Managed Volatility

ACADIAN GLOBAL MANAGED VOLATILITY EQUITY FUND - CLASS A

MARCH 2025

The Acadian Global Managed Volatility Equity Fund - Class A seeks to provide returns similar to those of a global equity index, but with significantly lower absolute volatility and superior downside protection, over the longer term. Limiting absolute risk has the potential to allow investors to compound wealth more efficiently and steadily than traditional capitalisation weighted indices. The option aims to perform in line with the MSCI All Country World Index over rolling three-year periods before fees.

APIR Code	FSF1240AU
Inception Date	19 January 2012
Management Cost	0.63%
Buy / Sell spread	0.05%
Exit Unit Price	1.7198
Product Size	$264 million
Benchmark	MSCI All-Country World Index

PERFORMANCE

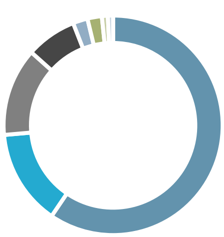
	FUND (GROSS)	FUND (NAV)	BENCHMARK	VALUE-ADDED VS. BENCHMARK
One-Month Return	-1.2	-1.2	-4.2	2.9
Three-Month Return	3.5	3.4	-2.0	5.3
Year-to-Date Return	3.5	3.4	-2.0	5.3
One Year Annualized Return	18.3	17.6	12.2	5.4
Three Year Annualized Return	15.0	14.3	13.8	0.6
Five Year Annualized Return	13.5	12.8	14.8	-2.0
Ten Year Annualized Return	10.4	9.8	11.1	-1.3
SINCE INCEPTION ANNUALIZED RETURN	13.5	12.8	14.0	-1.2
SINCE INCEPTION SHARPE RATIO	1.4	1.3	1.2	
SINCE INCEPTION BETA	0.7	0.7	1.0	

TOP TEN HOLDINGS

	% OF PORTFOLIO
APPLE INC	2.4
ALPHABET INC	1.5
ROYAL GOLD INC	1.5
MARSH & MCLENNAN COS INC	1.5
NVIDIA CORP	1.4
BERKSHIRE HATHAWAY INC	1.4
ABBOTT LABORATORIES	1.4
ROCHE HOLDING AG	1.4
MCKESSON CORP	1.4
KIMBERLY-CLARK CORP	1.4
NUMBER OF SECURITIES	356
% OF PORTFOLIO FOR TOP 10 CURRENT HOLDINGS	15.3
% OF NON-BENCHMARK PORTFOLIO HOLDINGS	25.6

CURRENT POSITIONING - REGION

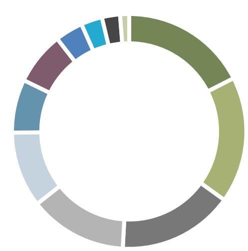
ABSOLUTE



NAM	58.9%
EUR	14.0%
EM	12.9%
JP	7.4%
ME	2.2%
AU/NZ	2.1%
UK	0.9%
HK/SG	0.8%

CURRENT POSITIONING - SECTOR

ABSOLUTE



TCH	17.3%
STP	17.2%
COM	15.8%
HTH	13.4%
FIN	10.3%
MAT	7.3%
IND	7.2%
DIS	3.8%
ENR	2.9%
REI	2.5%
UTL	1.2%

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Returns that include the most recent month are preliminary. All returns are calculated on an annualised basis using exit price to exit price with distributions reinvested, net of management costs, transaction costs. All return calculations exclude any individual taxes payable by the investor and all other fees and rebates disclosed in the relevant product disclosure statements available on our website or by calling us. The ‘distribution’ component is the amount paid by the way of distribution, which may include net realised capital gains. Portfolio holdings are subject to change and should not be considered a recommendation to buy or sell individual securities. Reference to the benchmark is for comparative purposes only and is not intended to indicate that the Fund will contain the same investments as the benchmark. Investors have the opportunity for losses as well as profits. Past performance is no guarantee of future results. Index Source: MSCI Copyright MSCI 2025. All Rights Reserved. Unpublished. PROPRIETARY TO MSCI.

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QUARTERLY REVIEW

Market Review

In Q1 2025, global equity markets experienced significant volatility amid a complex macroeconomic backdrop, falling 2.7% in the period. The frequent changes and announcements regarding tariffs created an atmosphere of uncertainty, rattling the markets and giving rise to fears of a recession. February saw the introduction of new tariffs on imports from Mexico, Canada, and China, which set the stage for continued market turbulence in March. The U.S. administration further announced tariffs on steel, aluminum, and automobiles, causing increased economic instability. Despite these headwinds, European markets remained resilient, driven by a boost in defense spending. Emerging markets outperformed the developed markets, led by strong performances from Chinese and Korean stocks. China's economy performed well, with strong retail sales and industrial output supporting asset markets. In response to the rising uncertainty, investors moved toward safe-haven assets, driving gold prices sharply higher toward the end of the quarter.

Fund Performance and Activity

The portfolio outperformed its benchmark[1] by 530 basis points for the quarter ending March 31, 2025. Stock selection and an underweight position in information technology contributed 199 basis points, led by a position in Nvidia. Meanwhile, stock selection in communication services contributed 179 basis points, owing primarily to a holding in Nos SGPS. This was partially offset by 49 basis points of negative returns from a combination of stock selection and an underweight position in energy, driven by a position in Exxon Mobil.*

Approximately 35% of the portfolio was held in the lowest beta stocks, compared to roughly 11% for the Index. The portfolio's allocation to the lowest beta quintile contributed 218 basis points. Meanwhile, gains from stock selection within this quintile (9 basis points) added to these returns to yield a net contribution of 228 basis points.

