



Quarterly Factsheet | March 2026

## Features of the strategy

- The strategy aims to outperform the MSCI Emerging Markets Index (AUD) over rolling four-year periods by investing emerging market companies.
- The investment manager Acadian Asset Management apply a systematic investment process with an investible universe of approximately 1,200 stocks, in emerging markets. The strategy aims to produce consistent performance by holding a broad portfolio of stocks and factor exposures.
- Acadian's global investment capability is supported by a team of over 120 investment professionals across all strategies, sophisticated quantitative models that process over 500 million data points daily, and a track record of delivering results in emerging market investing through a proven systematic investment process since 1994.

## 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)	-9.6	-1.5	2.6	-	-	-	-	14.4
Fund (Net)	-9.6	-1.6	2.4	-	-	-	-	14.0
Benchmark Index	-9.5	-2.8	1.2	-	-	-	-	12.9
Excess (Net - Index)	-0.1	1.1	1.2	-	-	-	-	1.1

Past performance is not a reliable indicator of future performance. Inception date is 16 June 2025.

## Key Facts

### Strategy Snapshot

A portfolio designed to capture attractive emerging market equity opportunities while carefully controlling for risk relative to benchmark.

### Investment Objective

To outperform the MSCI Emerging Markets Index (AUD) over rolling four-year periods before fees.

### Benchmark Index<sup>1</sup>

MSCI Emerging Markets Index

### Inception Date

16 June 2025

### Number of Stocks

300 - 500

### Fund Size

\$343 million

### Management Fee

0.47%

### Buy/Sell Spread

0.15%

### Distribution Frequency

Semi annually

### Minimum Investment

\$25,000 or platform minimum

### APIR

FSF7653AU

### Research Ratings

Lonsec "Recommended"<sup>2</sup>

## Performance Commentary

The portfolio outperformed its benchmark<sup>1</sup> by 1.15% for the quarter ending March 31, 2026. Key sources of positive active return included a combination of stock selection and underweight position in India and Indonesia, as well as a combination of stock selection and an overweight position in Taiwan. Leading advances within these markets respectively included positions in HDFC Bank (underweight), Delta Electronics (overweight), and Bank Central Asia Tbk (underweight). Detractors included a combination of stock selection and an underweight position in Brazil, a combination of stock selection and an overweight position in China, and negative stock selection effects in South Africa. Leading declines within these markets included positions in Petroleo Brasileiro (underweight), Kuaishou Technology (overweight), and a lack of exposure to AngloGold Ashanti.\*

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

### Positive

Our underweight in HDFC Bank Ltd., one of India's largest lenders, contributed 19 basis points to active return as the stock fell 18.3% over the quarter. The decline was driven primarily by loss of investor confidence rather than weak fundamentals. The biggest trigger was the sudden resignation of the bank's chairman, Atanu Chakraborty, citing ethical concerns, which raised serious corporate governance doubts. This was compounded by an AT1 bonds mis-selling scandal that led to executive exits and regulatory scrutiny. Simultaneously, heavy FII selling and macro headwinds worsened the fall.

### Negative

Our underweight position in Petrobras cost the portfolio 20 basis points of active return as shares surged 73.1% over the quarter. The rally was fueled by a sharp rise in global oil prices and improved investor sentiment. Brent crude climbed from about \$61 per barrel in early January to over \$118 by late March, driven by Middle East conflict and supply disruptions in the Strait of Hormuz, boosting expected cash flows for oil producers like Petrobras. Analysts also upgraded Brazilian commodity exporters as safer bets amid volatility, further boosting the shares. Additionally, strong dividend expectations and earnings resilience supported demand for the stock.

## Market Review

Global equities declined 3.2% in Q1 2026 as an escalation of the conflict between the U.S., Israel and Iran triggered a broad risk-off move late in the quarter, particularly in March. A sharp surge in crude oil prices driven by a near halt of shipments through the region renewed inflation concerns and dampened risk appetite, offsetting earlier strength supported by optimism around artificial intelligence-led productivity gains and signs of easing global trade tensions. Developed markets were the main detractors over the period, with U.S. and European equities weighing on overall performance amid tighter financial conditions, elevated energy prices, and heightened geopolitical uncertainty. Major central banks broadly held policy rates unchanged, emphasizing elevated inflation risks and uncertainty around growth amid energy shocks and global volatility. Sector performance diverged. Energy, utilities, and materials outperformed, benefiting from elevated commodity prices and defensive positioning. In contrast, information technology, communication services, and consumer discretionary stocks lagged as investors rotated away from growth-oriented segments. Emerging markets outperformed developed markets overall, with gains concentrated in markets like South Korea and Taiwan and driven by continued AI-driven demand, which buoyed semiconductor prices and significantly lifted earnings across the semiconductor sector.

Top 10 Stocks	Industry	%
TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD	Semicon & Semicon Equip	13.0
SAMSUNG ELECTRONICS CO LTD	Tech Hardware & Equip	5.9
SK HYNIX INC.	Semicon & Semicon Equip	3.1
TENCENT HOLDINGS LTD	Media & Entertainment	3.0
ALIBABA GROUP HOLDING LTD	Consumer Disc, Distr, Retail	2.2
CHINA CONSTRUCTION BANK CORP.	Banks	1.6
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LTD.	Banks	1.1
PETROLEO BRASILEIRO SA - PETROBRAS	Energy	1.1
MEDIATEK INC	Semicon & Semicon Equip	1.0
DELTA ELECTRONICS INC	Tech Hardware & Equip	0.9
Total		32.9

Industry Sectors	%
Information Technology	33.0
Financials	21.3
Consumer Discretionary	9.8
Communication Services	8.9
Materials	7.5
Industrials	7.3
Energy	4.5
Health Care	2.7
Consumer Staples	1.6
Utilities	1.4
Other	0.8
Real Estate	0.7

Country Exposure	%
Asia	79.4
Europe/Mid East/Africa	11.5
Latin America	7.8

## Outlook and Strategy

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.

## Platform Availability

- AMP North
- Colonial First State Edge
- Dash
- Insignia Expand
- Netwealth
- BT Panorama
- HUB24
- HUB24
- Macquarie Wrap

## Fund Ratings

- Lonsec “Recommended”<sup>2</sup>

## Contact Acadian Asset Management



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## Disclaimer and disclosures

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