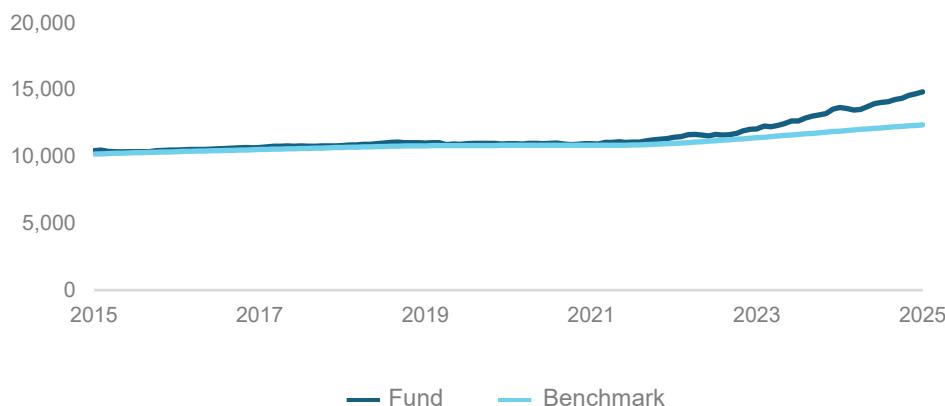


Features of the strategy

- The strategy aims to outperform the RBA cash rate over rolling three-year periods, with a relatively low level of volatility.
- The investment manager, Acadian Asset Management, combines cash and fixed income investments with long and short equity holdings (market neutral), selected using Acadian Australia's equity investment process.
- Acadian dynamically manage the exposure of the long/short component of the portfolio, with the net market exposure typically maintained close to 0%. The long/short structure is designed to minimise equity market risk while benefiting from franking credits and leveraging Acadian Australia's sophisticated analytical models for stock selection.

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 December 31, 2025 (%)

(Returns beyond 1 year are annualised)

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Fund (Gross)	1.0	3.5	6.0	9.3	9.7	6.8	4.1	4.7
Fund (Net)	0.9	3.3	5.6	8.6	9.0	6.2	3.5	4.0
Benchmark Index	0.3	0.9	1.8	3.9	4.0	2.7	2.0	2.7
Excess (Net - Index)	0.6	2.4	3.8	4.7	5.0	3.5	1.5	1.3

Past performance is not a reliable indicator of future performance. Inception date is 19 December 2008.

Key Facts

Strategy Snapshot

A portfolio designed to outperform the RBA cash rate with a relatively low degree of volatility. The portfolio may invest in cash, fixed income investments and long and short equity holdings with net market exposure typically being close to 0%.

Investment Objective

To outperform the RBA cash rate over rolling three-year periods before fees and taxes.

Benchmark Index¹

RBA Cash Rate

Inception Date

19 December 2008

Number of Stocks

250 - 300

Fund Size

\$157 million

Management Fee

0.46%

Buy/Sell Spread

0.10%

Distribution Frequency

Quarterly

Minimum Investment

\$25,000 or platform minimum

APIR

FSF0973AU

Research Ratings

Zenith "Recommended"²

Lonsec "Recommended"³

Performance Commentary

The portfolio outperformed its benchmark, the RBA Cash Rate, by 245 basis points for the quarter ending December 31, 2025. Both the Fund's market neutral component and cash components contributed to returns for the quarter. Key sources of positive returns within market neutral included exposures to financials and materials.

Key Holdings⁴

Positive

Our long exposure to Navigator Global Investments Ltd., a diversified alternative asset management company, was rewarded with 32 basis points of active return as its share price jumped 36.9% during the quarter. The rally reflected investors responding to a series of materially positive fundamentals. The company delivered record FY25 earnings, with revenue rising 27% year on year to USD 435.6 million, driven primarily by recurring management fees. Statutory NPAT surged 80% to USD 119.4 million, reflecting robust operating leverage. Ownership adjusted AUM grew 6% to USD 27.7 billion, supported by Lighthouse Partners' performance. Overall, the firm demonstrated resilient fee generation, improving profitability, and solid positioning heading into FY26.

Negative

Our short exposure to PLS Group Ltd, an Australia-based global producer of lithium materials, cost the portfolio 54 basis points of active return as share prices rallied 84.5% in the period. The sharp rally reflected a strong rebound in global lithium prices and renewed optimism around the company's strategic evolution. Robust production results, deeper downstream partnerships, and an expanded battery materials agenda further fueled persistent investor demand for the shares.

Top 10 Stocks	Industry	%
NAVIGATOR GLOBAL INVESTMENTS LTD	Financial Services	1.0
MONADELPHOUS GROUP LTD	Capital Goods	1.0
NRW HOLDINGS LTD	Capital Goods	1.0
SOUTH32 LTD	Materials	1.0
CHARTER HALL GROUP	Equity (REITs)	0.9
CHALLENGER LTD	Financial Services	0.9
ORICA LTD	Materials	0.9
VENTIA SERVICES GROUP PTY LTD	Capital Goods	0.9
DALRYMPLE BAY INFRASTRUCTURE LTD	Transportation	0.9
XERO LTD	Software & Services	0.9
Total		9.3

Industry Sectors	%
Materials	16.5
Industrials	16.3
Financials	14.4
Consumer Discretionary	13.1
Real Estate	10.2
Health Care	7.8
Information Technology	5.8
Consumer Staples	5.5
Communication Services	4.7
Energy	4.5
Utilities	1.2

Market Review

Australian equities (S&P/ASX 300 Accumulation Index) fell 0.9% in the fourth quarter of 2025, despite easing global trade tensions and resilient domestic demand. PE expansion continued to offer support, though its influence was notably weaker than in prior years. For the full year, the market posted its smallest annual gain since 2022—when it recorded a decline—as expectations of future rate hikes and stretched valuations capped returns relative to major global peers, which delivered strong double-digit gains. Resource stocks benefited from stable commodity prices, excluding oil, while broader market sentiment remained volatile amid persistent uncertainty around inflation and interest rates. Consumer confidence oscillated sharply, reflecting household caution, even as labour market conditions stayed robust with unemployment near historic lows.

