

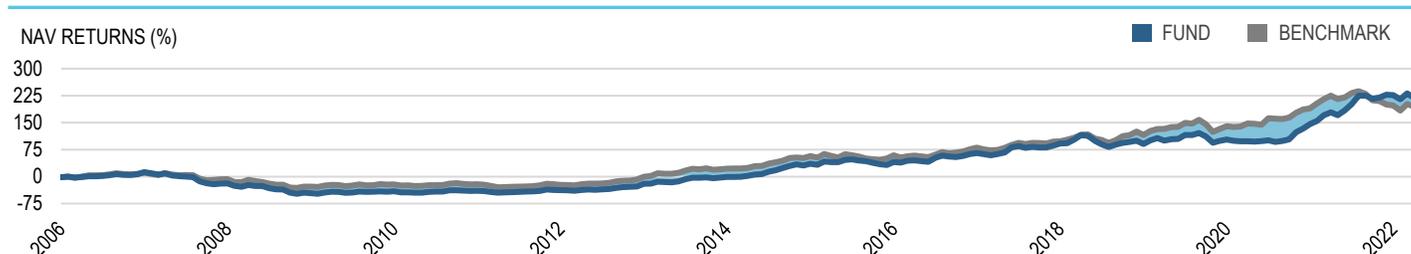
# ACADIAN WHOLESALE GLOBAL EQUITY LONG SHORT FUND

SEPTEMBER 2022

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** 2.636  
**Product Size** \$119 million  
**Benchmark** MSCI World Index

## CUMULATIVE PERFORMANCE



## PERFORMANCE

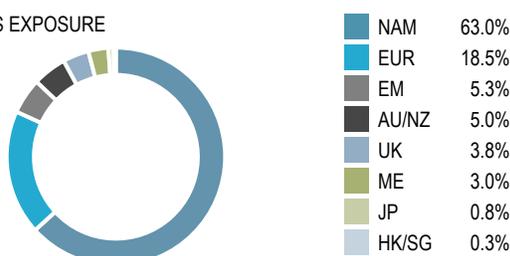
	FUND (NAV)	BENCHMARK	VALUE-ADDED VS.BENCHMARK
One Month Return	-1.3	-3.3	2.0
Three Month Return	-0.1	0.3	0.4
Year-to-Date Return	-3.1	-15.7	12.6
One Year Annualized Return	16.3	-9.7	26.0
Three Year Annualized Return	15.5	6.2	9.3
Five Year Annualized Return	13.4	9.6	3.8
Ten Year Annualized Return	17.3	13.4	3.9
SINCE INCEPTION ANNUALIZED RETURN	7.2	6.6	0.6

## TOP TEN HOLDINGS

	% OF PORTFOLIO
APPLE INC	5.8
ALPHABET INC	3.2
AMAZON.COM INC	2.9
BERKSHIRE HATHAWAY INC	2.2
ROCHE HOLDING AG	2.1
MICROSOFT CORP	1.9
SHELL PLC	1.8
NOVO NORDISK A S	1.7
WOLTERS KLUWER NV	1.5
MCKESSON CORP	1.5
NUMBER OF SECURITIES	236
% OF PORTFOLIO FOR TOP 10 CURRENT HOLDINGS	24.8
% OF NON-BENCHMARK PORTFOLIO HOLDINGS	59.5

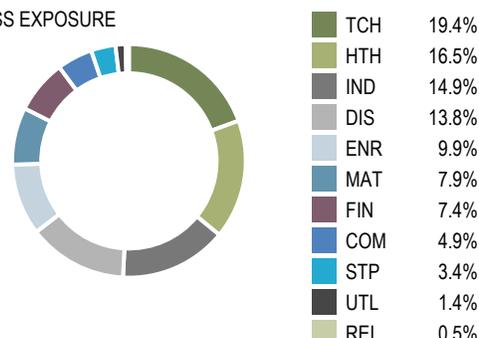
## CURRENT POSITIONING - REGION

% OF GROSS EXPOSURE



## CURRENT POSITIONING - SECTOR

% OF GROSS EXPOSURE



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# ACADIAN WHOLESALE GLOBAL EQUITY LONG SHORT FUND

## QUARTERLY REVIEW

### Fund Performance and Activity

The portfolio returned 0.2%<sup>1</sup> for the quarter (gross of fees) versus a 0.3% return for the benchmark<sup>2</sup>, underperforming by 0.1% for the quarter ending September 30, 2022. Stock selection contributed to returns, while country allocations were negative.

