



ENHANCED EMERGING MARKETS EQUITY FUND - CLASS A

The Acadian Enhanced Emerging Markets Equity Fund is a global equity portfolio that invests in approximately 500 emerging market companies that we believe to be attractive investment opportunities in one of the most dynamic asset classes available to Australian investors. With high stock diversity, a multi-factor approach and a low stock-specific risk profile, the Fund aims to be a core emerging market holding in investor portfolios.

As the Fund is actively managed by Acadian Asset Management LLC, it seeks to outperform the MSCI Emerging Markets Index over rolling four-year periods, while maintaining a low tracking error against this Benchmark. This may also be a complementary and differentiating feature if positioned alongside higher-risk concentrated strategies. It may also be a possible replacement for an index allocation given the Fund's competitive fee, while also being actively managed.

What is Systematic investing?

Systematic investing refers to an investment strategy that relies on quantitative models and algorithms to make investment decisions, rather than human judgment.

Acadian are global specialists in systematic investing and first applied the approach to emerging markets in 1994. The Acadian process involves the development and ongoing innovation of in-house models and systems that can analyse over 518 million data points daily. From this enormous data bank, the investment team seek to identify trends before other market participants, while measuring over 100 signals that help forecast the future value of companies. By ranking the companies in terms of their forecast value, the portfolio is constructed and managed within risk limits with a goal of maximising risk-adjusted performance.

How investors may benefit from a Systematic approach

By removing much of the human decisionmaking, Acadian's systematic approach aims to reduce biases and errors while ensuring that the investment process is consistent and repeatable.

Acadian believes this approach benefits the investor over the long term by generating a more consistent return profile, a highly valuable attribute in an asset class such as emerging markets which can experience periods of high volatility. With a large number of stocks contributing small amounts to the total return over time, the strategy to generate long-term incremental returns above the Benchmark, while significantly reducing active risk.

As proof of process, Acadian's Core Emerging Markets Strategy has outperformed in 22 out of 30 years since inception.

"There is a clear case for systematic active investing in emerging market equities. Inefficient markets are rife with stock-selection opportunities. Systematic approaches may offer advantages in risk control and we believe they have displayed enduring efficacy over fundamental investment strategies"

*- Brendan Bradley, Ph.D.
Chief Investment Officer, Acadian Asset Management*



Actively managed emerging market equity strategy with low tracking error



Diversified exposure with 500+ stock holdings, aimed for incremental returns



Systematic investment process that uses data and mitigates human bias



May be suitable as a core emerging markets holding in an investor's portfolio



Acadian was established in 1986 and is among global leaders in systematic investing

How the investment models work

At the core of the process are data models that generate over 100 signals for each company in the investible universe of over 1,500 emerging market stocks. The signals have been identified by Acadian for their potential predictive power – and their impact on long term alpha generation. Many of the signals relate to a company's valuation, financial quality (the firm's ability to sustain a competitive edge and shareholder return in the future), earnings potential and other share price-related measures. The factor signals for each stock are also compared to its peer group, adding further rigour.

Significant investments are made by Acadian to attain and store data on over 150 global markets and 40,000+ traded assets.

Key Facts | Acadian Enhanced Emerging Markets Equity Fund

Investment objective	To outperform MSCI Emerging Markets Index (AUD) over rolling four-year periods before fees
Inception of fund	2025 (strategy inception 2023)
Number of stocks	Typically 500 - 550
Management fee	0.47% p.a.
Buy/Sell spread	+0.15 /-0.15
Distribution frequency	Semi annually
Minimum investment	\$25,000
APIR	FSF7653AU
Investor suitability	Designed for investors with a 7+ year time horizon seeking long term capital growth and diversification in their global equity allocation

Emerging market equities, the low-risk way

Investing in emerging markets can provide exposure to some of the most exciting and fastest growing investment opportunities in the world. For example, almost 70% of global semi-conductor needs are met by emerging market economies of Taiwan, China and South Korea. Information Technology now accounts for 20-30% of emerging market benchmarks by market capitalisation. While emerging markets are generally expected to have a higher risk volatility than developed markets, the Acadian Enhanced Emerging Markets Equity Fund aims to capture the most attractive emerging market equity opportunities while carefully controlling the Fund's risk against the Benchmark. There is typically a large dispersion of performance across emerging market fund managers and the Fund aims to produce consistent performance holding a broad portfolio of stocks and factor exposures.

About Acadian Asset Management

Acadian Asset Management LLC is a global investment management firm specialising in quantitative and systematic strategies. Founded in 1986 and based in Boston USA, the firm uses advanced statistical models, machine learning and data analytics to make investment decisions, focusing on capturing market inefficiencies and generating long-term returns. With a large global team that includes over 100 investment professionals (with a team in Australia), Acadian offers a range of active equity (global and Australian), emerging markets, credit and alternatives solutions to clients worldwide.

Contact Acadian Asset Management



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