

Features of the strategy

- The strategy aims to outperform the MSCI World Index over rolling four-year periods by investing in undervalued companies and short selling overvalued ones. The portfolio typically maintains a long exposure of 130% and a short exposure of -30%.
- 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.
- 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 its 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 September 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)	2.3	4.0	9.5	20.1	28.3	28.1	17.8	11.2
Fund (Net)	2.2	3.6	8.8	18.5	26.7	26.5	16.4	10.0
Benchmark Index	1.9	6.1	12.4	22.7	22.4	16.2	13.1	8.9
Excess (Net - Index)	0.3	-2.4	-3.6	-4.2	4.3	10.3	3.3	1.1

Past performance is not a reliable indicator of future performance. Inception date is 04 May 2006.

Key Facts

Strategy Snapshot

A portfolio designed to maximise risk-adjusted, long-term returns by investing in undervalued stocks and short-selling overvalued stocks from around the world.

Investment Objective

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

Benchmark Index¹

MSCI World Index

Inception Date

04 May 2006

Number of Stocks

400 - 550

Fund Size

\$730 million

Management Fee

Acadian Global Equity Long Short Fund – Class A - 0.92%
Acadian Global Equity Long Short Fund - 1.28%

Buy/Sell Spread

0.05%

Distribution Frequency

Semi annually

Minimum Investment

\$25,000 or platform minimum

APIR

FSF1978AU FSF0788AU

Research Ratings

Zenith "Recommended"²

Lonsec "Recommended"³

Performance Commentary

The portfolio underperformed its benchmark¹ by -2.45% for the quarter ending September 30, 2025. Key sources of negative active return included a combination of stock selection and an underweight position in the United States, and stock selection in Canada and Taiwan. Leading declines within these markets included net short positions in QuantumScape and Energy Fuels, and an investment in Evergreen Marine. Contributors included a combination of stock selection and an overweight position in Singapore, a combination of stock selection and an underweight position in Germany, and an opportunistic exposure to China (+19 bps). Leading advances within these markets included positions in Yangzijiang Financial and Kuaishou Technology, and a net short position in Redcare Pharmacy.*

Key Holdings⁴

Positive

An off-benchmark exposure in Kodiak Sciences, Inc., a biotechnology company, was rewarded with 38 basis points of active return as shares rose over the quarter. The rally was fueled by encouraging clinical trial results, pipeline momentum, and favorable analyst revisions. Phase 1b APEX data showed notable improvements in vision and retinal thickness for macular edema. Additionally, Kodiak's late-stage portfolio in ophthalmology, with key data expected in 2026–2027, further supported investor optimism.

Negative

A lack of exposure in Tesla cost the portfolio 31 basis points of active return as share prices rallied 40% in the period. Tesla's surge was fueled by a 7% rise in vehicle deliveries, totaling nearly 497,000 units. U.S. demand spiked as buyers rushed to capitalize on expiring EV tax credits. Despite production declines and European headwinds, strong Model 3/Y output and robust energy storage deployments helped offset weakness. Investor optimism was fueled by improving fundamentals and anticipation of Q3 financials, reversing earlier-year losses and lifting sentiment.

Market Review

Global equity markets delivered a strong performance in Q3 2025, rising 7.5%, supported by easing trade tensions, resilient earnings, and rising expectations for monetary policy easing. Investor sentiment remained firm, especially in AI-centric sectors. News of a potential \$100 billion investment in OpenAI further reinforced artificial intelligence as a structural growth driver. Emerging markets broadly outperformed developed peers, led by China, which benefited from the extended US-China tariff truce and renewed tech optimism. Broader EM sentiment was lifted as well. Trade agreements between the US and the EU, Japan, and South Korea helped stabilize global risk appetite, while a ceasefire between Iran and Israel eased geopolitical tensions. However, the backdrop remained complex. New tariffs on India and Canada introduced fresh uncertainty, pushing the US effective tariff rate to its highest since the 1930 Smoot-Hawley Act. Unresolved issues in US-China talks—such as dual-use tech exports and industrial overcapacity—continue to cloud the outlook. The Federal Reserve's September rate cut confirmed its dovish pivot, though inflation remains sticky. Gold surged past \$3,800/oz, driven by safe-haven demand and inflation fears, with strong buying from central banks and Eastern markets. Markets showed resilience, with investors leaning into risky assets amid improving visibility on trade and policy.

