

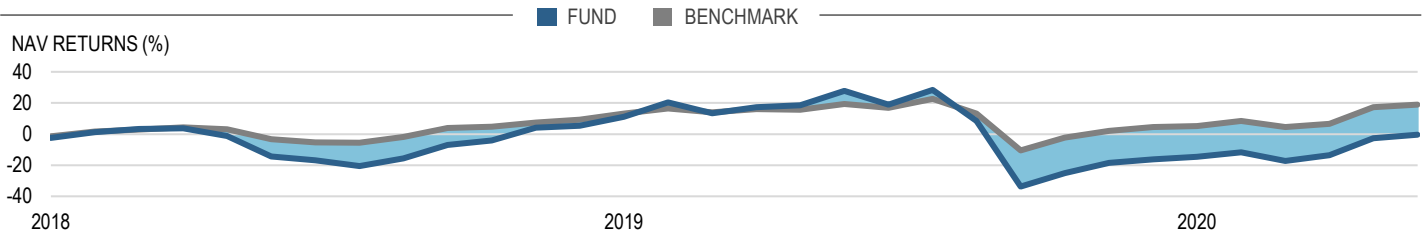
ACADIAN WHOLESALE GEARED AUSTRALIAN EQUITY

DECEMBER 2020

The Acadian Wholesale Geared Australian Equity 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	0.96% / 2.07%
Buy / Sell spread	0.15/0.40%
Exit Unit Price	0.8174
Product Size	\$281.7 million
Benchmark	S&P / ASX 300 Accumulation Index

CUMULATIVE PERFORMANCE



PERFORMANCE

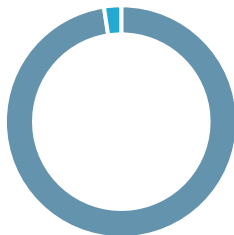
	FUND (NAV)	BENCHMARK	VALUE-ADDED VS. BENCHMARK
One Month Return	2.4	1.3	1.1
Three Month Return	20.5	13.8	6.7
Year-to-Date Return	-16.3	1.7	-18.0
One Year Annualized Return	-16.3	1.7	-18.0
SINCE INCEPTION ANNUALIZED RETURN	-0.2	6.8	-7.0
SINCE INCEPTION SHARPE RATIO	-0.0	0.3	
SINCE INCEPTION BETA	1.8	1.0	

TOP TEN HOLDINGS

	% OF PORTFOLIO
FORTESCUE METALS GROUP LTD	3.4
RIO TINTO LTD	3.3
COLES GROUP LTD	3.3
WESFARMERS LTD	3.0
MEDIBANK PVT LTD	3.0
COMMONWEALTH BANK OF AUSTRALIA	3.0
AUSTRALIA & NEW ZEALAND BANKING GROUP LTD	3.0
CSL LTD	2.8
WOOLWORTHS GROUP LTD	2.8
SONIC HEALTHCARE LTD	2.7
NUMBER OF SECURITIES	82
% OF PORTFOLIO FOR TOP 10 CURRENT HOLDINGS	30.4
% OF NON-BENCHMARK PORTFOLIO HOLDINGS	0.0

CURRENT POSITIONING - REGION

ABSOLUTE



AU/NZ	96.0%
NAM	2.4%

CURRENT POSITIONING - SECTOR

ABSOLUTE



MAT	26.9%
STP	15.1%
FIN	14.9%
HTH	12.4%
TCH	6.3%
IND	5.6%
COM	5.1%
REI	4.8%
DIS	4.3%
UTL	2.6%
ENR	0.4%

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: Copyright © 2021, Standard & Poor's Financial Services LLC. All rights reserved.



ACADIAN WHOLESALE GEARED AUSTRALIAN EQUITY

QUARTERLY REVIEW

Fund Performance and Activity

Being a geared fund with a target leverage of 55%, the fund gained 21.1% gross of fees in the December quarter, primarily attributable to the impact of gearing. The underlying portfolio underperformed its benchmark* by 442 basis points for the quarter. Losses from stock selection were deepened by sector allocations.

Key sources of negative active return included an underweight position in financials, stock selection in information technology, and an overweight position in consumer staples. Leading declines within these sectors respectively included a position in Commonwealth Bank of Australia, a lack of exposure to Afterpay, and an investment in A2 Milk. Contributors included a combination of stock selection and an overweight position in materials and an underweight position in consumer discretionary. Leading advances within these sectors in turn included a position in IGO and a lack of exposure to Aristocrat Leisure.

