

# Acadian Global Equity Fund

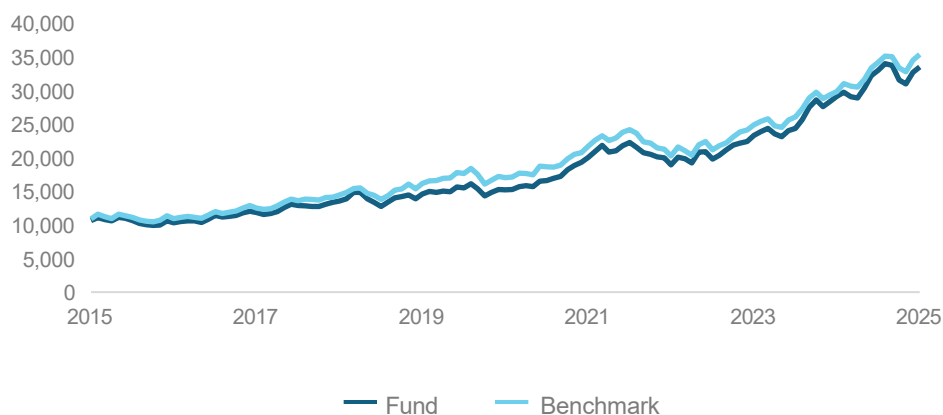


Quarterly Factsheet | **June 2025**

## Features of the strategy

- The strategy aims to outperform the MSCI World ex Australia Index over rolling four-year periods by investing in a diversified portfolio of global securities. The investment manager, Acadian Asset Management, applies a systematic investment process to an investible universe of over 40,000 stocks across developed and emerging markets. The strategy incorporates ESG considerations, as outlined below.
- Acadian's global investment capability is supported by a team of over 120 investment professionals across all strategies, sophisticated quantitative models that process 518 million data points daily, and a 39-year track record of delivering results through a proven systematic investment process.

## 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 June 30, 2025 (%) (Returns beyond 1 year are annualised)

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Fund (Gross)	2.5	6.4	1.8	16.1	22.1	18.2	13.3	9.9
Fund (Net)	2.4	6.1	1.3	15.0	20.9	17.1	12.1	8.8
Benchmark Index	2.5	5.9	3.4	18.6	20.3	15.7	12.5	9.3
Excess (Net - Index)	0.0	0.1	-2.1	-3.6	0.6	1.3	-0.4	-0.6

Past performance is not a reliable indicator of future performance. Inception date is 31 May 2005.

## Key Facts

### Strategy Snapshot

A portfolio utilising a systematic, multi-factor approach, while integrating a range of ESG criteria to select stocks.

### Investment Objective

To outperform the MSCI World ex Australia Index over rolling four-year periods before fees and taxes.

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

MSCI World ex-Australia Index

### Inception Date

31 May 2005

### Number of Stocks

200 - 400

### Fund Size

\$284 million

### Management Fee

0.98%

### Buy/Sell Spread

0.05%

### Distribution Frequency

Semi annually

### Minimum Investment

\$25,000 or platform minimum

### APIR

FSF0710AU

### Research Ratings

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

### Carbon Reduction

80% BM

### Exclusions

No exposure to Tobacco (or tobacco alternatives) production & Controversial Weapons (including nuclear) Fossil Fuel Companies considered to be climate transition laggards and UN Global Compact violators

### Tracking Error

3 - 4%

### Max Active Position

2.25%

(>5% Revenue)

Production of Alcohol, Gambling, Adult Entertainment, Conventional Weapons, Thermal Coal Mining and Unconventional Oil & Gas

## Fund Characteristics

	Global Equity Fund	MSCI World Ex AU
<b>Valuation</b>		
Price/Earnings	20.3	23.2
Price/Book	3.3	3.6
Price/Sales	2.0	2.5
Price/Cash Earnings	12.9	14.9
Yield	1.6%	1.7%
<b>Market Cap</b>		
Large > A\$76.3B	72.8%	78.3%
Med/Large A\$30.5-A\$76.3	9.0%	15.0%
Medium A\$15.3-A\$30.5	7.6%	5.3%
Med/Small A\$4.6-A\$15.3	6.5%	1.3%
Small < A\$4.6	3.7%	0.0%
WEIGHTED AVERAGE (B)	1079.3	1266.3
MEDIAN (B)	13.9	39.3
ACTIVE SHARE OF PORTFOLIO (%)	67.3	

