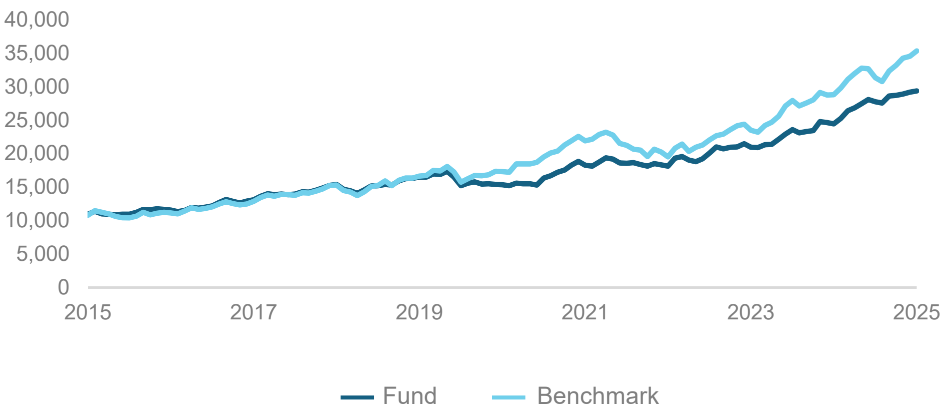
# Acadian Global Managed Volatility Equity Fund - Class A

Quarterly Factsheet | **September 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 stocksacross 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 September 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) | 0.7 | 2.5 | 5.6 | 20.1 | 17.9 | 14.4 | 10.9 | 13.4 | 1.4 | 0.7 |
| Fund (Net) | 0.6 | 2.3 | 5.3 | 19.3 | 17.2 | 13.7 | 10.3 | 12.7 | 1.3 | 0.7 |
| Benchmark Index | 2.3 | 6.4 | 12.9 | 22.8 | 21.9 | 15.3 | 12.6 | 14.5 | 1.2 | 1.0 |
| Excess (Net - Index) | -1.7 | -4.1 | -7.6 | -3.4 | -4.6 | -1.6 | -2.3 | -1.8 | | |

*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 absolute 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 Index[1]
MSCI All-Country World Index

### Inception Date
19 January 2012

### Number of Stocks
300 - 600

### Fund Size
$309 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 benchmark[1] by -4.12% for the quarter ending September 30, 2025. Stock selection and an underweight position in information technology detracted 155 basis points, led by an underweight position in Apple. Meanwhile, stock selection in communication services detracted 66 basis points, owing primarily to a holding in Alphabet. This was partially offset by 21 basis points of positive returns from stock selection and an overweight position in materials, driven by a position in Newmont.*

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

## Key Holdings[4]

### Positive

Our overweight to TE Connectivity plc was rewarded with 26 basis points of active return as share prices rallied 30.1% in the period. The rally was fueled by robust secular demand across core segments. The transportation segment benefited from increased demand for advanced electronic components in vehicles and a surge in data connectivity needs across Asian markets. Industrial Solutions thrived on AI, renewables, and aerospace momentum. Q3 earnings beat expectations, with 14% revenue growth, margin expansion, and $1.5B in shareholder returns—solidifying investor confidence and driving the rally.

### Negative

A lack of exposure in Tesla cost the portfolio 34 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 | 2.6 |
| APPLE INC | Tech Hardware & Equip | 2.2 |
| MICROSOFT CORP | Software & Services | 1.7 |
| ALPHABET INC | Media & Entertainment | 1.7 |
| TE CONNECTIVITY PLC | Tech Hardware & Equip | 1.4 |
| MCKESSON CORP | Health Care Equip & Servcs | 1.3 |
| ELECTRONIC ARTS INC | Media & Entertainment | 1.3 |
| F5 INC | Tech Hardware & Equip | 1.2 |
| AGRICULTURAL BANK OF CHINA LTD. | Banks | 1.2 |
| TELENOR ASA | Telecom Services | 1.1 |
| Total | | 15.8 |

| Industry Sectors | % |
|---|---|
| Information Technology | 23.7 |
| Communication Services | 14.8 |
| Health Care | 13.4 |
| Consumer Staples | 12.9 |
| Materials | 8.5 |
| Financials | 8.1 |
| Industrials | 5.2 |
| Consumer Discretionary | 5.1 |
| Energy | 3.3 |
| Real Estate | 2.5 |
| Utilities | 2.5 |

| Country Exposure | % |
|---|---|
| North America | 59.5 |
| Continental Europe | 13.3 |
| Asia | 13.3 |
| Japan | 7.4 |
| Australia/New Zealand | 2.3 |
| Middle East | 2.2 |
| United Kingdom | 0.9 |
| Hong Kong/Singapore | 0.9 |
| Europe/Mid East/Africa | 0.2 |
| Latin America | 0.0 |

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

## Fund Ratings

- Zenith "Recommended"[2]
- Lonsec "Recommended"[3]

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# Disclaimer and disclosures

1 MSCI All-Country World Index. 2 The Zenith Investment Partners (ABN 27 103 132 672, AFS Licence 226872) (“Zenith”) rating (assigned APIR FSF1240AU 28 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. 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