

Acadian Geared Core Australian Equity Fund



Quarterly Factsheet | **March 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 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)	-16.8	-7.5	-11.8	16.7	-	-	-	2.1
Fund (Net)	-17.0	-8.0	-12.7	14.2	-	-	-	-0.1
Benchmark Index	-7.3	-2.0	-2.9	11.6	-	-	-	5.1
Excess (Net - Index)	-9.7	-6.0	-9.8	2.6	-	-	-	-5.2

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 Index¹

S&P/ASX 300 (total)

Inception Date

18 November 2024

Number of Stocks

100 - 200

Fund Size

\$318 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 underperformed its benchmark, the S&P/ASX 300 Accumulation Index, by -5.98% for the quarter ending March 31, 2026. Key sources of negative active return included a combination of stock selection and an underweight position in health care, consumer staples, and communication services. Leading declines within these sectors included positions in Pro Medicus (overweight), Woolworths Group (underweight), and SEEK (overweight). Contributors included a combination of stock selection and an underweight position in real estate, as well as stock selection in information technology and financials. Leading advances within these sectors included positions in Goodman Group (underweight), WiseTech Global (underweight), and Commonwealth Bank of Australia (marginally overweight).*

Key Holdings³

Positive

Our overweight position in South32 Ltd. was rewarded with 21 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 underweight position in Woodside Energy Group Ltd. cost the portfolio 29 basis points of active return as its share price rose 45.2% during the quarter. Woodside shares rose sharply as investors responded to higher global oil and LNG prices, driven by escalating geopolitical tensions in the Middle East that boosted energy market outlooks. Confidence was reinforced by Woodside's record annual oil and gas production, exceeding guidance and strengthening its position as Australia's largest independent producer. Despite weaker profits, strong operational momentum, robust cash flows, and progress on major projects supported sentiment.

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	10.8
COMMONWEALTH BANK OF AUSTRALIA	Banks	9.6
WESTPAC BANKING CORP	Banks	6.2
AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED	Banks	5.2
NATIONAL AUSTRALIA BANK LTD	Banks	4.3
CSL LTD	Pharma, Biotech & Life Sci	2.4
WESFARMERS LTD	Consumer Disc, Distr, Retail	2.1
WOODSIDE ENERGY GROUP LTD	Energy	2.1
ARISTOCRAT LEISURE LTD	Consumer Services	2.0
BRAMBLES LTD	Comm & Prof Services	2.0
Total		46.7

Industry Sectors	%
Financials	33.0
Materials	25.4
Industrials	7.6
Health Care	5.9
Energy	5.7
Consumer Discretionary	5.6
Real Estate	4.9
Consumer Staples	3.6
Information Technology	2.5
Communication Services	2.4
Utilities	1.7

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

- Colonial First State FirstChoice
- Colonial First State Edge

Fund Ratings

- Lonsec "Recommended"²

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 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, 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.

Before making an investment decision, you should consider whether this information is appropriate in light of your investment needs, objectives and financial situation. Total returns shown for the Fund or any Portfolio have been calculated using exit prices after taking into account all ongoing fees and assuming reinvestment of distributions. Past performance is no indication of future performance. The product disclosure statement (PDS) for the Acadian Geared Core Australian Equity Fund, FSF0453AU (Fund) issued by Colonial First State Investments Limited (ABN 98 002 348 352, AFSL 232468) (CFSIL) should be considered before making an investment decision. Where a fund is identified as a 'sustainable' fund you should also read the Reference Guide – Sustainable Funds, available at cfs.com.au/sustainable or by calling 13 13 36, which contains statements and information incorporated by reference which are taken to be included in the PDS. Colonial First State (CFS) is Superannuation and Investments HoldCo Pty Limited ABN 64 644 660 882 and its subsidiaries which include CFSIL. CFS is majority owned by an affiliate of Kohlberg Kravis Roberts & Co. L.P. (KKR), with the Commonwealth Bank of Australia ABN 48 123 123 124 AFSL 234945 (CBA) holding a significant minority interest. The investment performance and the repayment of capital of CFSIL products is not guaranteed. Investments in Acadian Funds are subject to investment risk, including loss of income and capital invested.

These materials provided herein may contain material, non-public information within the meaning of the United States Federal Securities Laws with respect to Acadian Asset Management LLC, Acadian Asset Management Inc. and/or their respective subsidiaries and affiliated entities. The recipient of these materials agrees that it will not use any confidential information that may be contained herein to execute or recommend transactions in securities. The recipient further acknowledges that it is aware that United States Federal and State securities laws prohibit any person or entity who has material, non-public information about a publicly-traded company from purchasing or selling securities of such company, or from communicating such information to any other person or entity under circumstances in which it is reasonably foreseeable that such person or entity is likely to sell or purchase such securities. Acadian provides this material as a general overview of the firm, our processes and our investment capabilities. It has been provided for informational purposes only. It does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe or to purchase, shares, units or other interests in investments that may be referred to herein and must not be construed as investment or financial product advice. Acadian has not considered any reader's financial situation, objective or needs in providing the relevant information. The value of investments may fall as well as rise and you may not get back your original investment. Past performance is not necessarily a guide to future performance or returns. Acadian has taken all reasonable care to ensure that the information contained in this material is accurate at the time of its distribution, no representation or warranty, express or implied, is made as to the accuracy, reliability or completeness of such information. This material contains privileged and confidential information and is intended only for the recipient/s. Any distribution, reproduction or other use of this presentation by recipients is strictly prohibited. If you are not the intended recipient and this presentation has been sent or passed on to you in error, please contact us immediately. Confidentiality and privilege are not lost by this presentation having been sent or passed on to you in error. Acadian's quantitative investment process is supported by extensive proprietary computer code. Acadian's researchers, software developers, and IT teams follow a structured design, development, testing, change control, and review processes during the development of its systems and the implementation within our investment process. These controls and their effectiveness are subject to regular internal reviews, at least annual independent review by our SOC1 auditor. However, despite these extensive controls it is possible that errors may occur in coding and within the investment process, as is the case with any complex software or data-driven model, and no guarantee or warranty can be provided that any quantitative investment model is completely free of errors. Any such errors could have a negative impact on investment results. We have in place control systems and processes which are intended to identify in a timely manner any such errors which would have a material impact on the investment process. Acadian Asset Management LLC has wholly owned affiliates located in London, Singapore, and Sydney. Pursuant to the terms of service level agreements with each affiliate, employees of Acadian Asset Management LLC may provide certain services on behalf of each affiliate and employees of each affiliate may provide certain administrative services, including marketing and client service, on behalf of Acadian Asset Management LLC. Acadian Asset Management LLC is registered as an investment adviser with the U.S. Securities and Exchange Commission. Registration of an investment adviser does not imply any level of skill or training. Acadian Asset Management (Singapore) Pte Ltd, (Registration Number: 199902125D) is licensed by the Monetary Authority of Singapore. It is also registered as an investment adviser with the U.S. Securities and Exchange Commission. Acadian Asset Management (Australia) Limited (ABN 41 114 200 127) is the holder of Australian financial services license number 291872 ("AFSL"). It is also registered as an investment adviser with the U.S. Securities and Exchange Commission. Under the terms of its AFSL, Acadian Asset Management (Australia) Limited is limited to providing the financial services under its license to wholesale clients only. This marketing material is not to be provided to retail clients.