

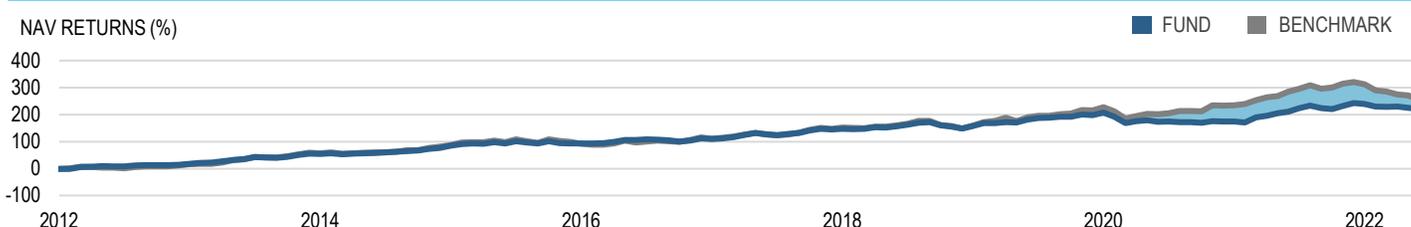
## ACADIAN GLOBAL MANAGED VOLATILITY FUND - CLASS A

JUNE 2022

The Acadian Global Managed Volatility 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.

<b>APIR Code</b>	FSF1240AU
<b>Inception Date</b>	19 January 2012
<b>Management Cost</b>	0.62%
<b>Buy / Sell spread</b>	0.05/0.05%
<b>Exit Unit Price</b>	1.5986
<b>Product Size</b>	\$244 million
<b>Benchmark</b>	MSCI All-Country World Index

### CUMULATIVE PERFORMANCE



### PERFORMANCE

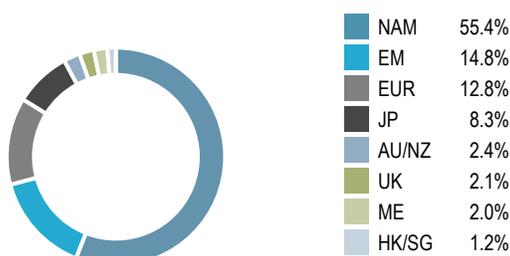
	FUND (NAV)	BENCHMARK	VALUE-ADDED VS. BENCHMARK
One Month Return	-1.4	-4.5	3.1
Three Month Return	-2.3	-7.9	5.6
Year-to-Date Return	-6.5	-15.6	9.1
One Year Annualized Return	3.2	-8.0	11.2
Three Year Annualized Return	4.4	6.9	-2.5
Five Year Annualized Return	7.1	9.4	-2.3
SINCE INCEPTION ANNUALIZED RETURN	11.8	12.9	-1.1
SINCE INCEPTION SHARPE RATIO	1.2	1.1	
SINCE INCEPTION BETA	0.7	1.0	

### TOP TEN HOLDINGS

	% OF PORTFOLIO
ALPHABET INC	2.0
APPLE INC	1.6
COLGATE-PALMOLIVE CO	1.5
KT CORP	1.5
AGRICULTURAL BANK OF CHINA LTD	1.5
NIPPON TELEGRAPH & TELEPHONE CORP	1.4
HERSHEY CO	1.4
MARSH & MCLENNAN COS INC	1.4
BANK OF CHINA LTD	1.4
VERIZON COMMUNICATIONS INC	1.4
NUMBER OF SECURITIES	395
% OF PORTFOLIO FOR TOP 10 CURRENT HOLDINGS	15.1
% OF NON-BENCHMARK PORTFOLIO HOLDINGS	27.9

