

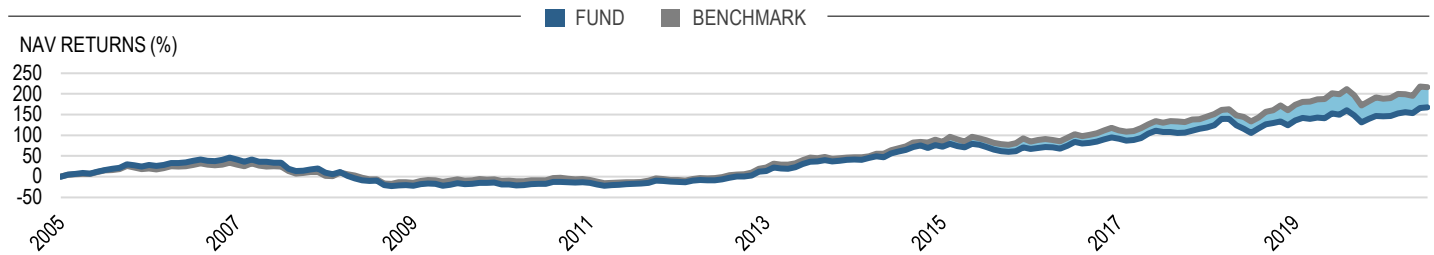
# ACADIAN WHOLESALE SUSTAINABLE GLOBAL EQUITY FUND

DECEMBER 2020

The Acadian Wholesale Sustainable Global Equity Fund seeks to maximise risk-adjusted, long term active returns from a diversified portfolio of global securities while actively incorporating a range of Environmental, Social and Governance (ESG) investment criteria and reducing exposure to carbon intensive companies relative to the benchmark. The option aims to outperform the MSCI World (ex Australia) Index over rolling four year periods before fees and taxes.

<b>APIR Code</b>	FSF0710AU
<b>Inception Date</b>	31 May 2005
<b>Management Cost</b>	0.98%
<b>Buy / Sell spread</b>	0.05 / 0.05%
<b>Exit Unit Price</b>	2.1581
<b>Product Size</b>	\$95.6 million
<b>Benchmark</b>	MSCI World ex-AU Index

## CUMULATIVE PERFORMANCE



## PERFORMANCE

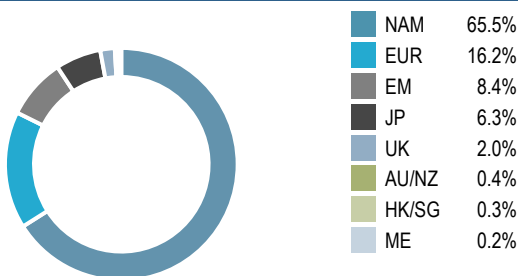
	FUND (NAV)	BENCHMARK	VALUE-ADDED VS. BENCHMARK
One Month Return	0.6	-0.5	1.1
Three Month Return	4.7	5.7	-1.0
Year-to-Date Return	7.1	5.7	1.4
One Year Annualized Return	7.1	5.7	1.4
Three Year Annualized Return	8.8	11.2	-2.4
Five Year Annualized Return	9.3	10.9	-1.6
SINCE INCEPTION ANNUALIZED RETURN	6.5	7.7	-1.2

## TOP TEN HOLDINGS

	% OF PORTFOLIO
MICROSOFT CORP	4.3
AMAZON.COM INC	3.7
ALPHABET INC	3.4
APPLE INC	3.4
FACEBOOK INC	2.1
PROCTER & GAMBLE CO	2.1
ROCHE HOLDING AG	1.9
HOME DEPOT INC	1.9
SAMSUNG ELECTRONICS CO LTD	1.8
TEXAS INSTRUMENTS INC	1.7
NUMBER OF SECURITIES	361
% OF PORTFOLIO FOR TOP 10 CURRENT HOLDINGS	26.2
% OF NON-BENCHMARK PORTFOLIO HOLDINGS	35.9

