

# Arrowstreet Global Equity Fund

Macquarie Professional Series

Monthly Report – August 2020



## Investment objective

The Fund aims to achieve a long-term total return (before fees and expenses) that exceeds the MSCI All Country World ex Australia Index, in \$A unhedged with net dividends reinvested (Benchmark).

## Fund performance to 31 August 2020

	Total gross Fund returns	Total net Fund returns*	Benchmark returns	Net excess returns
1 month (%)	1.42	1.31	2.92	-1.61
3 months (%)	3.80	3.47	3.45	0.02
6 months (%)	2.93	2.27	0.60	1.67
Fin. YTD (%)	3.52	3.30	4.05	-0.75
1 year (%)	6.97	5.61	6.45	-0.84
3 years (% pa)	12.64	11.22	11.68	-0.46
5 years (% pa)	10.68	9.29	9.32	-0.03
7 years (% pa)	15.28	13.82	12.20	1.62
10 years (% pa)	14.99	13.55	12.06	1.49
Since inception (% pa)**	9.37	7.99	6.06	1.93

Past performance is not a reliable indicator of future performance. Total returns are calculated based on changes in net asset values and assumes the reinvestment of distributions.

\*Total net returns are quoted after the deduction of all fees and expenses. Due to individual investor circumstances, your net returns may differ from the net returns quoted above

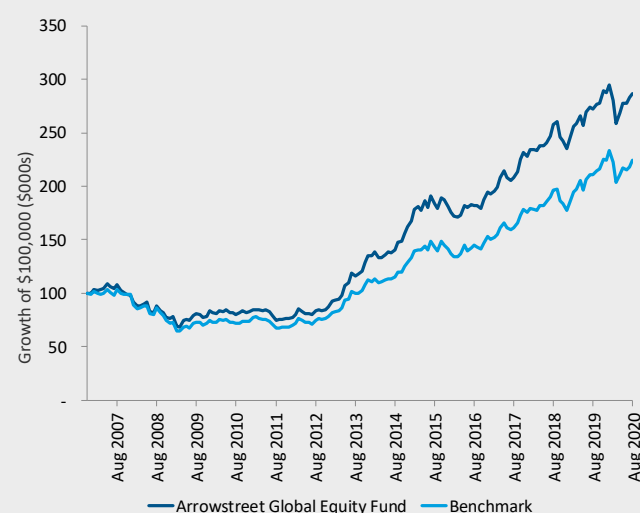
\*\* Inception date is 18 December 2006

Top 10 stocks	Sector	Industry	Holding (%)
Amazon.Com Inc	Consumer Discretionary	Internet & Direct Marketing Retail	4.92
Microsoft Corp	Information Technology	Software	4.76
Johnson & Johnson	Health Care	Pharmaceuticals	2.12
Micron Technology Inc	Information Technology	Semiconductors & Semiconductor Equipment	1.98
Alphabet Inc	Communication Services	Interactive Media & Services	1.94
Apple Inc	Information Technology	Technology Hardware Storage & Peripherals	1.84
Procter & Gamble Co	Consumer Staples	Household Products	1.75
Samsung Electronics	Information Technology	Technology Hardware Storage & Peripherals	1.51
Vale S.A.	Materials	Metals & Mining	1.40
Bhp Group Plc	Materials	Metals & Mining	1.37
Total number of stocks			606

Fund details	
Total funds under management	\$2,493.8m
Inception date	18 December 2006
Investment manager	Arrowstreet Capital L.P.; Boston (US)
Suggested minimum investment timeframe	7 years
Benchmark	MSCI All Country World ex Australia Index, in \$A unhedged with net dividends reinvested
No. of stocks	Generally 175-850 international stocks
Management fee*	1.28% pa (inclusive of the net effect of GST)
APIR code	MAQ0464AU
Buy/sell spread	+0.07% / -0.10%
Minimum investment	\$20,000
Distributions	Semi annually

\*Read the Product Disclosure Statement for more details on fees and expenses that may be charged.