## Allocation to Sustainable Investments\*

GLOBAL EQUITY	54.73%
MSCI WORLD EX AU	48.61%

## Top 10 Stocks

	Industry	%
NVIDIA CORP	Semicon & Semicon Equip	5.6
AMAZON.COM INC	Consumer Disc, Distr, Retail	3.5
APPLE INC	Tech Hardware & Equip	3.0
ALPHABET INC	Media & Entertainment	2.8
MICROSOFT CORP	Software & Services	2.5
BOOKING HOLDINGS INC	Consumer Services	2.4
CISCO SYSTEMS INC	Tech Hardware & Equip	2.3
VISA INC	Financial Services	2.2
ROCHE HOLDING AG	Pharma, Biotech & Life Sci	2.2
ABBOTT LABORATORIES	Health Care Equip & Servcs	2.1
Total		28.6

## Industry Sectors

	%
Information Technology	29.5
Financials	19.1
Communication Services	11.9
Health Care	11.0
Consumer Discretionary	10.1
Industrials	10.0
Consumer Staples	4.3
Energy	1.5
Materials	1.0
Utilities	0.7
Real Estate	0.6

## Country Exposure

	%
North America	73.8
Continental Europe	14.0
Asia	4.4
Japan	3.0
United Kingdom	1.8
Hong Kong/Singapore	1.1
Middle East	0.9
Europe/Mid East/Africa	0.2
Latin America	0.2
Australia/New Zealand	0.0

\*Companies that derive more than 20% revenue from products and services that align with the UN SDGs. Portfolio holdings are subject to change and should not be considered a recommendation to buy or sell individual securities. The data presented here is for a representative portfolio and is supplemental to the composite performance disclosure page attached. Reference to the benchmark is for comparative purposes only and is not intended to indicate that the composite will contain the same investments as the benchmark. Investors have the opportunity for losses as well as profits. Past performance is no guarantee of future returns.

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## ESG Considerations (Detailed)

No exposure to companies that are producers or manufacturers of tobacco (or tobacco alternatives) and controversial weapons (including nuclear) as defined by third party providers.

Alcohol, Gambling, Conventional Weapons, Adult Entertainment, Thermal Coal Mining and Unconventional Oil & Gas  
Restrict companies with more than 5% of revenue from the production of related products.

Fossil Fuel Companies considered to be Climate Transition Laggards

Restrict companies with more than 10% of revenue from the extraction and production of oil & gas or power generation associated with fossil fuels that appear (using a proprietary classification model) unwilling or unable to transition to a low carbon economy.

Companies that violate the UN Global Compact

Restrict companies, considered by third-party providers, to have business practices that violate the UN Global Compact, for example, those involved in very severe ESG controversies such as human rights abuses or corruption.