Elevated valuations and sticky inflation kept the Reserve Bank of Australia (RBA) on hold at 3.6%, reinforcing expectations for a prolonged restrictive stance. Inflation remained above the RBA's 2–3% target range, driven by higher energy and housing costs, while core measures signaled entrenched price pressures. Risks tied to inflation and global volatility leave the RBA firmly dependent on future data releases, with markets now pricing only limited easing in 2026.

From a sector-wise perspective, information technology (down 23.7%) was the biggest detractor, followed by consumer discretionary (down 11.5%). Materials (up 13%) was the largest standout contributor.

Outlook and Strategy

Global equities advanced in Q4 2025, supported by accommodative monetary policy, easing U.S.–China trade tensions, and resilient earnings. Gains were anchored by two Federal Reserve rate cuts and AI-driven growth, though mid-quarter volatility reflected concerns over stretched valuations. Developed markets outperformed their emerging peers. Inflation moderated, prompting policy recalibration: the Fed turned dovish, the ECB held rates, and the Bank of England cut to 3.75%. In Asia, the Bank of Japan raised its policy rate to 0.75%, while the Reserve Bank of India eased to 5.25%. Gold surged past \$4,000/oz amid geopolitical uncertainty, while crude prices slid.

The OECD's latest outlook highlights a global economy that displayed unexpected resilience in 2025, buoyed by improved financial conditions, AI-led investment, and supportive macroeconomic policies that partially offset U.S. tariff shocks. However, underlying vulnerabilities remain. Growth momentum is projected to moderate, with global GDP expected to ease from 3.2% in 2025 to 2.9% in 2026, before edging up to 3.1% in 2027. Near-term softness reflects the lagged impact of higher tariffs, persistent geopolitical uncertainty, and subdued confidence, with improvement expected as inflation falls and financial conditions ease.

Inflation is forecast to continue its downward trajectory, gradually converging toward central-bank targets by 2027. G20 consumer price inflation is projected to fall from 3.4% in 2025 to 2.5% by 2027, stabilizing real incomes and consumption. Nonetheless, sticky services inflation and wage pressures remain in select regions.

Energy markets are poised for easing in 2026 as supply growth outpaces demand. The U.S. Energy Information Administration projects global oil inventories to rise, exerting downward pressure on prices. Brent crude is forecast to average \$55 per barrel in 2026, reflecting robust production and modest demand growth. OPEC+ production strategies and China's ongoing inventory accumulation will likely act as stabilizing forces, limiting the extent of the decline. Electricity demand continues to grow, driven by electrification and energy-intensive sectors such as data centers, though growth is expected to slow slightly. Renewable energy generation continues to expand, contributing to a decline in coal consumption in 2026, though coal inventories and exports remain elevated in some regions.

The OECD notes Australia's growth is strengthening and increasingly driven by the private sector. GDP is projected to accelerate from 1.8% in 2025 to 2.3% in both 2026 and 2027, reflecting a gradual closure of the output gap, low unemployment, and inflation near the RBA's target. Recent momentum, particularly in private investment, has exceeded expectations, raising capacity pressures. Inflation is expected to remain steady at 2.7% in 2026.

Platform Availability

- BT Panorama
- Colonial First State Edge
- Colonial First State FirstChoice
- HUB24
- Colonial First State Dash
- Netwealth

Fund Ratings

- Zenith "Recommended"²
- Lonsec "Recommended"³

Contact Acadian Asset Management



Acadian-asset.com/au



02 9093 1000



Australiaclientservices@acadian-asset.com



Mark Mukundan
Director, Wholesale Markets
E mmukundan@acadian-asset.com
P 0411 615 685



Isaak Walkom
Wholesale Business Development Mgr
E iwalkom@acadian-asset.com
P 0419 643 454

Disclaimer and disclosures

1 RBA Cash Rate. 2 The Zenith Investment Partners (ABN 27 103 132 672, AFS Licence 226872) ("Zenith") rating (assigned APIR FSF0973AU 19 February 2025) referred to in this piece is limited to "General Advice" (s766B Corporations Act 2001) for Wholesale clients only. This advice has been prepared without taking into account the objectives, financial situation or needs of any individual, including target markets of financial products, where applicable, and is subject to change at any time without prior notice. It is not a specific recommendation to purchase, sell or hold the relevant product(s). Investors should seek independent financial advice before making an investment decision and should consider the appropriateness of this advice in light of their own objectives, financial situation and needs. Investors should obtain a copy of, and consider the PDS or offer document before making any decision and refer to the full Zenith Product Assessment available on the Zenith website. Past performance is not an indication of future performance. Zenith usually charges the product issuer, fund manager or related party to conduct Product Assessments. Full details regarding Zenith's methodology, ratings definitions and regulatory compliance are available on our Product Assessments and at <http://www.zenithpartners.com.au/RegulatoryGuidelines> 3 The rating issued 24 September 2025 FSF0973AU 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. 4 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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