Approximately 58% of the portfolio was held in the lowest beta stocks, compared to roughly 36% for the index. The effect of the portfolio's exposure to the lowest beta quintile was negative (-244 bps).

Key Holdings¹

Positive

Our underweight to CSL Ltd was rewarded with 68 basis points of active return. Shares of the Australian biotech company declined slightly over the quarter on the lack of progress in clinical trials for its COVID-19 vaccine candidate. The vaccine (UQ-CSL v451), developed jointly with the University of Queensland, elicited a robust response toward the virus in Phase 1 trials, yet will not progress to Phase 2/3 clinical trials.

Negative

Our underweight to the Commonwealth Bank of Australia cost the portfolio 68 basis points of active return as prices advanced 29% over the quarter. The bank demonstrated resilience through the pandemic, with a strong balance sheet and favorable business mix. Financials results, for the period ending September 30, 2020, were released in November. Highlights included balance sheet growth in lending, both household and business, and deposits. The bank also earned the number 1 ranking in Net Promoter Scores (NPS) in each of its core business segments (consumer, Business, and institutional) for the first time while still retaining its top rank in digital banking.

Market Review

The S&P/ASX 300 Accumulation Index gained on vaccine-induced enthusiasm, up 13.8% over the fourth quarter. Risk assets rallied, and 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. Relative to Q3, performance rebounded across most of Australia's largest sectors, most dramatically within energy and financials. Health care remained the exception and declined 2% quarter-over-quarter. Energy was the best performing sector (26.1%), followed by financials (22.8%), whereas utilities was the worst (-5.4%).

Commodity prices surged on vaccine progress and on hopes of a not-to-distant return to normalcy. Most notably, energy prices surged, spiking 15% in December alone. Non-energy commodities gained as well, led by metals and minerals. Iron ore prices also advanced, most remarkably in December, as China's economy continued to heat up. A gradual recovery is underway across most of Australia; however, the revival is expected to be uneven across states and sectors. Employment growth was strong over the quarter, particularly in October. Still, the rebound was uneven with a strong rebound in mining, manufacturing and retail trade jobs, and lacklustre gains in the most severely impacted industries, such as arts, recreation, and hospitality.

Outlook and Strategy

Australia's economic outlook has improved, largely on hopes of a vaccine-induced revival. Australia is well-poised for an early recovery, due to its effective containment of the pandemic alongside strong fiscal and monetary support. In December, the OECD revised its 2020 GDP growth estimates for Australia to -3.8% for 2020, whereas the RBA projects a more optimistic 5% for 2021. The post-COVID-19 revival is apt to be uneven across states and sectors and contingent upon vaccine efficacy, distribution, and take-up rates. Australia is less reliant on a vaccine than many of its OECD counterparts to secure a full and durable recovery as it demonstrated proficiency in controlling outbreaks prior to the vaccine. The re-emergence of cases in Victoria in August was a set-back; however, containment measures were eased in mid-October, spurring a recovery in the private sector. While the vaccine holds out the promise of a return to normalcy, 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.

Sustained and well-targeted policy responses remain critical to ensuring a full and durable recovery with minimal long-term scarring. The fiscal response has been strong, totaling 11.2% of GDP, and consisted of tax relief for households and business, hiring subsidies, support payments, and infrastructure spending. A potential headwind is the unwinding of fiscal support in 2021, which may be accompanied by an uptick in business liquidations and unemployment. Accommodative monetary policy has cushioned the blow from the crisis, and the Reserve Bank of Australia (RBA) has vowed to remain accommodative in the near-term. The RBA has reduced its policy rate and three-year Australian government bond yield target to 0.1%. In addition, it implemented a quantitative easing program. The global economic revival will influence Australia's growth trajectory. China's infrastructure-led revival may help sustain commodity exports and mining investment; however, Beijing's plan to reduce its reliance on Australian products and iron ore is a headwind. Also, should the vaccine stem the tide of rising infections, Australian would benefit from a resurgence in inbound tourism, accelerating the recovery of some of the most severely impacted industries.

¹Top contributing/detracting individual positions over the period as measured by basis point impact. *Portfolio Benchmark: S&P/ASX 300 Accumulation Index. **Price change over the period in locally stated 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

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 Geared Australian Equity, 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 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