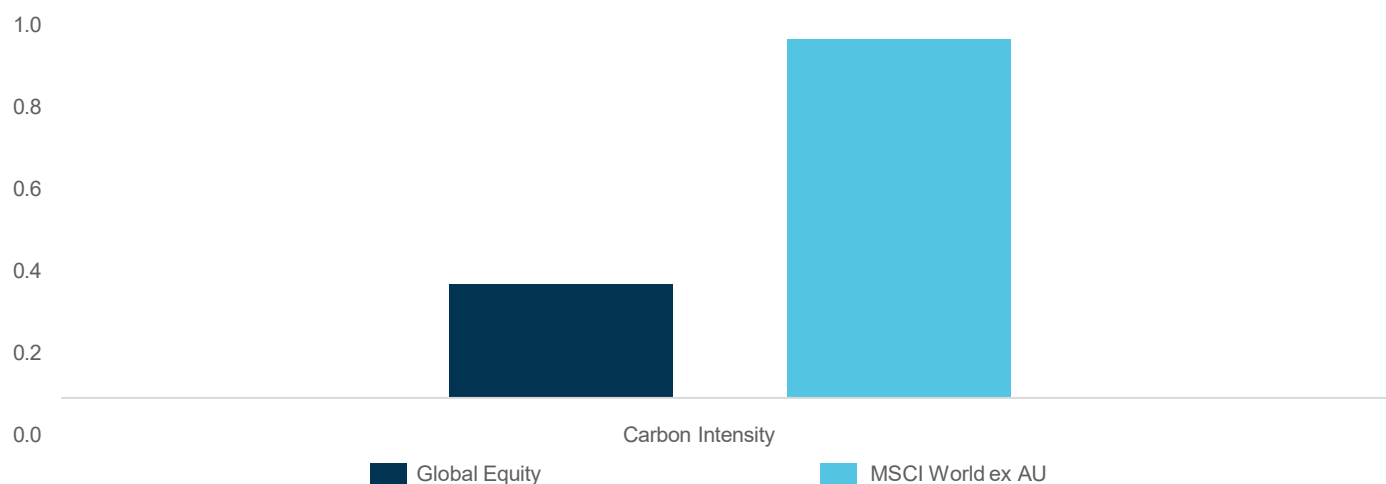
Carbon Exposure Reduction

Restrict the portfolio's active carbon (scope 1 + 2) emissions exposure by limiting the total portfolio weighted average carbon intensity (WACI) to a maximum of 80% relative to the MSCI World Ex Australia Index. The portfolio will also reduce the maximum allowable WACI exposure systematically over time. This involves an upfront WACI reduction relative to the benchmark such that it is no more than 80% of the WACI of the benchmark at 31st December 2020 and an annual absolute WACI reduction of 7% p.a.

Positive Environmental & Social Exposure

Positive (at least 1.1x exposure of the index using a proprietary model) active exposure to companies that contribute to environmental objectives (such as water use, clean energy, climate action) and social objectives (such as alleviation of poverty and hunger, good health and wellbeing, promotion of education, gender equality). Contribution to these objectives is measured via an issuer's revenue alignment to UN SDGs (United Nations Sustainable Development Goals)

## Carbon Exposures



Scope 1: Direct emissions through the consumption of fossil fuels, includes industrial use, power generation and aircraft

Scope 2: Indirect emissions through consumption of purchased electricity

Carbon Intensity: (Scope 1 + Scope 2 / Sales)

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## Restriction List

Top 10 Benchmark Names Excluded Under ESG Considerations	Benchmark Weight
PHILIP MORRIS INTERNATIONAL INC	0.4%
BOEING CO	0.2%
AIRBUS SE	0.2%
ALTRIA GROUP INC	0.1%
LOCKHEED MARTIN CORP	0.1%
BRITISH AMERICAN TOBACCO PLC	0.1%
ANHEUSER-BUSCH INBEV SA NV	0.1%
CANADIAN NATURAL RESOURCES LTD	0.1%
DIAGEO PLC	0.1%
FLUTTER ENTERTAINMENT PLC	0.1%

## Performance Commentary

The portfolio outperformed its benchmark<sup>1</sup> by 0.14% the quarter ending June 30, 2025. Key sources of positive active return included stock selection in the United States and France, and a combination of stock selection and an overweight position in Sweden. Leading advances within these markets included positions in Booking Holdings, Societe Generale, and Spotify Technology. Detractors included a combination of stock selection and an overweight position in Switzerland, stock selection in Japan, and a combination of stock selection and an underweight position in Germany. Leading declines within these markets in turn included positions in Roche Holding, Nippon Shinyaku, and Deutsche Boerse.\*

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

### Positive

Our overweight to Booking Holdings Inc., a provider of online and traditional travel and restaurant reservations and related services was rewarded with 27 basis points of active return as share prices rose 25.5% during the quarter. The gain was supported by strong financials and innovation, including a projected 10–12% revenue increase and record Q1 bookings. Booking enhanced its platform with AI tools like Priceline's "Penny" and announced a \$20 billion share buyback. These moves, along with a rebound in travel demand, reinforced investor confidence.

### Negative

Our underweight to tech-giant Microsoft Corp. cost the portfolio 43 basis points of active return as share prices rose 29.3% in the period. The rally was driven by strong earnings, with revenue reaching \$70.1 billion. Azure revenue grew 33%, supported by rising AI demand, now generating over \$13 billion annually. Microsoft 365 Copilot saw widespread adoption across Fortune 500 firms. A \$400 million AI infrastructure investment in Switzerland and \$86 billion in share buybacks since 2022 further boosted investor confidence. Microsoft's leadership in AI and cloud were other key drivers of continued growth.

