

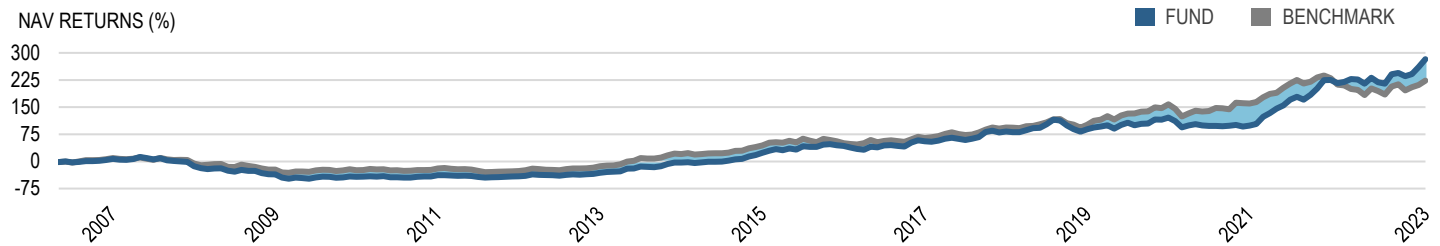
# ACADIAN WHOLESALE GLOBAL EQUITY LONG SHORT FUND

MARCH 2023

The Acadian Wholesale Global Equity Long Short Fund seeks to maximise risk-adjusted, long-term returns by investing in undervalued stocks and short selling overvalued stocks from around the world, while carefully controlling portfolio risk and transaction costs. The option aims to outperform the MSCI World Index over rolling four-year periods before fees and taxes.

**APIR Code** FSF0788AU  
**Inception Date** 04 May 2006  
**Management Cost** 0.91%  
**Buy / Sell spread** 0.05%/0.05%  
**Exit Unit Price** 3.1428  
**Product Size** \$168 million  
**Benchmark** MSCI World Index

## CUMULATIVE PERFORMANCE



## PERFORMANCE

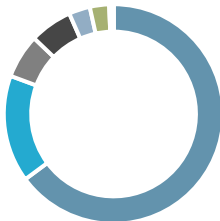
	FUND (NAV)	BENCHMARK	VALUE-ADDED VS.BENCHMARK
One Month Return	6.0	3.8	2.2
Three Month Return	14.0	9.1	4.9
Year-to-Date Return	14.0	9.1	4.9
One Year Annualized Return	19.7	4.3	15.4
Three Year Annualized Return	25.4	13.0	12.4
Five Year Annualized Return	16.2	11.0	5.2
Ten Year Annualized Return	18.2	13.8	4.4
SINCE INCEPTION ANNUALIZED RETURN	8.3	7.2	1.1

## TOP TEN HOLDINGS

	% OF PORTFOLIO
APPLE INC.	4.2
ALPHABET INC.	3.0
AMAZON.COM INC	2.4
NOVO NORDISK A S	2.0
CISCO SYSTEMS INC.	1.9
NVIDIA CORP.	1.8
BHP GROUP LTD	1.7
SIEMENS AG	1.6
INDUSTRIA DE DISENO TEXTIL SA	1.6
AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED	1.5
NUMBER OF SECURITIES	247
% OF PORTFOLIO FOR TOP 10 CURRENT HOLDINGS	21.7
% OF NON-BENCHMARK PORTFOLIO HOLDINGS	62.8

## CURRENT POSITIONING - REGION

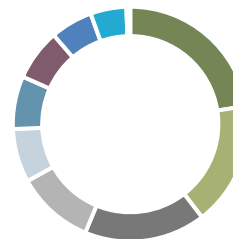
% OF GROSS EXPOSURE



NAM	64.5%
EUR	15.7%
EM	6.5%
AU/NZ	6.2%
UK	3.1%
ME	2.8%
JP	0.6%
HK/SG	0.0%

## CURRENT POSITIONING - SECTOR

% OF GROSS EXPOSURE



TCH	22.5%
IND	17.0%
DIS	16.7%
HTH	10.7%
FIN	7.4%
MAT	7.3%
ENR	7.1%
COM	5.8%
STP	4.9%
UTL	0.3%
REI	0.3%

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## QUARTERLY REVIEW

### Fund Performance and Activity

The Portfolio returned 14.00%, 19.67%, 16.16% and 18.22% net of fees for the quarterly, 1,5, and 10-year periods, versus returns of 9.08%, 4.25%, 10.97% and 13.77% for the benchmark<sup>1</sup>. Stock selection contributed to returns, while country allocations were negative.

