

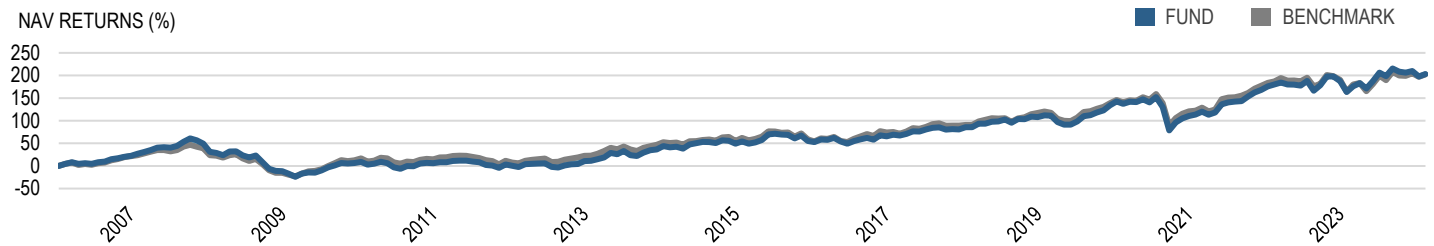
# ACADIAN WHOLESALE AUSTRALIAN EQUITY LONG SHORT FUND

JUNE 2023

The Acadian Wholesale Australian Equity Long Short Fund seeks to maximise risk-adjusted, long-term returns by investing in undervalued stocks and short selling overvalued stocks listed on the Australian Securities Exchange while carefully controlling portfolio risk and transaction costs. The option aims to outperform the S&P/ASX 300 Accumulation Index over rolling four year periods before fees and taxes.

<b>APIR Code</b>	FSF0789AU
<b>Inception Date</b>	27 February 2006
<b>Management Cost</b>	0.75%
<b>Buy / Sell spread</b>	0.15/0.15%
<b>Exit Unit Price</b>	1.485
<b>Product Size</b>	\$122 million
<b>Benchmark</b>	S&P / ASX 300 Accumulation Index

## CUMULATIVE PERFORMANCE



## PERFORMANCE

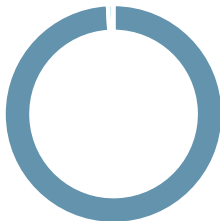
	FUND (NAV)	BENCHMARK	VALUE-ADDED VS.BENCHMARK
One Month Return	1.8	1.7	0.1
Three Month Return	-1.0	1.0	-2.0
Year-to-Date Return	1.5	4.4	-2.9
One Year Annualized Return	15.1	14.4	0.7
Three Year Annualized Return	13.0	11.1	1.9
Five Year Annualized Return	7.7	7.1	0.6
Ten Year Annualized Return	9.5	8.5	1.0
SINCE INCEPTION ANNUALIZED RETURN	6.6	6.6	0.0

## TOP TEN HOLDINGS

	% OF PORTFOLIO
BHP GROUP LTD	11.4
COMMONWEALTH BANK OF AUSTRALIA	6.1
AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED	4.7
CSL LTD	4.6
MACQUARIE GROUP LTD.	4.2
TELSTRA GROUP LTD	3.5
WESTPAC BANKING CORPORATION	2.9
NATIONAL AUSTRALIA BANK LIMITED	2.6
BRAMBLES LTD	2.4
ARISTOCRAT LEISURE LTD	2.4
NUMBER OF SECURITIES	177
% OF PORTFOLIO FOR TOP 10 CURRENT HOLDINGS	44.9
% OF NON-BENCHMARK PORTFOLIO HOLDINGS	6.2

## CURRENT POSITIONING - REGION

% OF GROSS EXPOSURE



<span style="color: #0070C0;">■</span> AU/NZ	99.2%
<span style="color: #00AEEF;">■</span> NAM	0.7%
<span style="color: #666666;">■</span> UK	0.2%

