

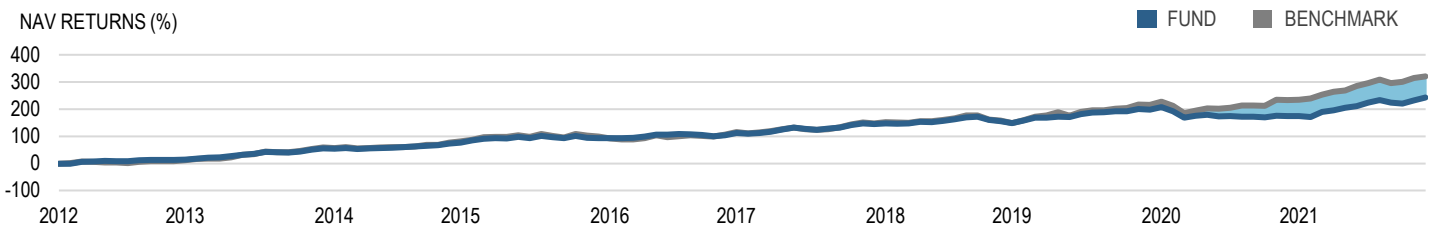
ACADIAN GLOBAL MANAGED VOLATILITY FUND - CLASS A

DECEMBER 2021

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	1.7103
Product Size	\$282 million
Benchmark	MSCI All-Country World Index

CUMULATIVE PERFORMANCE



PERFORMANCE

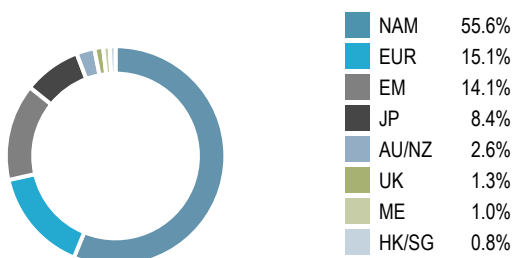
	FUND (NAV)	BENCHMARK	VALUE-ADDED VS. BENCHMARK
One Month Return	3.4	1.4	2.0
Three Month Return	6.1	6.0	0.1
Year-to-Date Return	25.2	25.8	-0.6
One Year Annualized Return	25.2	25.8	-0.6
Three Year Annualized Return	11.4	19.1	-7.7
Five Year Annualized Return	10.1	14.3	-4.2
SINCE INCEPTION ANNUALIZED RETURN	13.2	15.5	-2.3
SINCE INCEPTION SHARPE RATIO	1.4	1.4	
SINCE INCEPTION BETA	0.7	1.0	

TOP TEN HOLDINGS

	% OF PORTFOLIO
ALPHABET INC	2.3
MICROSOFT CORP	1.9
CISCO SYSTEMS INC CALIFORNIA	1.6
COLGATE-PALMOLIVE CO	1.5
PROCTER & GAMBLE CO	1.5
HERSHEY CO	1.5
ROCHE HOLDING AG	1.5
BERKSHIRE HATHAWAY INC	1.5
COSTCO WHOLESALE CORP	1.4
HOME DEPOT INC	1.4
NUMBER OF SECURITIES	376
% OF PORTFOLIO FOR TOP 10 CURRENT HOLDINGS	16.1
% OF NON-BENCHMARK PORTFOLIO HOLDINGS	26.9

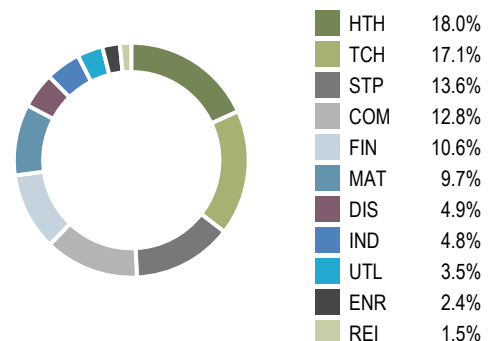
CURRENT POSITIONING - REGION

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 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 2022. All Rights Reserved. Unpublished. PROPRIETARY TO MSCI.