Key Holdings[2]

Positive

- A lack of exposure in Tesla Inc. was rewarded with 52 basis points of active return as share prices fell 33.5% during the quarter. The company recently reported a 13% year-over-year drop in Q1 deliveries, attributed to reduced sales in major markets. Furthermore, CEO Elon Musk's association with President Trump's administration led to public backlash, and the growing competition in the EV space also affected demand for Tesla's EVs. Investors were also cautious about the potential impact of President Trump's tariff policies on Tesla's supply chain.

Negative

- An overweight in NetApp, Inc. cost the portfolio 31 basis points of active return as share prices fell 22.9% in the period. Macroeconomic uncertainties led to reduced IT spending by consumers, which negatively impacted the company's margins. Meanwhile, management revised its fiscal 2025 outlook downward, citing the divestment of Spot by NetApp, foreign exchange headwinds, and global uncertainties.

Outlook and Strategy

Global markets opened the year on a positive footing, buoyed by initial optimism surrounding President Trump's second term. However, sentiment quickly shifted as markets reacted negatively to a series of policy announcements from the administration, particularly the rollout of new tariff measures. Much of the first quarter of 2025 was overshadowed by escalating trade tensions and fears of a broader trade war. In February, the U.S. imposed a 10% tariff on a range of Chinese imports, which was followed by an increase to 20% in March. In response, China levied retaliatory tariffs on a variety of U.S. goods—including energy—and introduced export restrictions on certain critical minerals. Additional friction arose as the U.S. extended 25% tariffs to Canadian and Mexican imports. Toward the end of the quarter, fresh announcements of 25% levies on imported automobiles and car parts further unsettled global markets.

The Organisation for Economic Co-operation and Development (OECD) expects global GDP growth to decelerate modestly from 3.2% in 2024 to 3.1% in 2025, and 3.0% in 2026. Recent indicators suggest a weakening global outlook, with both business and consumer confidence softening across multiple regions. The potential fragmentation of the global economy remains a key headwind to global economic growth. Furthermore, concerns over high trade barriers in many G20 economies and increased policy uncertainty are likely to continue to weigh on business investment and household spending this year.

The OECD also expects inflation to remain a pressing concern in many economies, with headline inflation rising again in several economies. While it projects overall inflation to remain higher than anticipated, prices are likely to moderate as economic growth slows. In the G20 economies, headline inflation is forecast to drop from 3.8% in 2025 to 3.2% in 2026. However, the underlying inflation is projected to stay above central bank targets in many countries in 2026.

The International Monetary Fund (IMF) believes that even a 10% rise in U.S. tariffs and the resulting reciprocal levies from the euro region and China are likely to reduce U.S. GDP by roughly 1% and global GDP by 0.5% by 2026. Experts opine that more than half of this decline would be driven by the negative sentiment related to increasing uncertainty around trade policies.

The U.S. Energy Information Administration (EIA) expects global oil inventories to contract in the second quarter of 2025, largely due to reduced output in Iran and Venezuela. As a result, Brent crude prices are forecast to rise from around $70 per barrel to $75 by the third quarter. However, inventories are projected to increase later in the year and into 2026, as OPEC+ begins to unwind production cuts and non-OPEC supply continues to grow.

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[1]MSCI All-Country World (net) from 2013-01-15, MSCI World (net) 2012-01-18 to 2013-01-14. [2]Top contributing/detracting individual positions over the period as measured by basis point impact. *This should not be considered a recommendation to buy or sell any specific security. Colonial First State Investments Limited ("CFS") is the responsible entity for this fund, ABN 98 002 348 352, AFS Licence 232468. You can find the target market determinations (TMD) for this fund at www.cfs.com.au/tmd, which include a description of who a financial product might suit. You should also read the relevant Product Disclosure Statement (PDS) and Financial Services Guide (FSG) carefully, assess whether the information is appropriate for you, and consider talking to a financial adviser before making an investment decision. You can get the PDS and FSG at www.cfs.com.au or by calling CFS on 13 13 36. The information provided has been prepared by Acadian from our internal records. It is not intended to replace the official records of your account that you receive directly from the custodian. You are encouraged to compare the information provided to you by Acadian to that provided by the custodian and to contact us with any questions. The specific countries, sectors, and individual stocks discussed herein are non-exclusive and are provided as representative of the portfolio's performance during the period. For a complete list of markets, sectors, and stocks in which the portfolio was invested during the period and the performance of each, please contact Acadian. Please note that Acadian's system of portfolio attribution uses certain estimates and assumptions and the calculations provided herein are based upon Acadian's internal records and not those maintained by the Custodian. Additional details about our method of calculation will be furnished upon request. Reference to the benchmark is for comparative purposes only and is not intended to indicate that the portfolio will or did contain the same investments as the benchmark. This review contains confidential information of Acadian Asset Management LLC. Market conditions are subject to change. Past performance is no guarantee of future returns. Attribution data is gross of fees.

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Please contact Mark Mukundan, SVP, Director, Wholesale Markets – 0411 615 685 or contact Acadian on (02) 9093 1000 or email us at australiaclientservice@acadian-asset.com

If you are a Personal Investor or Retail Client:

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