## CURRENT POSITIONING - SECTOR

% OF GROSS EXPOSURE



<span style="color: #669933;">■</span> FIN	22.4%
<span style="color: #999933;">■</span> MAT	21.2%
<span style="color: #666666;">■</span> IND	10.0%
<span style="color: #999999;">■</span> DIS	9.1%
<span style="color: #999999;">■</span> REI	8.9%
<span style="color: #0070C0;">■</span> HTH	7.6%
<span style="color: #800000;">■</span> COM	7.2%
<span style="color: #0000FF;">■</span> TCH	5.4%
<span style="color: #00AEEF;">■</span> STP	4.7%
<span style="color: #333333;">■</span> ENR	3.1%
<span style="color: #999933;">■</span> UTL	0.5%

This strategy is accessible through a fund. 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 and Target Market Determination document available on the following website <http://www.colonialfirststate.com.au> for the terms and conditions of investing into the fund. 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. Past performance may differ significantly from future performance due to market volatility. Index Source: Copyright © 2023, Standard & Poor's Financial Services LLC. All rights reserved.

# ACADIAN WHOLESALE AUSTRALIAN EQUITY LONG SHORT FUND

## QUARTERLY REVIEW

### Fund Performance and Activity

The Portfolio returned -0.98%, 15.05%, 7.73% and 9.51% net of fees for the quarterly, 1-, 5-, and 10-year periods, versus returns of 0.99%, 14.40%, 7.11% and 8.54% for the S&P/ASX 300 Accumulation Index. Stock selection detracted from returns, while sector allocations were negative.

Key sources of negative active return included a combination of stock selection and an overweight position in materials, stock selection in consumer staples, and a combination of stock selection and an underweight position in real estate. Leading declines within these sectors respectively included a position in South32, a holding in Treasury Wine Estates, and an investment in Vicinity. Contributors included stock selection in health care, stock selection in consumer discretionary, and stock selection in financials. Leading advances within these sectors in turn included a net short position in Ramsay Health Care, a net short position in Baby Bunting Group, and a net short position in Bank of Queensland.\*

### Key Holdings<sup>1</sup>

#### Positive

- Our overweight to WiseTech Global Ltd, a provider of software solutions to the logistics execution industry, was rewarded with 19 basis points of active return as share prices gained 21.8% over the quarter. The company anticipates its FY23 revenue to grow 26%-30% from the last financial year to \$790 million–\$822 million. It continues to benefit from investment in in-house R&D and strategic acquisitions.

#### Negative

- Our off-benchmark exposure to Myer Holdings Ltd, an operator of department stores in Australia, cost the portfolio 20 basis points of active return as share prices slumped 31.8% in the period. The company continued to reel from the impact of foreign currency fluctuations amid a rising rate environment. Low household spending in Australia remained another major challenge.

### Market Review

Australian equities (S&P/ASX 300 Accumulation Index) rose almost 1% in Q2 2023 on a resilient global economy and peaking inflation. After the leaving the cash rate unchanged in April, the Reserve Bank of Australia (RBA) hiked rates twice in the following months, by 25bps, leaving it at 4.10% by the end of the quarter. The RBA believes that this would provide “greater confidence” that inflation would likely fall to the target range within a reasonable timeframe. The board remains committed to bringing inflation back to the 2%-3% target range and the central bank believes that future hikes would depend on how the inflation outlook changes. Annual inflation in Australia, meanwhile, stood at 7% and was believed to have peaked. Goods price inflation is expected cool over the next few months on soft global and domestic demands. Australia’s manufacturing sector woes continued in the second quarter, with the Manufacturing PMI declining to 48.2 by the end of Q2 – a level that is historically associated with a cyclical slowdown in manufacturing activity. Australian consumer sentiment soured during the quarter due to two back-to-back rate hikes that left the consumers worried about the state of unemployment amid expectations of further tightening by the central bank. The Westpac-Melbourne Institute index of consumer sentiment stood at near recession lows at 79.2 by the end of the period. This indicates that a greater number of consumers remained pessimistic about the outlook of the economy. Notably, the labour market conditions eased a bit, however, they remained very tight. As of the last reporting in May, the unemployment rate fell slightly to 3.6%. Australian companies reported labour shortages were easing, however, job vacancies and advertisements remained at record levels.

