

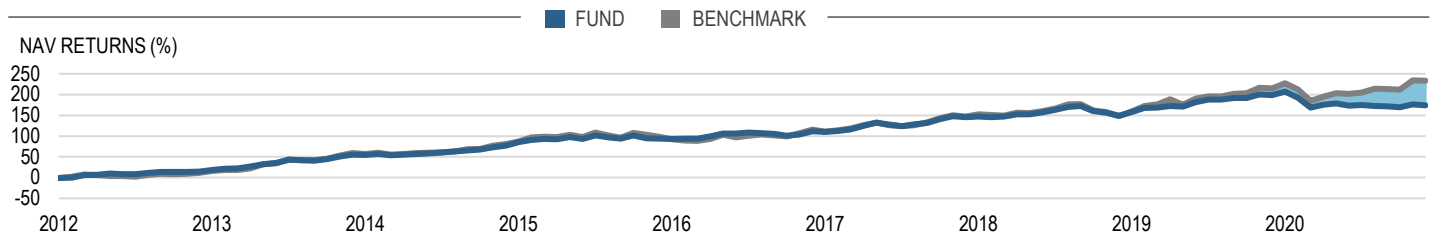
ACADIAN GLOBAL MANAGED VOLATILITY FUND - CLASS A

DECEMBER 2020

The Acadian Global Managed Volatility Fund - Class A seeks to provide returns similar to those of a global equity index, but with significantly lower absolute volatility and superior downside protection, over the longer term. Limiting absolute risk has the potential to allow investors to compound wealth more efficiently and steadily than traditional capitalisation weighted indices. The option aims to perform in line with the MSCI All Country World Index over rolling three-year periods before fees.

APIR Code FSF1240AU
Inception Date 19 January 2012
Management Cost 0.62%
Buy / Sell spread 0.05/0.05%
Exit Unit Price 1.5505
Product Size \$359.5 million
Benchmark MSCI All-Country World Index

CUMULATIVE PERFORMANCE



PERFORMANCE

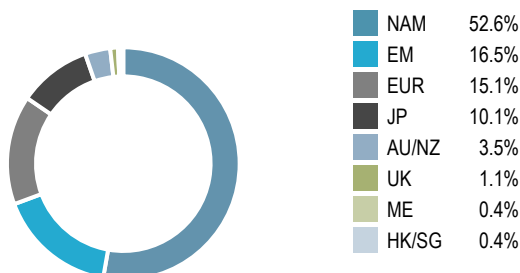
	FUND (NAV)	BENCHMARK	VALUE-ADDED VS. BENCHMARK
One Month Return	-0.7	-0.1	-0.6
Three Month Return	0.8	6.5	-5.7
Year-to-Date Return	-8.1	5.9	-14.0
One Year Annualized Return	-8.1	5.9	-14.0
Three Year Annualized Return	3.7	10.6	-6.9
Five Year Annualized Return	7.2	10.9	-3.7
SINCE INCEPTION ANNUALIZED RETURN	11.9	14.4	-2.5
SINCE INCEPTION SHARPE RATIO	1.2	1.2	
SINCE INCEPTION BETA	0.7	1.0	

TOP TEN HOLDINGS

	% OF PORTFOLIO
PROCTER & GAMBLE CO	1.3
IBERDROLA SA	1.3
WALMART INC	1.2
COLGATE-PALMOLIVE CO	1.2
NIPPON TELEGRAPH & TELEPHONE CORP	1.2
ALPHABET INC	1.2
ROCHE HOLDING AG	1.2
NINTENDO CO LTD	1.1
SWISSCOM AG	1.1
ORACLE CORP	1.1
NUMBER OF SECURITIES	435
% OF PORTFOLIO FOR TOP 10 CURRENT HOLDINGS	12.0
% OF NON-BENCHMARK PORTFOLIO HOLDINGS	26.5

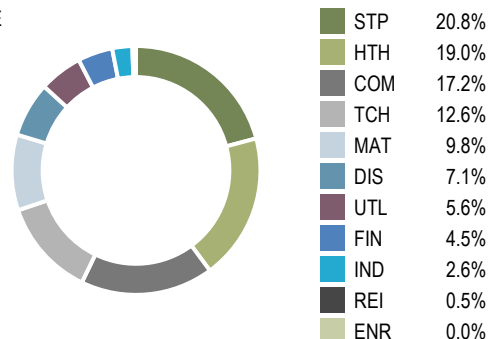
CURRENT POSITIONING - REGION

ABSOLUTE



CURRENT POSITIONING - SECTOR

ABSOLUTE



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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. Past performance may differ significantly from future performance due to market volatility. Index Source: MSCI Copyright MSCI 2021. All Rights Reserved. Unpublished. PROPRIETARY TO MSCI.



