

Acadian Global Managed Volatility Equity Fund - Class A

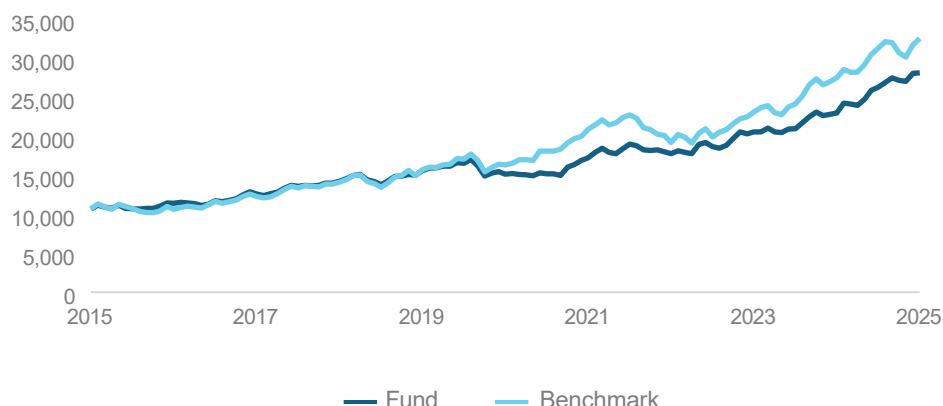


Quarterly Factsheet | **June 2025**

Features of the strategy

- The strategy aims to deliver returns comparable to those of a global equity index, but with significantly lower absolute volatility and stronger downside protection over the long term.
- By limiting absolute risk, the strategy offers the potential for investors to compound wealth more efficiently and steadily than traditional capitalisation-weighted indices.
- The investment manager, Acadian Asset Management, applies a systematic investment process to an investable 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 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 June 30, 2025 (%)

(Returns beyond 1 year are annualised)

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Inception	Sharpe Ratio	Beta
Fund (Gross)	-0.3	3.0	6.7	22.3	17.0	13.8	10.7	13.4	1.4	0.7
Fund (Net)	-0.3	2.9	6.3	21.6	16.3	13.1	10.1	12.8	1.3	0.7
Benchmark Index	2.6	6.0	4.0	18.4	19.2	14.8	11.8	14.3	1.2	1.0
Excess (Net - Index)	-2.9	-3.2	2.4	3.2	-2.9	-1.7	-1.7	-1.5		

Past performance is not a reliable indicator of future performance. Inception date is 19 January 2012.

Key Facts

Strategy Snapshot

An equity portfolio that aims to provide returns similar to those of the global equity market but with lower volatility over the market cycle. The fund aims to exploit the historical pattern in which higher volatility stocks have underperformed lower volatility stocks on a risk-adjusted basis.

Investment Objective

The fund aims to perform in line with the MSCI All Country World Index over rolling three-year periods before fees.

Benchmark Index¹

MSCI All-Country World Index

Inception Date

19 January 2012

Number of Stocks

300 - 600

Fund Size

\$279 million

Management Fee

0.63%

Buy/Sell Spread

0.05%

Distribution Frequency

Semi annually

Minimum Investment

\$25,000 or platform minimum

APIR

FSF1240AU

Research Ratings

Zenith "Recommended"²

Lonsec "Recommended"³

Performance Commentary

The portfolio underperformed its benchmark² by 3.17% for the quarter ending June 30, 2025. Stock selection and an underweight position in information technology detracted 283 basis points, led by an underweight position in Nvidia. Meanwhile, a combination of stock selection and an overweight position in consumer staples detracted 80 basis points, owing primarily to a holding in Clorox. This was partially offset by 79 basis points of positive returns from stock selection in health care, driven by a lack of exposure to UnitedHealth Group.*

Approximately 37% of the portfolio was held in the lowest beta stocks, compared to roughly 11% for the Index. The portfolio's allocation to the lowest beta quintile detracted from returns, whilst stock selection within the lowest beta quintile was accretive.

Key Holdings⁴

Positive

Our underweight to Apple Inc. was rewarded with 36 basis points of active return. Despite the stock rising 4.9% in Q2 2025, Apple faced several challenges, including a 5% decline in wearables and accessories revenue and a 2% drop in China sales due to currency headwinds and weak demand. The company also flagged a potential \$900 million tariff impact. Gross margins declined sequentially, and ongoing legal disputes—such as the Epic Games and Google antitrust cases—posed risks to its Services segment. These issues dampened investor sentiment despite otherwise solid financial results.

Negative

An underweight in NVIDIA Corp. cost the portfolio 69 basis points of active return as share prices rallied 49.2% in the period. NVIDIA's surge was fueled by rising demand for its AI chips and strategic global alliances. It landed key deals with governments in Europe, Asia, and the Middle East to supply Blackwell GPUs for national AI systems. Its data center growth reflected widespread AI adoption. Analysts raised price targets, citing NVIDIA's AI dominance and innovation in chip design, reinforcing investor confidence in its pivotal role across industries and digital transformation efforts.

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.

Top 10 Stocks	Industry	%
APPLE INC	Tech Hardware & Equip	2.0
NVIDIA CORP	Semicon & Semicon Equip	1.9
MICROSOFT CORP	Software & Services	1.6
ALPHABET INC	Media & Entertainment	1.6
AGRICULTURAL BANK OF CHINA LTD.	Banks	1.4
PSP SWISS PROPERTY AG	Real Estate Management	1.4
ROYAL GOLD INC	Materials	1.4
MCKESSON CORP	Health Care Equip & Servcs	1.4
ABBOTT LABORATORIES	Health Care Equip & Servcs	1.3
CINTAS CORP	Comm & Prof Services	1.3
Total		15.2

Industry Sectors	%
Information Technology	21.8
Consumer Staples	16.0
Communication Services	15.3
Health Care	12.4
Financials	8.4
Materials	7.0
Industrials	6.8
Consumer Discretionary	4.2
Real Estate	2.8
Energy	2.2
Utilities	1.8

Country Exposure	%
North America	58.6
Continental Europe	13.3
Asia	12.9
Japan	7.5
Middle East	2.3
Australia/New Zealand	2.0
Hong Kong/Singapore	0.8
United Kingdom	0.8
Europe/Mid East/Africa	0.4
Latin America	0.0

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

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

Fund Ratings

- Zenith "Recommended"²
- Lonsec "Recommended"³

Contact Acadian Asset Management



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