From a sector perspective, information technology (+18.48%) was the largest contributor, whereas utilities (+5.46%) was the second-largest performer. Meanwhile, healthcare stocks (-2.59%) fell the most during the period.

### Market Outlook and Strategy

Policymakers continue to face a stiff challenge of restoring price stability without kneecapping economic growth. Inflation rates have come down, but in many regions, they remain well above central banks’ target levels. The OECD forecasts below-trend global growth of 2.7% in 2023, followed by 2.9% in 2024. The euro area has slipped into recession, partly due to high food and energy costs. Commodity prices have been falling, and that should also help in the fight against inflation. Energy prices, in particular, have declined significantly in recent months, with Brent crude trading at \$74 currently, down from \$86 at the start of the year (and \$122 last June). The composition of inflation may be decisive in the months ahead. Will core inflation prove to be “stickier” than headline inflation has been? Meanwhile, the Reserve Bank of Australia (RBA) acknowledges that expectations of the ongoing high inflation levels might contribute to further growth in prices and wages, given the unemployment rate remains at historically low levels. The RBA has maintained its stance that it will tackle rising price in the country through a tight monetary policy while stimulating economic activity through careful investments. However, high prices and cost-of-living pressures continue to weigh on household spending.

---

<sup>1</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 License 232468. Please refer to the latest Product Disclosure Statement and Target Market Determination document 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. Attribution data is gross of fees.

## WANT MORE INFORMATION?

### If you are a Financial Adviser or Wholesale Client:

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](mailto:australiaclientservice@acadian-asset.com)

### If you are a Personal Investor or Retail Client:

Speak with your Financial Adviser about the suitability of our products, in light of your investment needs, objectives and financial situation. Please read the product disclosure statement (PDS) and Target Market Determination (TMD) document for the Fund issued by Colonial First State Investments Limited (ABN 98 002 348 352, AFSL 232468) before making an investment decision. You can download the PDS and TMD from <https://www3.colonialfirststate.com.au/personal/resources/pds.html> or contact Colonial on 13 18 36 (8am to 7pm Sydney time)

This material has been prepared by and is issued by Acadian Asset Management LLC and Acadian Asset Management (Australia) Limited, collective referred to in this material as Acadian. This material is directed at persons who are professional, sophisticated or wholesale clients and has not been prepared for and is not intended for persons who are retail clients and must not be reproduced or transmitted in any form without the prior written consent of Acadian. This material contains general information only. It is not intended to provide you with financial product advice and does not take into account your objectives, financial situation or needs.

Before making an investment decision, you should consider whether this information is appropriate in light of your investment needs, objectives and financial situation. Total returns shown for the Fund or any Portfolio have been calculated using exit prices after taking into account all ongoing fees and assuming reinvestment of distributions. Past performance is no indication of future performance. Past performance may differ significantly from future performance due to market volatility. The product disclosure statement (PDS) for the Acadian Wholesale Australian Equity Long Short Fund, FSF0789AU (Fund) issued by Colonial First State Investments Limited (ABN 98 002 348 352, AFSL 232468) (CFSIL) should be considered before making an investment decision. CFSIL is a subsidiary of the Commonwealth Bank of Australia (Bank). The Bank and subsidiaries thereof do not guarantee the performance of the Fund or the repayment of capital by the Fund. Investments in the Fund are not deposits or other liabilities of the Bank or its subsidiaries, and investment-type products are subject to investment risk including loss of income and capital invested. To the extent permitted by law, no liability is accepted by the Bank or any affiliates thereof for any loss or damage as a result of any reliance on this information. This information is, or is based upon, information that we believe to be accurate and reliable, however neither Acadian, the Bank nor any affiliates thereof offer any warranty that it contains no factual errors. In Australia 'Colonial', 'Colonial First State' and 'CFS' are trade marks of Colonial Holding Company Limited and 'Colonial First State Investments' is a trade mark of the Bank and all of these trade marks are used by Acadian under license. Copyright © Acadian Asset Management LLC 2023 All rights reserved.

