump goes, nobody knows! At least we have been distracted from the SaaS apocalypse for a while....it will be back no doubt!

Of course, with the war in the Middle East and the broadening negative effects on a multitude of goods and commodities from oil to aluminium, to gas and fertilizer (to name only a few), the focus has shifted quickly from the micro of company earnings in reporting season to the macro of global and domestic economic growth. This is particularly important as the two best performing sectors heading into the month of March and the war, was Commodities and Banks in Australia, both highly sensitive to economic growth. Both had largely done well because the global and domestic economies respectively were going along better than expected. That backdrop is however changing rapidly. Globally there is now a much greater economic risk, especially the longer the war and its flow on effects (e.g. elevated oil price) persist, forcing central banks to adapt and respond. Arguably the damage, literally and figuratively, may already be done, but the extent has scope to get worse by the day.

The prospects of a stagflationary environment have again raised its ugly head. The risks are even starker in Australia. Here we entered this period with an uncomfortable and persistent lift in underlying inflation, which saw a sharp turnaround in the RBA rhetoric and actions. We are already 2 rate rises into a new rate cycle, and they have hardly turned their minds to what to do now with this large supply side price shock. Feedback is that the about-face last year and first-rate rise had already shaken the consumer. We can only imagine what a second-rate rise, plus a large rise in petrol price (plus other related goods) combined with worries of fuel shortages is doing to confidence now. You would think that discretionary spend is being reigned in materially as we speak. It feels to us that the RBA is in a tough position. On top of that, as we have learnt from recent crises, we're not allowed to have downturns anymore, so there seems little doubt the structural reform and austerity budget that may have been coming is now likely to be more of a damp squib on that front, probably making the job harder.

As such the economic risk for the lucky country has clearly risen. There is still momentum in parts of the economy and plenty of cash around, so we don't want to get too negative, but we are likely to see slower growth and potentially more issues arise than we have seen for a while. Of course, the extent either way probably rides on the length of the war and damaged caused to infrastructure (LNG tanks, oil refineries, smelters, etc), which in turn largely rides on Trump. Given he can't make up his mind in the space of a single sentence, the market can't claim to have a clue either. As such taking lower cyclical risk, taking out economic hedges, and tilting a little more defensive seems prudent. The longer the disruption goes the more one wants to tilt.

We will have a close watch on what earnings do – that will tell the tale. We had a good 6 months in Australia with earnings upgrades coming through up until the war started, supporting the market. As noted above some of that is clearly going to get disrupted now. At least the market valuation is in more reasonable territory compared to recent history which gives us some comfort.

That comfort will disappear if we resume material earnings downgrades, especially if it comes through the large cap miners and banks. It hasn't happened yet. We are watching this space, but the costs and supply chain headwinds are shaping up.

### Portfolio Outlook

With so much uncertainty in the outlook, it is difficult to make large portfolio changes with any conviction. Instead, we take the view of purposefully, but slowly, tilting the portfolio away from emerging risks and towards growing earnings leadership. As noted in the market/Trump outlook section, the longer the Middle East disruptions last, the higher risk of economic disruption lifting and extending out longer.

As such we have tilted the portfolio a little more defensive through late February and into March, by taking profits in global cyclicals (largely

metals and mining) as well as domestic cyclicals (discretionary and banks), and investing more in defensive earnings streams (staples, telecommunications and insurance).

We remain underweight Energy given the exclusion of oil stocks in the strategy. We are unlikely to head back to more recent low oil prices (or spreads) even if the war winds up shortly, given the damage already seen, structural changes to access and ongoing uncertainty. We are a little overweight Metals and Mining, but well down on recent highs. We are selective in our exposures, favouring for instance Aluminium where the deficit has grown with the middle eastern smelter destruction. Discretionary remains underweight while staples overweight. Banks are largely neutral now, with a higher exposure to insurance in financials over financial services which tends to be higher beta. With a higher rate environment, we continue to be underweight REIT's. Our technology exposure, whilst small, remains in the defensive end of tech and in areas unlikely to see direct AI disruption.

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

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