31 December 2025 – Factsheet

Centuria Lifegoals

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 31/12/2025	1 MTH	3 MTH	6 MTH	1 YR	2YR[1]	3YR[1]
Net returns (%)[2]	1.16%	-1.71%	0.38%	9.06%	9.63%	8.63%

Performance graph[3]

A $10,000 investment in Centuria Alphinity Sustainable Australian Shares Fund made at inception is worth $14,681 as of 31 December 2025 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.

For more information contact Centuria on **1300 50 50 50** or visit **lifegoals.centuria.com.au** to download the product disclosure statement. **Simple Flexible Versatile.**

Fund Commentary

The Fund lagged the market over the December quarter. The biggest contributors came from the miners RIO, Alcoa, and BHP, as well as avoiding gaming stock Aristocrat. Exposures to tech stocks Technology One (Software) and Life 360 (tracking app) detracted from performance, along with an overweight position in retailer JB Hi-Fi.

Market Outlook

We step into 2026 optimistic, though acutely aware that conditions can deteriorate swiftly. There's an uncomfortable déjà vu of early 2025's optimism, which soured rapidly after "Liberation Day's" tariff conflagration, but for now we err on the positive side.

The first half of 2026 looks genuinely promising. In the US, further Federal Reserve cuts are expected, the One Big Beautiful Bill is set to deliver tax relief, private sector job growth is recovering, AI capital expenditure continues its vertiginous climb with efficiency gains hopefully beginning to materialise, and a tariff truce with China provides welcome respite. Add to this the looming October mid-terms—effectively installing a "Trump Put" as the administration contemplates further largesse for consumers and voters alike.

In China, the next Five-Year Plan unveils in March with well-telegraphed (a term for veterans) commitments to maintain growth around 5%, whilst exports look set to remain robust. At home, the Australian economy continues to demonstrate resilience: immigration is running above pre-COVID levels, capital expenditure is lifting (Olympic prep, data centres build, energy transition, defence beef up), and the RBA—having pivoted from dovish to hawkish on the back of stubborn inflation—is now in observing mode.

The setting is encouraging, though elevated market valuations (the S&P trading at 23x versus a historical range of 15-20x) and a broadly constructive consensus keep us alert. Familiar risks warrant monitoring: persistently elevated inflation, a weakening US consumer (whose confidence continues to erode), eye-watering AI expenditure with mounting pressure to demonstrate adequate returns and the ever-present geopolitical uncertainties.

Yet notwithstanding these risks, fundamentals are improving. Global earnings revisions are trending upward—and pleasingly, not just for the Magnificent Seven but more broadly across Financials, Health Care, and Utilities. The same dynamic is unfolding in Australia. After years of relentless downgrades, Materials and, to a lesser extent, Financials (Banks, Insurance, and Diversified Financials) are leading an inflection that has brought the market PE back below 20x.

We expect Australian earnings to continue surprising to the upside, underpinning our constructive stance. The earnings leadership rotation toward Metals & Mining over the past quarter looks likely to extend well into the New Year as a potent combination—better-than-feared global demand, supply constraints, a weakening USD, and conservative sell-side commodity price expectations—sets the scene for further upgrades. Banks and diversified financials should also continue to surprise positively, albeit more modestly. A robust economy and higher-than-expected inflation bode well for their margins and investment returns.

The question we've been debating: which sectors or stocks fund this Metals & Mining rotation if not the banks and financials, as initially expected? The answer, we believe, lies in a combination of disappointments and expensive long-duration growth stocks—particularly Technology and Health Care. Whilst higher rates could create a consumer headwind, spending has held up with no clear signs of abating since the RBA's tone shift. Still, selectivity within Consumer Discretionary is essential.

We favour domestic retailers offering consumers good value and/or exposure to the undersupplied housing market, whilst continuing to avoid US discretionary names given ongoing pressure on lower- and middle-income consumers.

Portfolio Outlook

Consistent with the earnings leadership shift toward Metals & Mining—and our positive view on its sustainability—we've built a substantial overweight position. We favour base metals (aluminium and copper) and lithium, given tight demand-supply fundamentals and earnings upside. We express this through a mix of single-commodity producers and diversified miners. Whilst the latter have somewhat lagged the pure plays, we expect them to catch up. We also hold a modest iron ore overweight, as we believe the market is tighter than generally appreciated. Consistent with the earnings leadership shift toward Metals & Mining—and our positive view on its sustainability—we've built a substantial overweight position. We favour base metals (aluminium and copper) and lithium, given tight demand-supply fundamentals, and earnings upside. We express this through a mix of single-commodity producers and diversified miners. Whilst the latter have somewhat lagged the pure plays, we expect them to catch up. Finally, we also hold a modest iron ore overweight, as we believe the market is tighter than generally appreciated. On the Financials side, we've lifted our Banks exposure to a small overweight position, supported by ongoing positive earnings revisions.

We've continued to fund the rotation by trimming Technology and Health Care positions, as well as Insurers facing lower premium growth and elevated catastrophe claims. We've taken some profit in REITs and further reduced Consumer Staples and Discretionary exposure.

As we enter 2026, earnings revisions suggest we can lean into the market constructively with moderately higher cyclical exposure. Whilst sentiment has grown more volatile in recent years, we remain focused on the facts: earnings revisions. Any material deterioration in earnings revisions would prompt a reassessment. It is this laser focus on earnings changes that has helped us navigate varied market conditions successfully. Here's hoping 2026 is no different.

On behalf of the entire Alphinity team, we thank you for your ongoing support, and wish you and your loved ones a very happy and prosperous 2026.

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

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