

Acadian Core Australian Equity Fund

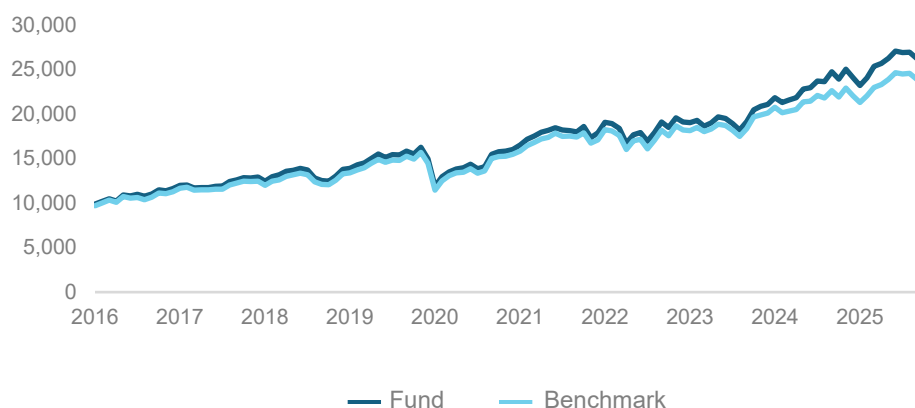


Quarterly Factsheet | March 2026

Features of the strategy

- The strategy aims to outperform the S&P/ASX 300 Accumulation Index, based on the belief that markets are inefficient-creating price anomalies that can be exploited through a disciplined and objective investment process.
- Acadian Australia's investment approach employs structured stock and peer group valuation models designed to capture a broad range of relevant characteristics, including quality, value, earnings growth, and price-related factors. This systematic approach seeks to identify securities with unrecognised value and improving earnings prospects, helping to unlock that value over time.
- Acadian Australia's portfolios leverage global investment capabilities, supported by a team of over 120 investment professionals across all strategies, sophisticated quantitative models process 518 million data points daily, and a 39-year track record of delivering results through a proven systematic investment process.

Growth of \$10,000 over 10 years



Fund return is net of fees and taxes and assumes reinvestment of distributions in the 10 year period.

Investment returns as at March 31, 2026 (%) (Returns beyond 1 year are annualised)

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Fund (Gross)	-7.5	-2.8	-4.0	11.6	11.4	10.1	11.0	8.1
Fund (Net)	-7.5	-3.0	-4.4	10.7	10.5	9.2	10.0	7.0
Benchmark Index	-7.3	-2.0	-2.9	11.6	9.4	8.5	9.4	7.4
Excess (Net - Index)	-0.2	-1.0	-1.5	-0.9	1.1	0.8	0.6	-0.3

Past performance is not a reliable indicator of future performance. Inception date is 15 November 2005.

Key Facts

Strategy Snapshot

A portfolio designed to maximise risk-adjusted, long-term returns by investing in stocks on the ASX while carefully controlling portfolio risk and transaction costs.

Investment Objective

To outperform the S&P/ASX 300 Accumulation Index over rolling four-year periods before fees and taxes.

Benchmark Index¹

S&P/ASX 300 (total)

Inception Date

15 November 2005

Number of Stocks

100 - 200

Fund Size

\$102 million

Management Fee

0.83%

Buy/Sell Spread

0.05%

Distribution Frequency

Quarterly

Minimum Investment

\$25,000 or platform minimum

APIR

FSF0787AU

Research Ratings

Lonsec "Recommended"²

Performance Commentary

The portfolio underperformed its benchmark, the S&P/ASX 300 Accumulation Index, by -0.99% for the quarter ending March 31, 2026. Key sources of negative active return included stock selection in materials and communication services, as well as a combination of stock selection and an overweight position in health care. Leading declines within these sectors included overweight positions in Pro Medicus and SEEK, and an underweight position in Lynas Rare Earths. Contributors included an underweight position in real estate, as well as stock selection in information technology. Leading advances within these sectors included underweight positions in Goodman Group and WiseTech Global.*

Key Holdings³

Positive

Our overweight position in South32 Ltd. was rewarded with 18 basis points of active return as share prices rose 19% over the quarter. Performance was underpinned by improved operational execution and a supportive commodity environment. In addition, the outbreak of war involving Iran heightened supply side risks across global metals markets, particularly aluminum and alumina. Given the Middle East's critical role in refining capacity and trade flows, concerns around sanctions, logistical disruptions, and potential output curtailments lifted prices. South32's strong exposure to these commodities drove expectations of improved margins and cash flows, prompting a rapid re rating of the stock.

Negative

Our overweight position in Pro Medicus Ltd. cost the portfolio 29 basis points of active return as its share price declined 40.8% over the quarter. The stock weakened following the release of H1 FY2026 results, which highlighted slowing U.S. revenue growth, heightened AI-related competitive concerns, and no material upgrade to near-term guidance. Performance was further pressured by a broad-based sell-off across the technology sector.

Market Review

Australian equities (S&P/ASX 300 Accumulation Index) fell 2.0% in the first quarter of 2026 as early-quarter resilience gave way to tightening monetary conditions and a sharp deterioration in global risk sentiment due to an escalation of the conflict between Iran and a U.S.-Israeli coalition. The market benefited initially from firm commodity prices, favourable sector rotation and resilient corporate outcomes. However, investor confidence remained fragile throughout the quarter as inflation, monetary policy and geopolitical risks including energy shocks related to the conflict dominated the outlook.

