Acadian Geared Core Australian Equity Fund

Quarterly Factsheet | **June 2026**

Features of the strategy

- This strategy aims to maximise long-term returns by using gearing to magnify returns from the underlying core Australian equity strategy†. The target gearing level for this fund is 55%, with a usual tolerance of 5%.
- 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 aims 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 an investment team of over 120 professionals across all strategies, sophisticated quantitative models that analyse 518 million data points daily, and a 39-year track record of delivering results through a proven systematic process.

Investment returns as at June 30, 2026 (%)

(Returns beyond 1 year are annualised)

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Fund (Gross)	1.8	9.7	1.4	4.7	-	-	-	7.8
Fund (Net)	1.6	9.1	0.3	2.5	-	-	-	5.5
Benchmark Index	0.6	4.1	2.0	6.2	-	-	-	7.0
Excess (Net - Index)	1.0	4.9	-1.7	-3.7	-	-	-	-1.5

Past performance is not a reliable indicator of future performance. Inception date is 18 November 2024.

Key Facts

Strategy Snapshot

A portfolio designed to maximise long-term returns by borrowing to invest 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 seven-year periods before fees and taxes.

Benchmark Index[1]

S&P/ASX 300 (total)

Inception Date

18 November 2024

Number of Stocks

100 - 200

Fund Size

$344 million

Management Fee

0.96% (g) / 2.11% (n)

Buy/Sell Spread

0.05 - 0.20%

Distribution Frequency

Semi annually

Minimum Investment

$25,000 or platform minimum

APIR

FSF0453AU

Research Ratings

Lonsec “Recommended”[2]

† A geared fund will not always magnify gains (particularly in a low return environment) but will always magnify losses. Investors will therefore experience increased volatility (potentially large fluctuations up and down) in the value of their investment.

Performance Commentary

The portfolio outperformed its benchmark, the S&P/ASX 300 Accumulation Index , by 4.95% for the quarter ending June 30, 2026. Key sources of positive active return included a combination of stock selection and an overweight position in materials, stock selection in industrials, as well as a combination of stock selection and an underweight position in health care. Leading advances within these sectors included overweight positions in Dyno Nobel, Computershare, and Pro Medicus. Detractors included stock selection in financials and consumer staples, as well as a combination of stock selection and an overweight position in utilities. Leading declines within these sectors included overweight positions in Westpac Banking, GrainCorp, and Origin Energy.*

Key Holdings[3]

Positive

Our overweight position in Aristocrat Leisure was rewarded with 29 basis points of active return as share prices rose almost 25% over the quarter. The rally was underpinned by a strong first-half earnings result, highlighted by double-digit growth in both NPATA and EPS, margin expansion, and continued market-share gains in its core gaming franchise. Investor confidence was further reinforced by an expanded A$1 billion share buyback and a higher interim dividend. Robust execution across Aristocrat Gaming, record profitability, growth in North American installed units, and increasing recurring revenue streams supported a meaningful re-rating of the shares.

Negative

Our underweight position in Goodman Group cost the portfolio 18 basis points of active return as its share price rose 5.4% during the quarter. The rally was fueled by rising investor confidence in the company's expanding data center platform, which continues to benefit from robust AI and cloud infrastructure demand. Strong portfolio growth, increased development activity, and a sizeable pipeline of projects under construction reinforced expectations for future earnings growth. In addition, Goodman's announcement of a major data center campus in Greater Tokyo underscored its ability to capture high-quality digital infrastructure opportunities, further strengthening its positioning as a global leader in next-generation real estate assets.

Top 10 Stocks	Industry	%
BHP GROUP LTD	Materials	11.7
COMMONWEALTH BANK OF AUSTRALIA	Banks	9.1
WESTPAC BANKING CORP	Banks	5.1
AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED	Banks	4.8
WESFARMERS LTD	Consumer Disc, Distr, Retail	3.4
MACQUARIE GROUP LTD	Financial Services	3.3
NATIONAL AUSTRALIA BANK LTD	Banks	3.2
ARISTOCRAT LEISURE LTD	Consumer Services	2.5
QBE INSURANCE GROUP LTD	Insurance	2.1
COMPUTERSHARE LTD	Comm & Prof Services	1.8
Total		47.1

Industry Sectors	%
Financials	32.7
Materials	26.9
Industrials	8.3
Consumer Discretionary	7.0
Real Estate	5.3
Health Care	5.0
Energy	4.5
Consumer Staples	3.8
Information Technology	2.3
Communication Services	2.1
Utilities	1.2

Market Review

Australian equities (S&P/ASX 300 Accumulation Index) rose 4.1% in the second quarter of 2026 as improving investor sentiment, resilient domestic economic conditions and ongoing enthusiasm for AI-related investment more than offset geopolitical uncertainty and a restrictive monetary policy environment.