ACADIAN GLOBAL MANAGED VOLATILITY FUND - CLASS A

QUARTERLY REVIEW

Market Review

In a volatile fourth quarter, global equities rose 8.1% after rallying in October, selling-off in November, and recovering in December. In a familiar pattern, developed markets outperformed, led by a strong U.S. market, while emerging markets lagged, weighed down by China's lackluster performance. Rising inflation remained a focal point, intensified by tangled supply chains and demand vastly outpacing supply. Actions by some major central banks, including the Fed, incited concerns that premature tightening could quell economic activity and stunt the recovery. Central bank meetings this quarter highlighted large disparities in how governments prioritize the threat of inflation versus supporting economic recoveries. Emerging market central banks had the added complexity of balancing and deescalating political volatility amid this turbulent mix. Several central banks in Eastern Europe and Latin America raised their rates in order to quell civil upheaval, while others in southeast Asia, where inflation is less of a concern, left theirs unchanged or even cut.

Fund Performance and Activity

PORTFOLIO PERFORMANCE IN AUSTRALIAN DOLLARS

FOURTH QUARTER

Portfolio (gross of fees)	6.2 ¹
Benchmark	6.0

For the fourth quarter, the portfolio saw 6.2% of positive return, up 0.2% relative to the cap-weighted benchmark². Stock selection in health care contributed 84 basis points, owing primarily to a position in Cerner. A combination of stock selection and an underweight position in industrials added 52 basis points, led by a holding in AP Moller - Maersk. Offsetting these results to a degree was 87 basis points of negative return from a combination of stock selection and an overweight position in communication services, driven by a position in KDDI.*

Approximately 43.5% of the portfolio was held in the lowest beta stocks, compared to roughly 16.4% for the index. The portfolio's allocation to the lowest beta quintile detracted 71 basis points; however, gains from stock selection within this quintile (+49 basis points) provided some positive offset, to yield a net deduction of 22 basis points.

Key Holdings³

Positive

- Our holding in Cerner Corp, an electronic-medical-records company, was rewarded with 27 basis points of active return as share prices advanced 32% over the quarter. Share prices were bid up by Oracle's purchase of Cerner Corp. The U.S. software giant's acquisition was a strategic maneuver intended to snag a greater foothold into the expanding healthcare technology market.

Negative

- Our underweight to Apple Inc. cost the portfolio 51 basis points of active return as share prices climbed 25% alongside an upward trend in product revenues and increased momentum for its services business. A strong holiday season catapulted the company's market cap toward the \$3 trillion mark on strong revenues from its new iPhone 13 models and from its fully refreshed MacBook, AirPods, and HomePod mini.

Outlook and Strategy

A turbulent recovery from the pandemic continues to unfold. Most recently, downside risks have aggregated only to further darken the global economic outlook. Momentum from the vigorous rebound has waned and appears poised to decelerate further. Sharing this view, the OECD projects real global GDP growth at 5.6% for this year, only to fall to 4.5% for 2022. While the economic recovery is expected to continue, it is fraught with challenges and unpredictable cross currents; most notably, the trajectory of COVID-19, central bank responses to inflation, the ripple effects from Chinese policymakers' actions to rebalance their economy, and the persistence and severity of supply bottlenecks. A key risk to the outlook is the worsening health situation due to COVID-19. The world is firmly rooted in crisis mode as both Delta and Omicron cases soar. Uncertainty remains regarding the Omicron's virulence and lethality while evidence suggests the globe is not vaccinating fast enough to stave off the possibility of new, even deadlier mutations. Continued coronavirus outbreaks will likely trigger renewed mobility constraints and port closures that could choke off global trade and further aggravate supply chain bottlenecks, lengthen supplier delivery times, exert additional upward pressure on already inflated prices, and ultimately jeopardize the ongoing recovery. The pace of the revival remains uncertain; however, what is clear is the striking imbalances in the recovery across countries, largely due to national health conditions, policy response, as well as sector composition. According to the OECD, most advanced economies are expected to return to their pre-COVID-19 output paths by 2023, yet will be left saddled with greater debt, higher inflation, and considerable long-term income scars. Emerging markets as a whole are projected to land on the unfortunate side of uneven, given their lagging vaccine deployment, debt sustainability concerns, deteriorating fiscal balances, vulnerability to tighter monetary conditions, and sensitivity to potential shifts in global risk sentiment. Yet despite the challenges in emerging markets, there will be many opportunities as markets price in extreme situations that may not all come to fruition.

¹Returns for fund KGSS28 as reported by the Administrator (Colonial First State) and are not calculated by Acadian. ²MSCI All-Country World (net) from 2013-01-15, MSCI World (net) 2012-01-18 to 2013-01-14. ³Top 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 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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