

ACADIAN GEARED AUSTRALIAN EQUITY FUND

SEPTEMBER 2024

The Acadian Geared Australian Equity Fund seeks to maximise long-term returns by borrowing to invest, predominantly in a selection of Australian companies within the S&P/ASX 300 Accumulation Index, while carefully controlling portfolio risk and transaction costs.

APIR Code	FSF0453AU
Inception Date	14 May 2018
Management Cost	0.97% / 2.12%
Buy / Sell spread	0.15/0.40%
Exit Unit Price	0.9784
Product Size	\$331 million
Benchmark	S&P / ASX 300 Accumulation Index

PERFORMANCE

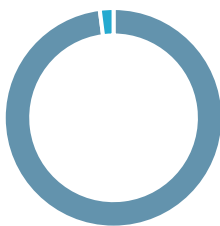
	FUND (GROSS)	FUND (NAV)	BENCHMARK	VALUE-ADDED VS. BENCHMARK
One-Month Return	2.7	2.5	3.1	-0.6
Three-Month Return	10.8	10.2	7.8	2.4
Year-to-Date Return	15.8	14.0	12.3	1.7
One Year Annualized Return	28.1	25.4	21.7	3.7
Three Year Annualized Return	7.4	5.1	8.1	-3.0
Five Year Annualized Return	7.3	5.0	8.3	-3.3
SINCE INCEPTION ANNUALIZED RETURN	8.8	6.6	7.6	-1.0
SINCE INCEPTION SHARPE RATIO	0.3	0.2	0.5	
SINCE INCEPTION BETA	1.8	1.8	1.0	

TOP TEN HOLDINGS

	% OF PORTFOLIO
COMMONWEALTH BANK OF AUSTRALIA	6.1
BHP GROUP LTD	6.0
CSL LTD	4.4
BRAMBLES LTD	3.4
ARISTOCRAT LEISURE LTD	3.4
COLES GROUP LTD	3.2
TELSTRA GROUP LTD	2.9
COMPUTERSHARE LTD	2.9
WOOLWORTHS GROUP LTD	2.8
LOTTERY CORP LTD	2.7
NUMBER OF SECURITIES	107
% OF PORTFOLIO FOR TOP 10 CURRENT HOLDINGS	37.9
% OF NON-BENCHMARK PORTFOLIO HOLDINGS	2.2

CURRENT POSITIONING - REGION

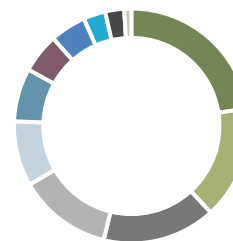
ABSOLUTE



■ AU/NZ	96.1%
■ NAM	2.0%

CURRENT POSITIONING - SECTOR

ABSOLUTE



■ FIN	22.2%
■ MAT	15.3%
■ IND	15.3%
■ STP	12.7%
■ HTH	8.8%
■ DIS	7.2%
■ ENR	5.3%
■ COM	4.9%
■ UTL	3.0%
■ TCH	2.6%
■ REI	1.0%

This strategy is accessible through a fund. Colonial First State Investments Limited is the responsible entity for this fund, ABN 98 002 348 352 AFS Licence 232468. Please refer to the latest Product Disclosure Statement and Target Market Determination document available on the following website <http://www.colonialfirststate.com.au> for the terms and conditions of investing into the fund.

Returns that include the most recent month are preliminary. All returns are calculated on an annualised basis using exit price to exit price with distributions reinvested, net of management costs, transaction costs. All return calculations exclude any individual taxes payable by the investor and all other fees and rebates disclosed in the relevant product disclosure statements available on our website or by calling us. The 'distribution' component is the amount paid by the way of distribution, which may include net realised capital gains. Portfolio holdings are subject to change and should not be considered a recommendation to buy or sell individual securities. Reference to the benchmark is for comparative purposes only and is not intended to indicate that the Fund 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 results. Index Source: Copyright © 2024, Standard & Poor's Financial Services LLC. All rights reserved.

ACADIAN GEARED AUSTRALIAN EQUITY FUND

QUARTERLY REVIEW

Fund Performance and Activity

The portfolio underperformed its benchmark, the S&P/ASX 300 Accumulation Index¹, by 222 basis points for the quarter ending September 30, 2024. Stock selection and sector allocations detracted from return. Key sources of negative active return included stock selection in financials and communication services, and an underweight position in real estate. Contributors included stock selection in information technology and materials, and an overweight position in industrials.