## Market Review

In Q2 2025, global equity markets remained volatile but ultimately delivered strong gains, with global equities rising 9.5%. The quarter began with a sharp sell-off in early April following aggressive tariff announcements. However, a pivotal policy shift by the U.S. administration—pausing reciprocal tariffs and advancing trade negotiations—helped restore market stability. A major breakthrough came with an agreement between the U.S. and China to expedite the export of rare earth materials. In exchange, the U.S. lifted certain trade restrictions, while China pledged to review and approve items under its export control regime.

In parallel, the U.S. and U.K. finalized a trade agreement enhancing economic integration and addressing tariffs on autos and steel. Chinese equities initially struggled but reversed earlier losses as trade conditions improved. Japan posted stable, though moderate, returns compared to the rest of Asia ex-Japan, where emerging markets saw stronger inflows. Overall, emerging markets outpaced their developed counterparts, aided by a weaker U.S. dollar and improving sentiment surrounding U.S.-China relations. Meanwhile, gold prices—after reaching record highs in April—consolidated in June as geopolitical tensions eased and U.S. rate expectations shifted.

## Outlook and Strategy

Global equity markets delivered mixed performance in Q2 2025, navigating a volatile landscape shaped by geopolitical tensions, trade policy shifts, and evolving monetary expectations. The quarter began with a sharp sell-off, particularly in U.S. markets, as renewed tariff threats and weaker economic data triggered a technical correction. However, sentiment improved in May and June, supported by easing trade tensions, a ceasefire in the Middle East, and strong earnings in sectors like technology and consumer discretionary. The Fed held rates steady but signaled two cuts by year-end, while gold prices dipped on easing geopolitical risks.

The Organisation for Economic Co-operation and Development (OECD) predicts that global GDP growth will decrease from 3.3% in 2024 to 2.9% in 2025 and 2026. This decline will be particularly noticeable in North America and China. Factors such as higher bilateral tariffs and increased policy uncertainty are expected to impede growth in business investment and trade. Moreover, consumer spending is likely to drop in most economies due to weak sentiment, ongoing cost of living pressures, and the impact of higher trade tariffs.

The OECD's latest economic outlook underscores the complexity of the current economic environment, where inflation remains a central challenge amid broader efforts to revive global growth. It forecasts global inflation to stay high in 2025, with OECD-wide inflation projected to be 4.2%. This is an upward revision from the December 2024 forecast of 3.7%, indicating persistent price pressures in both advanced and emerging economies. The Paris-based organization attributes this rise to several factors, including ongoing supply chain disruptions, high energy prices, and continued geopolitical tensions. Additionally, stubborn inflation expectations might lead central banks to maintain tighter monetary policies for longer than previously expected. The OECD stresses that policy uncertainty and fragmented global trade could further worsen inflationary pressures if not addressed.

The U.S. Energy Information Administration (EIA) anticipates that global oil demand will continue to grow in the third quarter of 2025, largely fueled by non-OECD nations such as India and China. Refinery activity is also projected to increase. Although global oil supply is expected to rise, oil prices are likely to stay relatively steady. U.S. crude oil production, which peaked at 13.5 million barrels per day in Q2 2025, is forecast to decline to around 13.3 million barrels per day by Q4 2026 due to fewer active drilling rigs and falling oil prices. Brent crude prices are expected to average \$61 per barrel by the end of 2025 and drop further to \$59 per barrel in 2026.

## Platform Availability

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

## Fund Ratings

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

## Awards & Certifications



The Acadian Global Equity strategy has been certified and classified by the Responsible Investment Association Australasia according to the operational and disclosure practices required under the Responsible Investment Certification Program. See [www.responsiblereturns.com.au](http://www.responsiblereturns.com.au) and RIAA's Financial Services Guide for details. The Responsible Investment Certification Program provides general advice only and does not take into account any person's objectives, financial situation, or needs. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Because of this, you should consider your own objectives, financial situation and needs and also consider the terms of any product disclosure document before making an investment decision. Certifications are current for 24 months and subject to change at any time.

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