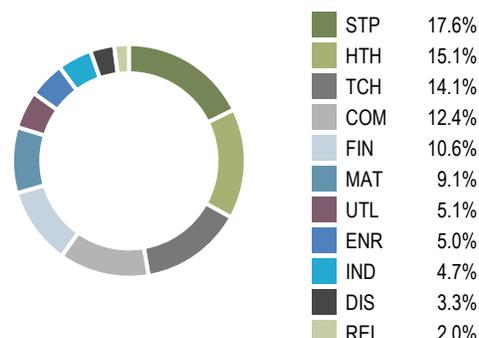
### CURRENT POSITIONING - REGION

ABSOLUTE



### CURRENT POSITIONING - SECTOR

ABSOLUTE



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# ACADIAN GLOBAL MANAGED VOLATILITY FUND - CLASS A

## QUARTERLY REVIEW

### Market Review

Global equities had a dismal second quarter, falling 14.3% in the period. This marked the eighth-largest quarterly decline for global stocks in the last 50 years. Notably, both developed and emerging markets lagged in the second quarter as historically high levels of inflation, further impacted by the prolonged Russia-Ukraine war and its impact on food and energy prices across the world, rattled world markets. Aggressive monetary tightening measures by central banks further stoked fears of a global decline. Both stocks and bonds fell as investors continued to price in future rate hikes and the ensuing risks of a recession. Anemic economic data from some major economies also dampened performance of global equities. Meanwhile, the International Monetary Fund (IMF) slashed its global growth forecast for this year by a full percentage point earlier in the quarter and is expected to revise it further downwards in the coming weeks. On the positive side, there was some respite for the markets as the COVID-19 restrictions in China were eased.

### Fund Performance and Activity

#### PORTFOLIO PERFORMANCE IN AUSTRALIAN DOLLARS

	SECOND QUARTER
Portfolio (gross of fees)	-2.1 <sup>1</sup>
Benchmark	-7.9

For the second quarter, the portfolio saw -2.1% of negative return, providing 5.8% of active returns relative to the cap-weighted benchmark<sup>2</sup>. A combination of stock selection and an underweight position in information technology added 145 basis points, led by a lack of exposure in Amazon. Stock selection in communication services contributed 124 basis points, owing primarily to a position in KT Corp. Offsetting these results to a degree was 24 basis points of negative return from a combination of stock selection and an overweight position in energy, driven by a position in South32 Ltd.\*

Approximately 44% of the portfolio was held in the lowest beta stocks, compared to roughly 18% for the index. The portfolio's allocation to the lowest beta quintile contributed 326 basis points and gains from stock selection within this quintile (+151 basis points) provided positive return, to yield a net contribution of 476 basis points.

### Key Holdings<sup>3</sup>

#### Positive

- Our lack of exposure in Amazon Inc., an international e-Commerce giant, was rewarded with 48 basis points of active return as share prices declined ca 33.2% over the quarter. Share prices slumped on the back of a decline in the top line growth of its core e-Commerce business. High fulfillment cost for its retail business also remained a concern.

#### Negative

- Our overweight to South32 Ltd, an Australia-based metals and mining company cost the portfolio 19 basis points of active return as share prices declined 18.9% over the quarter. Fears related to a global recession weighed on metal, particularly copper and zinc, and commodity prices and in turn dragged share prices lower.

### Outlook and Strategy

Rising inflation, the war in Ukraine, and recession fears have made for a season of anxiety. Many central banks are increasing rates in hopes of getting inflation under control. This comes with some risk, especially since global growth appears to be weakening. In Ukraine, it remains unclear when, how, or if a durable peace will be achieved. In addition to the human cost, this has also led to upheaval in the commodity markets and a dampening of economic growth. Six months ago, the OECD predicted that 2022 was on track for mid-4% global growth; now that figure is a less buoyant 3%. The OECD cites the war in Ukraine and China's zero COVID policy as the primary causes for the dramatic reduction in expectations. Inflation, brought on by a range of factors, including supply-chain problems and surging commodity prices, has risen to levels not seen in years. There are signs of some relief here: commodity prices have retreated somewhat of late and data from the New York Fed tentatively suggests the global supply-chain pressures may have already peaked. In the U.S., inflation rose to 8.6%. In the euro zone, the inflation rate is 8.1%. Across the OECD as a whole, average inflation in April (the most recent month available) rose to 9.2%. Investors are left to wonder whether inflation can be subdued without inducing a recession.

<sup>1</sup>Returns for fund KGSS28 as reported by the Administrator (Colonial First State) and are not calculated by Acadian. <sup>2</sup>MSCI All-Country World (net) from 2013-01-15, MSCI World (net) 2012-01-18 to 2013-01-14. <sup>3</sup>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 is the responsible entity for this fund, ABN 98 002 348 352 AFS Licence 232468. Please refer to the latest Product Disclosure Statement available on the following website <http://www.colonialfirststate.com.au> for the terms and conditions of investing into the fund. 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.

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Please contact Mark Mukundan, VP, Product and Wholesale Markets – 0411 615 685 or contact Acadian on (02) 9093 1000 or email us at [australiaclientservice@acadian-asset.com.au](mailto:australiaclientservice@acadian-asset.com.au)

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