Key sources of negative active return included a combination of stock selection and an underweight position in the United States, a combination of stock selection and a net short position in Singapore, and an opportunistic exposure to Poland. Leading declines within these markets respectively included a net short position in SkyWater Technology, a net short position in Maxeon Solar Technologies Ord Shs, and an investment in PGE Polska Grupa Energetyczna. Contributors included a combination of stock selection and an underweight position in Switzerland, an opportunistic exposure to China, and stock selection in Germany. Leading advances within these markets in turn included a net short position in Zur Rose Group, a holding in Orient Overseas International, and a net short position in About You Holding.

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

#### Positive

Our out of benchmark exposure to Resolute Forest Products Inc., a Canada-based pulp and paper company, was rewarded with 45 basis points of active return as share prices gained 39.6% over the quarter. In the most recently reported quarter, the company's net income came in at \$256 million. It has also entered into an agreement to be acquired by the Paper Excellence Group.

#### Negative

Our overweight to GSK Plc, a global pharmaceutical and biotechnology company, cost the portfolio 39 basis points of active return as share prices declined 30.9% in the period. Generic competition to its key drugs such as Advair continues to weigh on GSK's top-line growth. The company also expects to report lower revenue growth in the second half of this year due to high R&D expenditures.

### Market Review

In a volatile third quarter, global equities fell 4.4%. After rallying in July, world stocks lost a whopping \$9 trillion in value during the sell-off in August and September. In a familiar pattern, mounting inflation, rising COVID-19 cases in China, a surging U.S. dollar, and escalating trade concerns with Russia weighed on the global markets. Major central banks across the world hiked interest rates to curb inflation, despite fears that this could tip the global economy into a recession. In particular, the Fed continued its aggressive rate hiking, sending global markets into turmoil. As estimates for the Eurozone's inflation rate rose to 9.6% due to surging food and energy prices, the European Central Bank also raised its key interest rate by 75 bps. In addition, Russia halted gas flows to Germany via Nord Stream 1, further intensifying European energy concerns. Meanwhile, a slowdown in China's property sector and declining factory activity has weighed on its economic growth, impacting emerging markets.

### Outlook and Strategy

After rallying to start the second half of the year, global stocks fell for much of September, as concerns over aggressive central bank tightening as well as ongoing geopolitical issues weighed on global growth expectations. The OECD noted that world economies are slowing more than it had previously anticipated. As of September, it estimated global GDP growth of 3% in 2022 and only 2.25% in 2023. In the U.S., the equity market's slide reflected growing resignation among investors that the Federal Reserve is unlikely to soften its hawkish stance until there is significant evidence that inflation is truly in check. The dollar has risen significantly as the Fed has rapidly pushed U.S. rates higher. That, combined with anxiety about a global slowdown, has caused commodity prices to fall. Oil, which had traded above \$120 (WTI) as recently as June, retreated below \$80 by quarter end. Russian oil continued to be purchased – at discounted prices – by China and India. The war in Ukraine continued to dominate geopolitical headlines. By quarter end, Russian President Vladimir Putin had announced a partial mobilization of Russian forces, which was soon followed by the annexation of four Ukrainian provinces. The two Nord Stream pipelines, which send natural gas from Russia to Germany, ruptured in late September. While neither pipeline was operational at the time, the mysterious event further underscored the fragility of Europe's energy security.

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<sup>1</sup>Returns for this fund reported by the Administrator (Colonial First State) and are not calculated by Acadian. <sup>2</sup>MSCI World Index (net). <sup>3</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 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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