

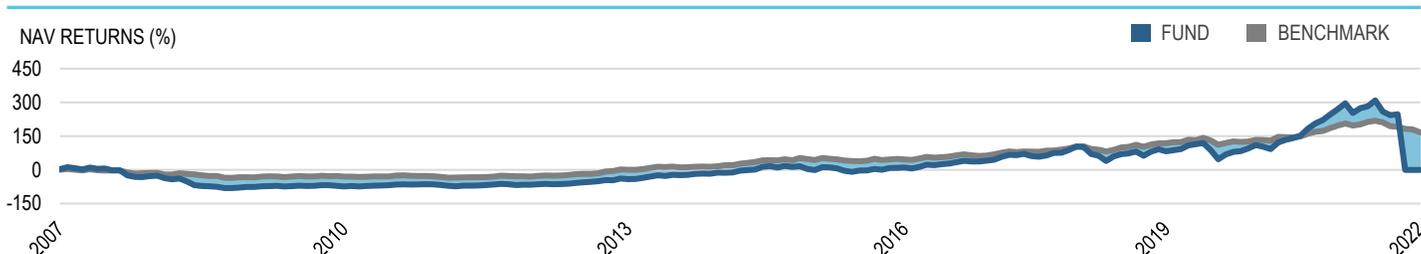
# ACADIAN WHOLESALE GEARED SUSTAINABLE GLOBAL FUND

JUNE 2022

The Acadian Wholesale Geared Sustainable Global Fund seeks to maximise risk-adjusted, long-term returns by borrowing to invest in stocks from around the world, while carefully controlling portfolio risk and transaction costs. The option aims to outperform the MSCI World (ex Australia) Index over rolling seven-year periods before fees and taxes.

**APIR Code** FSF0891AU  
**Inception Date** 16 April 2007  
**Management Cost** 1.22% / 2.70%  
**Buy / Sell spread** 0.05 - 0.15%  
**Exit Unit Price** 0.8246  
**Product Size** \$582 million  
**Benchmark** MSCI World ex-AU Index

## CUMULATIVE PERFORMANCE



## PERFORMANCE

	FUND (NAV)	BENCHMARK	VALUE-ADDED VS.BENCHMARK
One Month Return	-17.3	-4.6	-12.7
Three Month Return	-26.5	-8.4	-18.1
Year-to-Date Return	-37.7	-16.1	-21.6
One Year Annualized Return	-26.4	-6.5	-19.9
Three Year Annualized Return	12.2	7.8	4.4
Five Year Annualized Return	13.2	10.1	3.1
SINCE INCEPTION ANNUALIZED RETURN	6.4	6.7	-0.3

## TOP TEN HOLDINGS

	% OF PORTFOLIO
MICROSOFT CORP	4.0
ALPHABET INC	3.4
APPLE INC	3.3
PEPSICO INC	2.7
MCKESSON CORP	2.1
MOLINA HEALTHCARE INC	2.0
ACCENTURE PLC	2.0
WW GRAINGER INC	1.9
REGENERON PHARMACEUTICALS INC	1.9
ORACLE CORP	1.9
NUMBER OF SECURITIES	310
% OF PORTFOLIO FOR TOP 10 CURRENT HOLDINGS	25.1
% OF NON-BENCHMARK PORTFOLIO HOLDINGS	22.6

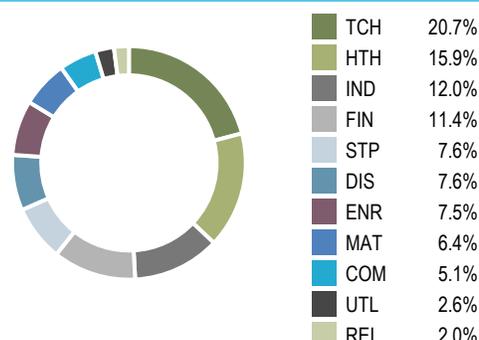
## CURRENT POSITIONING - REGION

ABSOLUTE



## CURRENT POSITIONING - SECTOR

ABSOLUTE



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# ACADIAN WHOLESALE GEARED SUSTAINABLE GLOBAL FUND

## QUARTERLY REVIEW

### Fund Performance and Activity

The fund returned -14.6%<sup>1</sup> in the June quarter, underperforming the index<sup>2</sup> by 6.2%. The underlying portfolio outperformed its benchmark\* by 0.4% over the quarter, therefore the impact of gearing was the driver of the underperformance. Stock selection contributed to return, while country allocations were positive.

Key sources of positive active return included stock selection in the United States, an opportunistic exposure to China, and stock selection in Austria. Leading advances within these markets respectively included a position in McKesson, a holding in Orient O/seas Intl Usd0.10, and an investment in OMV. Detractors included a combination of stock selection and an underweight position in France, a combination of stock selection and an underweight position in the United Kingdom, and stock selection in Denmark. Leading declines within these markets in turn included a position in STMicroelectronics, a lack of exposure to AstraZeneca, and an investment in AP Moller - Maersk.\*

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

#### Positive

Our overweight to McKesson Corp, a provider of healthcare services, was rewarded with 43 basis points of active return as share prices gained 2.3% over the quarter. In the most recently reported quarter, the company's total revenues jumped 12% from a year ago to \$66.1 billion. For Fiscal 2023, McKesson expects Adjusted Earnings per Diluted Share to be in the range of \$22.90 to \$23.60 on the back of operating momentum and prudent capital deployment activities.

#### Negative

Our overweight to Robert Half International, a provider of staffing and risk consulting services, cost the portfolio 33 basis points of active return as share prices declined 30.8% in the period. Recessionary fears weighed on the share prices. Increased costs related to staff compensation and technology initiatives also hindered stock performance.

### 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.

### 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.

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<sup>1</sup>Returns for fund reported by the Administrator (Colonial First State) and are not calculated by Acadian. <sup>2</sup>MSCI World ex-AU (net). <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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