30 June 2026 – Factsheet

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 30/06/2026	1 MTH	3 MTH	6 MTH	1 YR	2YR[1]	3YR[1]
Net returns (%)[2]	1.06%	4.81%	2.69%	3.08%	8.92%	8.83%

Performance graph[3]

A $10,000 investment in Centuria Alphinity Sustainable Australian Shares Fund made at inception is worth $15,076 as of 30 June 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[4]	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.

Fund Commentary

The Fund outperformed its benchmark over the June Quarter. The biggest contributions came from salary packaging company SmartGroup, metal detection and communications company Codan and avoiding oil producer Woodside. Holdings in milk products maker A2Milk, industrial pallet distributor Brambles and not owning gaming company Aristocrat (excluded) were the largest detractors.

Market Outlook

The past financial year delivered no shortage of drama: US tariff escalation and de-escalation; one of the largest resources rotations in decades; an AI surge that triggered a "Saaspocalypse"; conflict with Iran that sparked an energy shock; and at home an inflation spike, rate rises and a significant budget and tax reform that dented consumer confidence and house prices.

If FY26 is anything to go by, FY27 will certainly be different — but probably not calmer. We saw a re-emergence of positive earnings revisions across the Australian market, driven mainly by the FY26 Resources surge, but FY27 looks set to start on a more precarious footing. Absolute earnings growth is still expected, though revisions are already turning negative across most sectors, with Energy, Resources and the Banks all facing near-term downgrades. The market's PE remains reasonable, although still above long-term averages, which could limit the risk of a broader de-rating.

A fragile peace agreement with Iran brought the oil price back to pre-war levels within days, as if more than 100 days of conflict — which shut one of the world's most important shipping lanes and triggered the largest oil shock in modern history — had never happened. We expected such an unwind to ease inflation and global growth concerns, giving further support to Resources leadership. Instead, hawkish comments from the new Fed Chair drove a stronger US dollar, pushing commodity prices — and the sector — down. Is this the end of the Resources trade? It's the critical question for us, and we suspect not, for three reasons. First, while we are not currency experts, we expect the US dollar to weaken over the medium term as energy prices fall and productivity improves, reducing the case for further hikes. Second, global demand/supply balances for commodities remains tight, with demand growth underpinned by electrification and the energy transition, and supply growth hampered by permit approvals, grade declines and depletion. Finally, and most importantly, spot prices — if they hold — still imply further earnings-surprise upside for some commodities, albeit less than a few months ago, which argues for a more moderate overweight. We also note that while the focus has been on the top line, rising costs from the war and inflation will weigh on earnings too, with much of the cost pressures still to flow through P&Ls.

At home more recently, the market has tried to rotate away from Resources into beaten-up names — small caps, healthcare, financials ex-banks, REITs and consumer discretionary — but without earnings support that rotation is likely to be limited in our view. A PE multiple can re-rate, but earnings need to follow for the move to have staying power.

The rotation was reinforced by a more dovish RBA tone, read by some as taking further rate hikes off the table.

That may prove right, but the domestic consumer slowdown is gaining pace as three prior rate hikes, the budget and falling house prices weigh on confidence and spending. We don't expect a collapse — employment remains elevated and the consumer has proven resilient so far — but further headwinds lie ahead for the sector. That's not a good sign for discretionary retail, housing construction or the banks. The latter have lifted provisions and now face softer lending volumes from lower confidence and potential increased competition in mortgage lending. To date business lending has remained very robust.

In the US, the standout source of economic activity remains the AI-driven data centre boom. Australia offers less direct listed exposure to this theme, though it benefits indirectly through Resources and global data centre builders, and we are now starting to see the emergence of local NeoCloud players.

Portfolio Positioning

Positioning the portfolio is not straightforward in this environment. It's too early to call with conviction whether earnings leadership will persist or rotate, so we remain focused on our bottom-up earnings insights, seeking quality stocks that are reasonably valued and undergoing positive earnings revisions. We remain open to small, opportunistic positions in stocks that have de-rated heavily but which we believe are unlikely to disappoint — though these make up only a small fraction of the portfolio.

Our main moves over recent weeks have been to further reduce the Resources overweight, reflecting less earnings upside in the sector. Within that, we have trimmed base metals and iron ore, while lifting our steel exposure. We have also further reduced our exposure to banks, insurers and telcos. These reductions have funded increases in a metals and chips recycler, a domestic NeoCloud player, diversified financials and defensive domestic discretionary exposures.

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

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