## Growth of \$100,000 since inception of the Fund



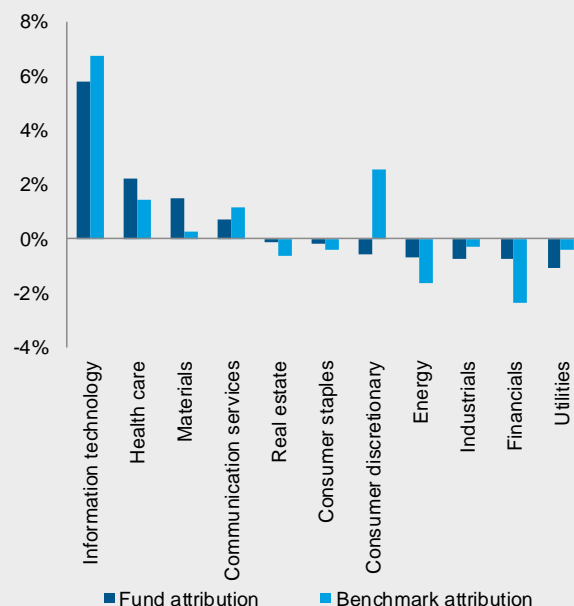
Sector weights	Fund (%)	Benchmark (%)
Information technology	27.88	22.09
Consumer discretionary	13.91	12.92
Materials	13.12	4.40
Health care	10.03	12.29
Communication services	9.18	9.63
Industrials	8.26	9.51
Financials	5.61	12.50
Consumer staples	5.29	7.86
Energy	4.61	3.12
Utilities	1.11	3.02
Real estate	0.14	2.66
Cash	0.86	0.00
<b>Total</b>	<b>100</b>	<b>100</b>

Region weights	Fund (%)	Benchmark (%)
North America	70.43	62.55
Emerging Markets	12.77	11.24
Japan	9.47	6.76
United Kingdom	4.05	3.71
Europe ex UK	2.11	13.40
Asia ex Japan	0.30	2.34
Cash	0.86	0.00
<b>Total</b>	<b>100</b>	<b>100</b>

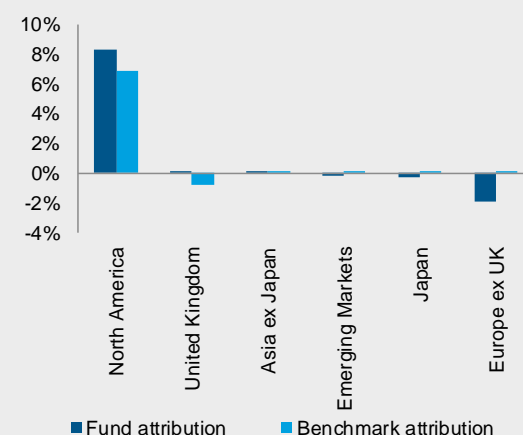
## Performance summary

- The Fund returned 1.31% in August 2020, compared with a return for the Benchmark of 2.92%, with the MSCI All Country World Ex Australia Index recording its strongest month since April 2020.
- Arrowstreet employs a quantitative benchmark-aware approach, dynamically taking overweight and underweight positions in countries, sectors, and individual stocks, with the aim of achieving long-term outperformance of the Benchmark.
- Cyclical sectors, led by Consumer Discretionary and Information Technology, drove the market higher in August, while Utilities and Energy saw negative returns. Utilities was the top relative contributor for the Fund, driven by underweight positioning in US Utilities. Conversely, Information Technology was the largest sector detractor on a relative basis, driven by weak selection within US IT, as well as an overweight to South Korean IT. The Materials sector also weighed on relative returns, due to overweight positioning in Canadian Materials and Brazilian Materials.
- At a country level, developed markets such as the US, Japan, and Germany delivered strong performance during the month, while many emerging markets suffered falls, including Chile, Brazil, Turkey and Thailand. Relative to the Benchmark, the US was the largest relative detractor from the Fund's performance in August, primarily as a result of weak selection within US IT as mentioned. Switzerland was the largest relative country contributor, owing to underweight positioning in Swiss Health Care and Swiss Consumer Staples.
- Arrowstreet's investment approach offers several features relevant to the elevated volatility of the recent market environment; in particular, its core investment style, which seeks to outperform during a broad range of market environments, and its systematic quantitative approach, which allows Arrowstreet to react quickly through market volatility.

## Sector attribution - 12 months to date



## Region attribution - 12 months to date



Distribution history	Cents per unit
Jun-20	10.2721
Dec-19	0.4634
Jun-19	7.2067
Dec-18	0.2640

Unit prices	
Application price	\$1.0463
Redemption price	\$1.0446
NAV price	\$1.0456



Now available via the mFund Settlement Service (mFund code MPS02)

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Weights and attribution breakdown for Sector, Stocks and Region is sourced from Macquarie and Factset.

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