Approximately 55% of the portfolio was held in the lowest beta stocks, compared to roughly 23% for the Index. The effect of the portfolio's exposure to the lowest beta quintile was negative.

Key Holdings²

Positive

Our overweight to Brambles Ltd, a supply-chain logistics company, was rewarded with 60 basis points of active return as share prices rallied 32% over the quarter. The company has been benefiting from new business growth in key markets amid increasing revenue and strong cash flow.

Negative

Our overweight to Spark New Zealand Ltd., a provider of telecommunication and digital services, cost the portfolio 73 basis points of active return as share prices dropped 25.9% in the period. A recessionary economic environment in New Zealand has created a tough operating environment for the company. Its IT services revenues have been impacted by public sector spending cuts and deferred private sector investment, whereas lower household and business spending have weighed on mobile devices and accessories sales.

Market Review

Australian equities (S&P/ASX 300 Accumulation Index) rallied 7.8% in Q3 2024 on easing inflation. Abroad, the Fed kicked off its easing cycle in September, reducing rates by 50 bps after holding steady for more than a year. The Reserve Bank of Australia (RBA), meanwhile, left rates unchanged in the quarter, as inflation, although cooling, had remained above its target. In August, inflation softened to the central bank's 2–3% target—for the first time since August 2021 – as the monthly consumer price index (CPI) retreated to 2.7% from 3.5% in July. This deceleration was largely attributed to government rebates on electricity bills.

Australia's consumer confidence wobbled throughout the quarter before settling at 84.6% in September, falling from a six-month high in the previous month. Consumers' outlook on the Australian economy remained bleak after the GDP growth weakened in Q2, sparking fears of job losses. Meanwhile, views on economic conditions for the next 12 months slipped to 81.2, while unemployment expectations rose 3.7% to 138.4 (vs long-run average of 129) by the end of the quarter.

Contrary to the continued pessimism among consumers about the future of the Australian economy, the RBA expects stronger GDP growth over the next year than its initial forecast as domestic demand recovers. It expects consumption to increase steadily as real household disposable income rebounds thanks to cooling inflation.

From a sector perspective, information technology (+15.3%) was the largest contributor, followed by real estate (+14.3%). Energy stocks (-6.4%) fell the most during the period.

Outlook and Strategy

The global economy ended the second quarter of 2024 on a strong note as concerns over inflation and interest rates abated and hopes of a soft landing were revived. The momentum continued into the third quarter, buoyed by steadily slowing inflation and the beginning of the rate cut cycle by major central banks. The U.S. Federal Reserve (Fed) finally slashed rates by 50bps after holding steady for 13 months. Marking the first cut since March 2020, the decision lowered the federal funds rate to 4.75-5.0%. In China, the government announced the biggest stimulus package in years to shore up the country's ailing economy. The People's Bank of China slashed interest rates by 20bps and its reserve requirement ratio by 50bps to boost loan demand.

The Organisation for Economic Cooperation and Development (OECD) believes that the global economic growth is in the process of stabilizing as concerns over interest rates ease with central banks' reducing rates and falling inflation, boosting household incomes. The OECD raised its growth outlook for the global economy recently, expecting it to grow 3.2% year-over-year both this and next year. The Paris-based organization had earlier projected the global economy to grow 3.1% in 2024. As central banks continue to lower rates, the lagged impact of monetary tightening will likely gradually fade. Additionally, falling inflation will likely boost consumer spending going forward. The OECD believes that if oil prices continue to fall, global headline inflation could drop 50bps more than it anticipated earlier.

Experts believe that a soft landing is in sight for the West. With fears of a new surge in inflation receding, central banks may cut rates more aggressively than previously thought. Consequently, looser monetary policies and a rally in real income growth are expected to remain the key growth drivers in advanced economies. However, emerging markets may suffer from a structural slowdown in China.

The U.S. Energy Information Agency expects oil inventories to fall in the fourth quarter of 2024 because of the recent announcement by OPEC+ to delay production increase until December. It expects Brent crude oil spot price to average \$82/b in the fourth quarter and \$84/b in 2025. Persistent uncertainty, due to geopolitical tensions, particularly in the Middle East, will likely lead to further hikes in oil prices. However, weak oil demand from China will likely remain a drag.