ACADIAN GLOBAL MANAGED VOLATILITY FUND - CLASS A

QUARTERLY REVIEW

Market Review

In the fourth quarter, global equities gained 12.4%³ on vaccine-induced optimism. Equity markets rotated away from pandemic winners, such as online retail, healthcare, and home improvement, and towards the most beaten-down segments, including energy, hotels, airlines, and financials. The same was true for countries as France, Italy, and Spain reclaimed market losses to post double-digit gains for the quarter. Equities were further buoyed by central banks' commitments to remain accommodative for the foreseeable future. Commodity prices also surged on vaccine progress, most notably copper and petroleum. Global trade dynamics remained in flux, further disrupted by China's efforts to disentangle itself from global supply chains. Positive developments included the eleventh-hour Brexit deal and the U.S. election results. The Biden administration's approach is expected to encourage more collaborative trading relationships than that of the outgoing president's tariff offensive.

Fund Performance and Activity

PORTFOLIO PERFORMANCE IN AUSTRALIAN DOLLARS

	FOURTH QUARTER
Portfolio (gross of fees)	0.9
Benchmark	6.5

For the fourth quarter, the portfolio saw 5.58% of negative return versus the cap-weighted benchmark¹. A combination of stock selection and an overweight position in consumer staples detracted 213 basis points, owing primarily to a position in Kimberly-Clark. Stock selection in materials detracted 131 basis points, led by a holding in Newcrest Mining. Offsetting these results to a degree was 14 basis points of positive return from an underweight position in Real Estate, driven by lack of exposure to American Tower.

Approximately 45% of the portfolio was held in the lowest beta stocks, compared to roughly 15% for the index. The effect of the portfolio's exposure to the lowest beta quintile was negative in the fourth quarter, detracting 235 basis points.

Key Holdings²

Positive

- Our lack of exposure to Alibaba Group Holding was rewarded with 34 basis points of active return. Share prices fell on news that President Trump may prohibit American's from investing in the Chinese tech giant. This maneuver represents an escalation of the Trump Administration's efforts to unwind U.S. investors holdings in Chinese companies. In a separate action, President Trump signed an order prohibiting U.S. investors and businesses from transacting with Alibaba affiliate Ant Group Co.'s Alipay.

Negative

- Our lack of exposure to Tesla cost the portfolio 27 basis points of active return as share prices soared, up 64% for the quarter. The Silicon Valley electric-car maker delivered a record 499,550 vehicles globally last year, up from roughly 367,500 in the prior year. In the fourth quarter alone, Tesla delivered 180,570 vehicles. The surge in deliveries has stoked expectations for Tesla to post a record profit for Q4, which represents the fifth consecutive quarter of profits. Tesla demonstrated resilience in a particularly challenging market, one in which global auto sales languished amid pandemic-induced containment measures.

Outlook and Strategy

The global economic outlook has improved, largely on hopes of a vaccine-induced recovery. The OECD revised global GDP estimates to 4¼% for 2021; however, there is a wide range of potential outcomes in the near-term. The vaccine holds out the promise of a return to normalcy, yet many hurdles remain. Until a viable vaccine is widely disseminated, the pandemic will continue to impose economic strains as sporadic, and potentially sizable, outbreaks are likely to continue.

The post-COVID-19 revival will be uneven across countries and sectors and contingent upon vaccine efficacy, distribution, and take-up rates. Some countries stand to benefit more than others, particularly those reliant on the hardest-hit sectors, such as tourism, services, and hospitality. If the vaccine is not successful, the K-shaped recession may persist, forging a wider inequality gap. Appropriate and well-targeted policy support remains imperative to reinvigorating economic momentum. The COVID-19 crisis was answered by the largest budgetary expansion since WW2; however, fiscal magnitude alone is not sufficient to sustain economic activity. The lack of correlation between the size of support and the resulting economic performance suggests that not all measures were well-targeted. Fiscal policy will need to adequately fund vaccination programs, while also neutralizing mitigants for enduring economic stagnation, such as low investment and devastatingly high unemployment. On the upside, massive government support alongside containment measures contributed to forced savings, particularly among high income groups. Approximately \$4.3 trillion of cash is invested in institutional and retail money market funds, earning near-zero returns. Once the pandemic abates, this stockpile of cash could underpin a vigorous macro-revival. Similarly, monetary policy needs to be properly calibrated and well-timed. Premature tightening could quell momentum. Rallying commodity prices could generate upward pressure on inflation rates. If inflation were to overshoot targets, it could impede economic progress, as central banks may be forced to react to the higher inflation.

The global trade picture, most recently overshadowed by COVID-19, remains in flux. Many longstanding risks are skewing the outlook, most notably, the U.S.-China struggle for world economic primacy. The Biden administration's vow to adopt a more strategic approach may improve trade relations. On a positive note, an eleventh-hour Brexit deal has provided some much-needed resolve.

¹MSCI All-Country World (net) 2013-01-15 To 2020-12-31, MSCI World (net) 2012-01-18 To 2013-01-15. ²Top contributing/detracting individual positions over the period as measured by basis point impact. ³Stated in USD terms. 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 available on the following website <http://www.colonialfirststate.com.au> for the terms and conditions of investing into the fund. 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.

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

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