## GENERAL LEGAL DISCLAIMER

These materials provided herein may contain material, non-public information within the meaning of the United States Federal Securities Laws with respect to Acadian Asset Management LLC, BrightSphere Investment Group Inc. and/or their respective subsidiaries and affiliated entities. The recipient of these materials agrees that it will not use any confidential information that may be contained herein to execute or recommend transactions in securities. The recipient further acknowledges that it is aware that United States Federal and State securities laws prohibit any person or entity who has material, non-public information about a publicly-traded company from purchasing or selling securities of such company, or from communicating such information to any other person or entity under circumstances in which it is reasonably foreseeable that such person or entity is likely to sell or purchase such securities.

Acadian provides this material as a general overview of the firm, our processes and our investment capabilities. It has been provided for informational purposes only. It does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe or to purchase, shares, units or other interests in investments that may be referred to herein and must not be construed as investment or financial product advice. Acadian has not considered any reader's financial situation, objective or needs in providing the relevant information.

The value of investments may fall as well as rise and you may not get back your original investment. Past performance is not necessarily a guide to future performance or returns. Acadian has taken all reasonable care to ensure that the information contained in this material is accurate at the time of its distribution, no representation or warranty, express or implied, is made as to the accuracy, reliability or completeness of such information.

This material contains privileged and confidential information and is intended only for the recipient/s. Any distribution, reproduction or other use of this presentation by recipients is strictly prohibited. If you are not the intended recipient and this presentation has been sent or passed on to you in error, please contact us immediately. Confidentiality and privilege are not lost by this presentation having been sent or passed on to you in error.

Acadian's quantitative investment process is supported by extensive proprietary computer code. Acadian's researchers, software developers, and IT teams follow a structured design, development, testing, change control, and review processes during the development of its systems and the implementation within our investment process.

These controls and their effectiveness are subject to regular internal reviews, at least annual independent review by our SOC1 auditor. However, despite these extensive controls it is possible that errors may occur in coding and within the investment process, as is the case with any complex software or data-driven model, and no guarantee or warranty can be provided that any quantitative investment model is completely free of errors.

Any such errors could have a negative impact on investment results.

We have in place control systems and processes which are intended to identify in a timely manner any such errors which would have a material impact on the investment process.

Acadian Asset Management LLC has wholly owned affiliates located in London, Singapore, and Sydney. Pursuant to the terms of service level agreements with each affiliate, employees of Acadian Asset Management LLC may provide certain services on behalf of each affiliate and employees of each affiliate may provide certain administrative services, including marketing and client service, on behalf of Acadian Asset Management LLC.

Acadian Asset Management LLC is registered as an investment adviser with the U.S. Securities and Exchange Commission. Registration of an investment adviser does not imply any level of skill or training.

Acadian Asset Management (Singapore) Pte Ltd, (Registration Number: 199902125D) is licensed by the Monetary Authority of Singapore.

Acadian Asset Management (Australia) Limited (ABN 41 114 200 127) is the holder of Australian financial services license number 291872 ("AFSL"). It is also registered as an investment adviser with the U.S. Securities and Exchange Commission. Under the terms of its AFSL, Acadian Asset Management (Australia) Limited is limited to providing the financial services under its license to wholesale clients only. This marketing material is not to be provided to retail clients.

Acadian Asset Management (UK) Limited is authorized and regulated by the Financial Conduct Authority ('the FCA') and is a limited liability company incorporated in England and Wales with company number 05644066. Acadian Asset Management (UK) Limited will only make this material available to Professional Clients and Eligible Counterparties as defined by the FCA under the Markets in Financial Instruments Directive.



GLOBAL AFFILIATES

Boston London Singapore Sydney

ACADIAN-ASSET.COM