Inflation eased modestly towards the end of the period. Annual inflation slowed to 3.7% in February from 3.8%, coming in slightly below market expectations but still above the Reserve Bank of Australia (RBA)'s 2–3% target range. The RBA took a more hawkish stance over the quarter, delivering two 25 basis point increases that lifted the cash rate to 4.10%. Policymakers pointed to persistent excess demand and inflation remaining above target, heightening concerns that financial conditions could tighten further. By the end of the period, Australia's unemployment rate rose to 4.3%, the highest since November, as the number of job seekers increased despite record employment. However, the subsequent surge in oil prices during March is expected to place renewed upward pressure on inflation in coming months.

The conflict involving Iran that began late in the quarter and the subsequent geopolitical risks associated with it compounded domestic pressures. The closure of the Strait of Hormuz proved a significant catalyst, disrupting global energy markets and amplifying inflationary concerns. Oil prices surged amid supply interruptions, reigniting concerns around global inflation. Although Australia is a net energy exporter, its reliance on imported oil left markets sensitive to fuel supply disruptions, exacerbating risk aversion and weighing heavily on equity valuations.

From a sector-wise perspective, information technology (down 27.2%) was the biggest detractor, followed by health care (down 16.8%). Energy (up 36.1%) was the largest contributor. Despite the strength in energy stocks, broader market performance weakened late in the quarter, with declines in some sectors reflecting the negative impact of tighter financial conditions and heightened global uncertainty.

Top 10 Stocks	Industry	%
BHP GROUP LTD	Materials	10.4
COMMONWEALTH BANK OF AUSTRALIA	Banks	9.7
WESTPAC BANKING CORP	Banks	5.9
AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED	Banks	5.0
NATIONAL AUSTRALIA BANK LTD	Banks	4.6
WESFARMERS LTD	Consumer Disc, Distr, Retail	2.5
CSL LTD	Pharma, Biotech & Life Sci	2.4
MACQUARIE GROUP LTD	Financial Services	2.3
WOODSIDE ENERGY GROUP LTD	Energy	2.3
QBE INSURANCE GROUP LTD	Insurance	1.9
Total		46.9

Industry Sectors	%
Financials	33.2
Materials	25.1
Industrials	6.6
Health Care	5.9
Energy	5.5
Consumer Discretionary	5.5
Real Estate	4.5
Consumer Staples	3.8
Communication Services	2.9
Information Technology	2.7
Utilities	1.5

Outlook and Strategy

Global equities declined in Q1 2026, following the U.S.-Israeli attacks on Iran and the latter’s response. The conflict disrupted energy flows, triggering a surge in oil prices and a broad risk-off move. The geopolitical shock quickly became the dominant driver of markets, overshadowing otherwise solid early earnings and continued support from AI-related investment themes. Higher energy costs, tariff uncertainty, and cautious central bank messaging reinforced investor selectivity, with a rotation away from concentrated U.S. exposures. Developed markets underperformed amid the broader sell-off, while performance across emerging markets was mixed, with resilience in semiconductor-linked economies offset by weaknesses in more energy-sensitive regions.

The OECD adopted a cautious outlook, noting that the conflict has erased a potential upside surprise. Global GDP growth is now projected at 2.9% in 2026, down from 3.3% last year, before edging up to 3.0% in 2027. Although structural tailwinds remain in place, including robust technology and AI-driven investment, lower effective tariffs, and lingering momentum from 2025, they have been outweighed by the sharp energy price shocks associated with the conflict. The near halt of energy shipments through the Strait of Hormuz has raised costs and uncertainty, particularly for energy-importing regions such as Europe and Asia. Further, the OECD now expects G20 inflation to average 4.0% in 2026, 1.2% above prior estimates, as rising oil, gas, and fertilizer prices reverberate through global supply chains and household energy bills. Inflation is projected to ease to 2.7% in 2027, assuming energy market disruptions moderate.

Energy markets enter Q2 under significant strain due to the conflict. Brent crude reached over \$115 per barrel in late March, roughly 63% on the month and its largest monthly gain on record—while WTI settled above \$100 for the first time since 2022, reflecting both direct threats to infrastructure and growing concern over severely constrained flows through key transit routes.

Australia’s economy is emerging from a soft patch, with growth expected to rise from about 1.8% in 2025 to 2.3% in 2026, supported by recovering real incomes and a still-resilient labor market. However, high inflation and slower exports are likely to constrain growth. Monetary policy is expected to remain restrictive in the near term. The Reserve Bank of Australia expects improvement as disinflation supports purchasing power and conditions ease. Consumption is expected to recover slowly with the labor market easing but remaining tight.

Platform Availability

- BT Panorama
- Colonial First State FirstChoice
- HUB24

Fund Ratings

- Lonsec “Recommended”²

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Disclaimer and disclosures

1 S&P/ASX 300 (total). 2 The rating issued 20 October 2025 FSF0787AU is published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec). Ratings are general advice only, and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and Lonsec assumes no obligation to update. Lonsec uses objective criteria and receives a fee from the Fund Manager. Visit lonsec.com.au for ratings information and to access the full report. © 2026 Lonsec. All rights reserved. 3 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. This material has been prepared by and is issued by Acadian Asset Management LLC and Acadian Asset Management (Australia) Limited, collectively 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.

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