ACADIAN | Managed Volatility

riaa Responsible Investment Association Australasia — Responsible Investment Leader 2022

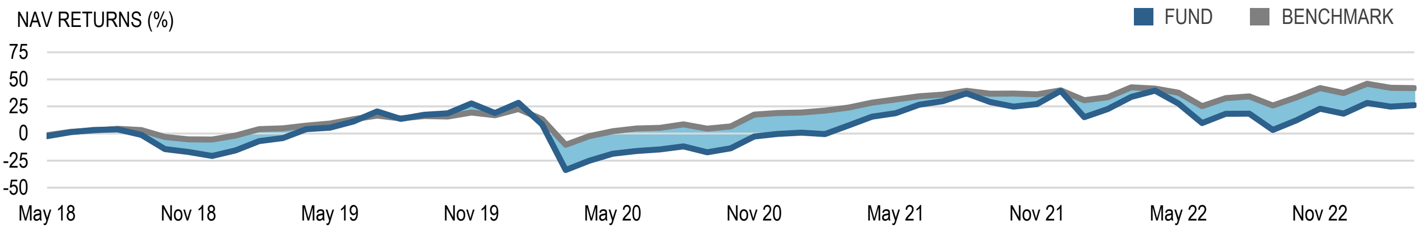
ACADIAN WHOLESALE GEARED AUSTRALIAN EQUITY

MARCH 2023

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	0.8817
Product Size	$306 million
Benchmark	S&P / ASX 300 Accumulation Index

CUMULATIVE PERFORMANCE



PERFORMANCE

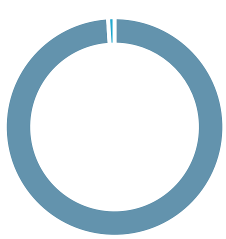
	FUND (NAV)	BENCHMARK	VALUE-ADDED VS.BENCHMARK
One Month Return	1.0	-0.2	1.2
Three Month Return	6.5	3.3	3.2
Year-to-Date Return	6.5	3.3	3.2
One Year Annualized Return	-5.8	-0.6	-5.2
Three Year Annualized Return	23.9	16.6	7.3
SINCE INCEPTION ANNUALIZED RETURN	4.9	7.4	-2.5
SINCE INCEPTION SHARPE RATIO	0.1	0.4	
SINCE INCEPTION BETA	1.8	1.0	

TOP TEN HOLDINGS

	% OF PORTFOLIO
BHP GROUP LTD	7.8
CSL LTD	5.4
COMMONWEALTH BANK OF AUSTRALIA	4.2
VIVA ENERGY GROUP LTD	3.5
BRAMBLES LTD	3.5
SONIC HEALTHCARE LTD	3.4
TELSTRA GROUP LTD	3.4
RIO TINTO LTD	3.3
COLES GROUP LTD	3.3
MEDIBANK PVT LTD	3.2
NUMBER OF SECURITIES	76
% OF PORTFOLIO FOR TOP 10 CURRENT HOLDINGS	40.9
% OF NON-BENCHMARK PORTFOLIO HOLDINGS	0.1

CURRENT POSITIONING - REGION

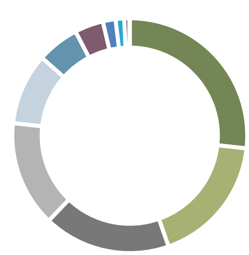
ABSOLUTE



AU/NZ	96.9%
NAM	0.9%

CURRENT POSITIONING - SECTOR

ABSOLUTE



MAT	26.1%
STP	17.5%
FIN	17.1%
HTH	14.3%
IND	9.6%
COM	5.7%
ENR	3.9%
TCH	1.7%
REI	1.2%
DIS	0.7%
UTL	0.1%

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. Past performance may differ significantly from future performance due to market volatility.

Managed Volatility

ACADIAN WHOLESALE GEARED AUSTRALIAN EQUITY

QUARTERLY REVIEW

Fund Performance and Activity

The Portfolio returned 6.52%, -5.80% and 4.87% net of fees for the quarterly, 1 year and Since Inception periods, versus returns of 3.33%, -0.60% and 7.43% for the S&P/ASX 300 Accumulation Index. The underlying portfolio outperformed the benchmark[1] by 0.42% for the quarter, therefore the impact of gearing contributed to outperformance.