Meanwhile, the Reserve Bank of Australia expects the Australian GDP growth over the next year to be stronger than initially forecast, as domestic demand remains strong. Consumption is expected to increase steadily as real household disposable income rebounds thanks to cooling inflation. Unemployment is forecast to rise steadily but the expected recovery in the Australian economy will provide some relief to the labor market.

¹S&P/ASX 300 Accumulation Index - Total 05/11/2018 To Present. ²Top contributing/detracting individual positions over the period as measured by basis point impact. *This should not be considered a recommendation to buy or sell any specific security. Colonial First State Investments Limited ("CFS") is the responsible entity for this fund, ABN 98 002 348 352, AFS Licence 232468. You can find the target market determinations (TMD) for this fund at www.cfs.com.au/tmd, which include a description of who a financial product might suit. You should also read the relevant Product Disclosure Statement (PDS) and Financial Services Guide (FSG) carefully, assess whether the information is appropriate for you, and consider talking to a financial adviser before making an investment decision. You can get the PDS and FSG at www.cfs.com.au or by calling CFS on 13 13 36. The information provided has been prepared by Acadian from our internal records. It is not intended to replace the official records of your account that you receive directly from the custodian. You are encouraged to compare the information provided to you by Acadian to that provided by the custodian and to contact us with any questions. The specific countries, sectors, and individual stocks discussed herein are non-exclusive and are provided as representative of the portfolio's performance during the period. For a complete list of markets, sectors, and stocks in which the portfolio was invested during the period and the performance of each, please contact Acadian. Please note that Acadian's system of portfolio attribution uses certain estimates and assumptions and the calculations provided herein are based upon Acadian's internal records and not those maintained by the Custodian. Additional details about our method of calculation will be furnished upon request. Reference to the benchmark is for comparative purposes only and is not intended to indicate that the portfolio will or did contain the same investments as the benchmark. This review contains confidential information of Acadian Asset Management LLC. Market conditions are subject to change. Past performance is no guarantee of future returns. Attribution data is gross of fees.

WANT MORE INFORMATION?

If you are a Financial Adviser or Wholesale Client:

Please contact Mark Mukundan, SVP, Director, Wholesale Markets – 0411 615 685 or contact Acadian on (02) 9093 1000 or email us at australiaclientservice@acadian-asset.com

If you are a Personal Investor or Retail Client:

Speak with your Financial Adviser about the suitability of our products, in light of your investment needs, objectives and financial situation. Please read the product disclosure statement (PDS) and Target Market Determination (TMD) document for the Fund issued by Colonial First State Investments Limited (ABN 98 002 348 352, AFSL 232468) before making an investment decision. You can download the PDS and TMD from <https://www3.colonialfirststate.com.au/personal/resources/pds.html> or contact Colonial on 13 18 36 (8am to 7pm Sydney time)

This material has been prepared by and is issued by Acadian Asset Management LLC and Acadian Asset Management (Australia) Limited, collective 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.

GENERAL LEGAL DISCLAIMER

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, BrightSphere Investment Group 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

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 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. CFSIL is a subsidiary of the Commonwealth Bank of Australia (Bank). The Bank and subsidiaries thereof do not guarantee the performance of the Fund or the repayment of capital by the Fund. Investments in the Fund are not deposits or other liabilities of the Bank or its subsidiaries, and investment-type products are subject to investment risk including loss of income and capital invested. To the extent permitted by law, no liability is accepted by the Bank or any affiliates thereof for any loss or damage as a result of any reliance on this information. This information is, or is based upon, information that we believe to be accurate and reliable, however neither Acadian, the Bank nor any affiliates thereof offer any warranty that it contains no factual errors. In Australia 'Colonial', 'Colonial First State' and 'CFS' are trade marks of Colonial Holding Company Limited and 'Colonial First State Investments' is a trade mark of the Bank and all of these trade marks are used by Acadian under license. Copyright © Acadian Asset Management LLC 2024 All rights reserved.

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.

Acadian Asset Management (UK) Limited is authorized and regulated by the Financial Conduct Authority ('the FCA') and is a limited liability company incorporated in England and Wales with company number 05644066. Acadian Asset Management (UK) Limited will only make this material available to Professional Clients and Eligible Counterparties as defined by the FCA under the Markets in Financial Instruments Directive, or to Qualified Investors in Switzerland as defined in the Collective Investment Schemes Act, as applicable.



GLOBAL AFFILIATES

Boston London Singapore Sydney

ACADIAN-ASSET.COM