Top 10 Stocks	Industry	%
NVIDIA CORP	Semicon & Semicon Equip	6.4
APPLE INC	Tech Hardware & Equip	4.8
ALPHABET INC	Media & Entertainment	4.2
META PLATFORMS INC	Media & Entertainment	3.4
MICROSOFT CORP	Software & Services	3.0
AMAZON.COM INC	Consumer Disc, Distr, Retail	2.7
BOOKING HOLDINGS INC	Consumer Services	2.3
MASTERCARD INC	Financial Services	1.6
BROADCOM INC	Semicon & Semicon Equip	1.6
JPMORGAN CHASE & CO	Banks	1.5
Total		31.3

Industry Sectors	%
Information Technology	28.7
Financials	16.8
Communication Services	12.8
Consumer Discretionary	11.6
Health Care	10.6
Industrials	8.2
Materials	3.9
Energy	3.3
Consumer Staples	2.4
Real Estate	1.3
Utilities	0.5

Country Exposure	%
North America	116.1
Continental Europe	21.2
Asia	10.7
Hong Kong/Singapore	2.7
Middle East	2.1
Australia/New Zealand	1.9
United Kingdom	1.1
Europe/Mid East/Africa	0.8
Latin America	0.8
Japan	0.4

Outlook and Strategy

Global equities advanced in Q3 2025, supported by easing trade tensions, strong corporate earnings—particularly in AI—and a dovish Federal Reserve. The U.S. finalized trade deals with the EU, Japan, and South Korea, reducing tariff risks and stabilizing markets. Talk of renewed ceasefire negotiations in the Middle East and extended U.S.-China negotiations further lifted sentiment. U.S. equities gained on robust tech results and a Fed rate cut, with markets pricing in further easing ahead as Q2 GDP was revised to 3.3%. Inflation rose to 2.9% in August from 2.7% in July, and the Fed cut rates to 4.00%–4.25%. Asia-Pacific outperformed, led by Japan's trade deal and monetary optimism. China rallied on tech strength and policy support, while India weakened under steep U.S. tariffs and currency pressure. Emerging markets overall outpaced developed peers amid resilient fundamentals.

The OECD projects global GDP growth at 3.2% in 2025 and 2.9% in 2026, down from 3.3% in 2024 but above its June forecast of 2.9% for 2025. The upward revision reflects stronger-than-expected early-year performance in emerging economies, though momentum is expected to slow as trade disputes and policy uncertainty persist. The outlook underscores both resilience and mounting headwinds.

Inflation dynamics remain complex. G20 headline inflation is expected to ease from 3.4% in 2025 to 2.9% in 2026, with core inflation broadly stable at 2.6% in 2025 and 2.5% in 2026. Rising food and goods prices and tariff effects are slowing disinflation. Firms have absorbed much of the burden, but pressure is emerging in consumer demand and corporate margins. The OECD urges governments to adopt transparent trade policies and central banks to balance inflation control with growth support while preserving independence.

Energy markets reflect complex dynamics in supply and demand across energy sources. The U.S. Energy Information Administration expects Brent crude to average \$59 per barrel in Q4 2025, reflecting swelling inventories as supply outpaces demand, with stockpiles likely elevated into 2026. By contrast, U.S. electricity and natural gas use are projected at record highs, supported by renewable expansion, while ethane production and exports rise on robust global demand. Further, propane exports to China remain constrained by tariffs, building Gulf Coast inventories and pressuring regional prices downward.

Platform Availability

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

Fund Ratings

- Zenith “Recommended”²
- Lonsec “Recommended”³

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Disclaimer and disclosures

1 MSCI World Index. 2 The Zenith Investment Partners (ABN 27 103 132 672, AFS Licence 226872) ("Zenith") rating (assigned APIR FSF1978AU FSF0788AU 13 November 2024) referred to in this piece is limited to "General Advice" (s766B Corporations Act 2001) for Wholesale clients only. This advice has been prepared without taking into account the objectives, financial situation or needs of any individual, including target markets of financial products, where applicable, and is subject to change at any time without prior notice. It is not a specific recommendation to purchase, sell or hold the relevant product(s). Investors should seek independent financial advice before making an investment decision and should consider the appropriateness of this advice in light of their own objectives, financial situation and needs. Investors should obtain a copy of, and consider the PDS or offer document before making any decision and refer to the full Zenith Product Assessment available on the Zenith website. Past performance is not an indication of future performance. Zenith usually charges the product issuer, fund manager or related party to conduct Product Assessments. Full details regarding Zenith's methodology, ratings definitions and regulatory compliance are available on our Product Assessments and at <http://www.zenithpartners.com.au/RegulatoryGuidelines> 3 The rating issued 28 March 2025 FSF1978AU FSF0788AU 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. © 2025 Lonsec. All rights reserved. 4 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.

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