Key sources of positive active returns included a combination of stock selection and an underweight position in financials, a combination of stock selection and an overweight position in healthcare, and a combination of stock selection and an underweight position in energy. Detractors included stock selection in consumer staples, an underweight position in consumer discretionary, and stock selection in information technology. Approximately 58% of the portfolio was held in the lowest beta stocks, compared to roughly 28% for the index. The effect of the portfolio's exposure to the lowest beta quintile was positive, contributing 18 bps.

Key Holdings[2]

Positive

Our overweight to Viva Energy Group Ltd., an Australia-based energy company, was rewarded with 40 basis points of active returns as shares gained 11.4% in the quarter. The company expects its margins in the period to be driven by the impact of sanctions on Russian oil and refined products. It also expects to benefit from robust fuel demand in the period between January and March.

Negative

Our overweight to Elders Ltd, a provider of agricultural products and services to rural and regional customers primarily in Australia, cost the portfolio 36 basis points of active return as share prices slumped 15.7% over the period. The company is worried that the recent extreme rainfall across the eastern states has created uncertainties about crops reaching their full harvest potential and this might weigh on its margins.

Market Review

Australian equities (S&P/ASX 300 Accumulation Index) rose 3.3% in Q1 2023 on cooling inflation and falling energy prices. After the leaving the cash rate unchanged in January, the Reserve Bank of Australia (RBA) hiked rates twice in the following months, by 25bps, leaving it a record high of 3.6% by the end of the quarter. It also stated that its aggressive tightening has not had much of an impact on inflation. The board remains committed to bringing inflation back to the 2%-3% target range and expects further monetary tightening to contain inflation. Meanwhile, the monthly inflation reading fell to 6.8% y/y in February, indicating that inflation might have peaked. Goods price inflation is expected cool over the next few months on soft global and domestic demands. According to the Westpac Melbourne Institute Consumer Sentiment Index survey, consumer sentiment in Australia remained unchanged at 78.5 in March after slipping into "deep pessimism" in February. The metric hovered near 30-year lows as high cost of living continued to weigh on household consumption. There was, however, some financial turbulence after Silicon Valley Bank (SVB) was shut down by the California Department of Financial Protection and Innovation. Losses from the realization of interest rate risks related to securities held by SVB rattled the markets. However, the timely intervention of the US government and the Fed to resolve the banking crisis boosted investors' confidence. Meanwhile, the RBA acknowledged that the Australian banking system remains well capitalized and highly liquid. Notably, the labour market remained tight, with unemployment levels at multi-decade low amid high number of job vacancies. While some employers were struggling to fill the vacancies, economists believed the pandemic-led boom in job creation was slowly coming to an end.

From a sector perspective, consumer discretionary (10.8%) was the largest contributor, whereas telecommunication services (9.5%) was the second-largest performer. Meanwhile, financial, and real estate stocks (each falling 2.7%) fell the most during the period.

Outlook and Strategy

In Q1, central banks continued to hike rates in order to control inflation. Financial markets remain highly sensitive to both evidence of progress and messaging from policy makers as investors continuously reassess the likely impact of monetary policy on economic growth and corporate earnings. Currently, the OECD projects that G20 inflation will fall from 8.1% in 2022 to 5.9% in 2023, and GDP growth will slow from 3.1% to 2.6%. March brought turmoil in the banking sector. In the U.S., the collapse of Silicon Valley Bank, whose bond portfolio lost value as rates rose, brought disruption to regional banks and the financial sector more broadly. In Europe, UBS took over troubled rival Credit Suisse. The Swiss regulator's treatment of creditors prompted criticism in some quarters since Credit Suisse's additional tier one bonds were wiped out even as the supposedly subordinate equity of the common shareholders was preserved. Despite commonalities, these two high-profile collapses arose from different contexts. Credit Suisse had been weakened by years of regulatory and operational issues, while Silicon Valley Bank's problems were more recent and stemmed from failure to manage its interest rate and liquidity risks. The Reserve Bank of Australia (RBA) expects the economic growth in Australia to slow this year on rising interest rates, higher costs of living and declining real wealth. Australia's GDP is expected to slow to 1.5% in 2023. Meanwhile, a global recession in 2023 remains inevitable, and prospective over-tightening by the RBA might not bode well for the Australian economy. The central bank, however, has maintained its stance that it will tackle rising price in the country through a tight monetary policy while stimulating economic activity through careful investments.

---

[1]S&P/ASX 300 Accumulation Index - Total 05/11/2018 To Present. [2]Top 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 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. 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, VP, Product and 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.

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.

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 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"). 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.