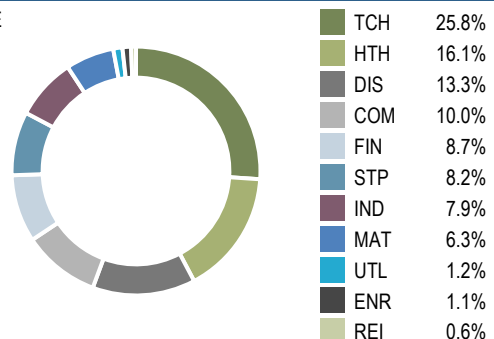
## CURRENT POSITIONING - REGION

ABSOLUTE



## CURRENT POSITIONING - SECTOR

ABSOLUTE



The Acadian Wholesale Sustainable Global Equity Fund has been certified by RIAA according to the strict operational and disclosure practices required under the Responsible Investment Certification Program. See [www.responsibleinvestments.com.au](http://www.responsibleinvestments.com.au) for details. The Responsible Investment Certification Program does not constitute financial product advice. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Appropriate professional advice should be sought prior to making an investment decision. RIAA does not hold an Australian Financial Services Licence. 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 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. 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 WHOLESALE SUSTAINABLE GLOBAL EQUITY FUND

## QUARTERLY REVIEW

### Market Review

In the fourth quarter, global equities gained 12.4%<sup>3</sup> 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		SOURCE OF ACTIVE RETURN	
	FOURTH QUARTER		FOURTH QUARTER
Portfolio (gross of fees)	4.9	Stock Selection	-1.77
MSCI World ex-AU (net)*	5.7	Country Allocation	0.97
		Total Active Return	-0.80

For the fourth quarter, the portfolio underperformed its benchmark by 0.8%. Losses realised from stock selection more than offset the value gained from country allocations. Key sources of negative active return included stock selection in the United States and the Netherlands, and combination of stock selection and an underweight position in France. Leading declines within these markets respectively included a position in Zoom Video Communications, a holding in Koninklijke Ahold Delhaize, and a lack of exposure to LVMH Moët Hennessy Louis Vuitton.

Contributors included stock selection in Germany and exposures to South Korea and China. Leading advances within these markets in turn included a position in Samsung Electronics, a holding in VERBIO Vereinigte BioEnergie, and an investment in Baidu.

### Key Holdings<sup>2</sup>

- Positive
- Our exposure to Samsung Electronics was rewarded with 47 basis points of active return. Share prices of the world's largest smartphone and memory-chip maker climbed 39% over the quarter as sales of memory chips for data centers and consumer electronics registered in the double digits. In addition, Samsung responded to the COVID-19 health crisis with a string of successful pandemic-inspired innovations, including a new Galaxy smartphone with better webcams for video recording and calling.
- Negative
- Our overweight to Zoom Video Communications cost the portfolio 33 basis points of active return. Despite favorable third quarter financial results, stock prices fell 28% as investors rotated out of pandemic winners on vaccine-induced enthusiasm. Zoom remains the category leader for professional calls, yet with the potential eradication of the virus in the foreseeable future, the sustained reliance on video chatting tools and platforms is less certain.

### 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.

<sup>1</sup>Portfolio Benchmark MSCI World ex-AU (net). <sup>2</sup>Top contributing/detracting individual positions over the period as measured by basis point impact. <sup>3</sup>Stated 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.

## WANT MORE INFORMATION?

### If you are a Financial Adviser or Wholesale Client:

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](mailto:australiaclientservice@acadian-asset.com.au)

### 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) 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 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.

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. Past performance may differ significantly from future performance due to market volatility. The product disclosure statement (PDS) for the Acadian Wholesale Sustainable Global Equity Fund, FSF0710AU (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 2021 All rights reserved.

## GENERAL LEGAL DISCLAIMER

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 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.

Acadian Asset Management (Australia) Limited (ABN 41 114 200 127) is the holder of Australian financial services license number 291872 ("AFSL").

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.



GLOBAL AFFILIATES

Boston London Singapore Sydney

ACADIAN-ASSET.COM