Market performance was underpinned by confidence in the global AI investment cycle, with Australian resources, capital goods and selected technology-related companies benefiting from expectations of sustained spending on digital and infrastructure buildouts. While geopolitical tensions in the Middle East and concerns around potential disruptions to the Strait of Hormuz generated periods of volatility, sentiment improved as the quarter progressed, aided by signs of de-escalation and an interim agreement between the United States and Iran that eased concerns over global energy supply.

Inflation continued to moderate gradually, encouraging markets to scale back expectations for further policy tightening despite the Reserve Bank of Australia delivering an additional 25 basis point rate increase in May before leaving the cash rate unchanged at 4.35% in June. Persistent inflationary pressures, elevated energy costs and higher borrowing costs remained key risks, although falling oil prices later in the quarter provided some relief to households and businesses.

Domestic economic data reflected an economy that was slowing but remained relatively resilient. Labour market conditions softened modestly, household consumption was subdued and consumer confidence remained weak by historical standards. However, stronger-than-expected spending activity and ongoing investment in digital infrastructure helped support growth expectations.

From a sector-wise perspective, consumer discretionary (up 18.0%) was the biggest contributor, followed by information technology (up 17.4%). Energy (down 16.7%) was the largest detractor.

Outlook and Strategy

Global equities showed resilience during a volatile Q2 2026. A sharp energy shock resulting from the closure of the Strait of Hormuz in the midst of the U.S.-Iran war drove Brent crude above $110, reviving inflation concerns and disrupting the disinflation trend. Conditions improved toward quarter-end as diplomacy eased tensions, inventories rose, and peace talks progressed, lowering oil prices. Central banks diverged: the ECB tightened policy again, the Bank of Japan advanced normalization, and the Fed paused amid sticky inflation and slowing growth. Mid-June geopolitical easing triggered a relief rally, especially in Asia, though a late AI-led selloff exposed concentration risks. Regionally, US gains were steady, Europe held firm, Japan advanced on reforms, and South Korea's strong run turned volatile.

The OECD's latest outlook highlights weakening global growth prospects, driven largely by Middle East tensions and their impact on energy markets. The U.S.-Iran war has become a major macroeconomic shock, disrupting production and trade across key energy-exporting regions while driving higher oil, gas, and input costs. These pressures are fueling inflation while reducing household purchasing power and corporate margins.

Under the OECD's baseline scenario, global GDP growth is projected to slow from 3.4% in 2025 to about 2.8% in 2026 before recovering to 3.1% in 2027. Risks remain firmly to the downside: a prolonged conflict could reduce growth to 2.1% in 2026 and 1.8% in 2027, increasing recession risks across several economies. G20 inflation is expected to rise to around 4.0% in 2026 from 3.4% in 2025 before easing as supply conditions normalize.

Global oil markets face constrained supply and weakening demand. Severe shipping disruptions through the Strait of Hormuz are keeping substantial Middle Eastern production offline, tightening markets despite softer consumption. Inventories are projected to fall to multi-decade lows across OECD countries, supporting Brent prices around $105 per barrel during peak disruption. High prices, supply constraints, and policy measures are expected to reduce global oil demand by about 1.1 million barrels per day in 2026 before demand rebounds as supply recovers in 2027.

The OECD projects Australia's economic growth to strengthen, with GDP rising from 1.8% in 2025 to 2.3% in 2026-27, supporting low unemployment and stable inflation. Limited monetary easing and modest fiscal tightening are expected, while reforms target deficits and housing. The RBA expects inflation to stay elevated before returning to target.

Platform Availability

- Colonial First State FirstChoice
- Colonial First State Edge

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 FSF0453AU 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, collective 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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