Key sources of positive active return included a combination of stock selection and an underweight position in the United States, a combination of stock selection and an overweight position in France, and a combination of stock selection and an overweight position in Spain. Leading advances within these markets respectively included a position in Inter Parfums, a holding in Hermes International, and an investment in Industria de Diseno Textil. Detractors included stock selection in the United Kingdom, a combination of stock selection and an overweight position in Switzerland, and stock selection in Norway. Leading declines within these markets in turn included a net short position in ASOS, a holding in Roche Holding, and an investment in Equinor.\*

### Key Holdings<sup>2</sup>

#### Positive

Our out of benchmark exposure to Inter Parfums, Inc., a manufacturer and distributor of a range of fragrances and fragrance related products, was rewarded with 42 basis points of active return as share prices rallied 47.2% over the quarter. The company has been benefiting from its strategic partnerships and strength in its brand performance. It expects net sales in 2023 to be \$1.2 billion, up 10% from 2022.

#### Negative

Our underweight to NVIDIA Corp., an artificial intelligence computing company, cost the portfolio 47 basis points of active return as share prices rallied 87.4% over the quarter. The company has been benefiting from growth opportunities in ray-traced gaming, rendering, high-performance computing, AI and self-driving cars. A surge in Hyperscale demand also boosted its shares.

### Market Review

Global equities gained 7.4% in the first quarter after rallying in January and March and selling off in February. In a familiar pattern, developed and emerging markets also outperformed in the first quarter. Although energy and food prices eased, the central banks kept raising rates as inflation remained well above their target rate. Geopolitical tensions persisted, with no end in sight to the Russia-Ukraine war and the U.S.-China tensions continuing after the 'spy balloon' controversy. The reopening of the Chinese economy boosted the global markets. Markets remained resilient amid weak economic forecasts and the current banking turmoil. Stocks gained due to ebbing fears of inflation and falling energy prices across the globe. There was some financial turbulence after Silicon Valley Bank (SVB) was shut down by the California Department of Financial Protection and Innovation. Losses from the realization of interest rate risks related to securities held by SVB rattled the markets. The Swiss government brokered the rescue of Credit Suisse by UBS. Timely intervention of the US government and the Fed to resolve the banking crisis boosted investors' confidence. Inflation in Eurozone eased on declining energy prices. Fears that high prices might force the European Central Bank (ECB) to continue hiking rates, weigh on the sentiments.

### Outlook and Strategy

In Q1, central banks continued to hike rates in order to control inflation. Financial markets remain highly sensitive to both evidence of progress and messaging from policy makers as investors continuously reassess the likely impact of monetary policy on economic growth and corporate earnings. Currently, the OECD projects that G20 inflation will fall from 8.1% in 2022 to 5.9% in 2023, and GDP growth will slow from 3.1% to 2.6%. March brought turmoil in the banking sector. In the U.S., the collapse of Silicon Valley Bank, whose bond portfolio lost value as rates rose, brought disruption to regional banks and the financial sector more broadly. In Europe, UBS took over troubled rival Credit Suisse. The Swiss regulator's treatment of creditors prompted criticism in some quarters since Credit Suisse's additional tier one bonds were wiped out even as the supposedly subordinate equity of the common shareholders was preserved. Despite commonalities, these two high-profile collapses arose from different contexts. Credit Suisse had been weakened by years of regulatory and operational issues, while Silicon Valley Bank's problems were more recent and stemmed from failure to manage its interest rate and liquidity risks.

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<sup>1</sup>MSCI World Index (net). <sup>2</sup>Top contributing/detracting individual positions over the period as measured by basis point impact. For illustrative purposes only. \*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 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.

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