

Polaris Global Equity Fund

Macquarie Professional Series

Monthly Report – October 2020



Investment objective

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

Fund performance to 31 October 2020

	Total gross Fund returns	Total net Fund returns*	Benchmark** returns	Net excess returns
1 month (%)	2.23	2.13	- 1.13	3.26
3 months (%)	4.00	3.67	1.99	1.68
6 months (%)	3.51	2.84	4.90	-2.06
Fin. YTD (%)	3.19	2.75	2.61	0.14
1 year (%)	- 12.45	- 13.58	2.71	-16.29
2 years (% pa)	- 1.11	- 2.37	9.06	-11.43
3 years (% pa)	1.18	- 0.11	9.24	-9.35
5 years (% pa)	4.47	3.15	8.51	-5.36
Since inception (% pa)***	8.77	7.39	11.92	-4.53

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

** The benchmark is the MSCI World ex Australia Index, in \$A unhedged with net dividends reinvested

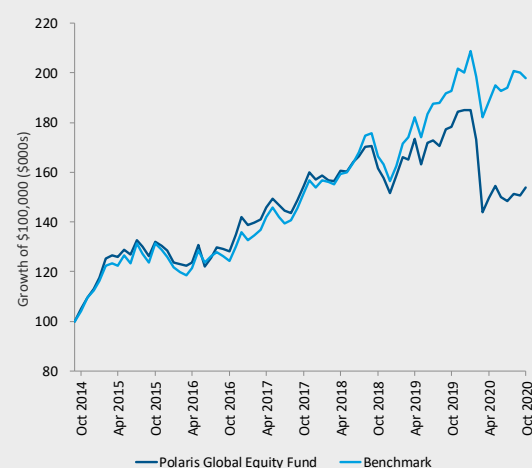
*** Inception date is 10 October 2014

Top 10 stocks	Sector	Industry	Holding (%)
Tapestry Inc	Consumer Discretionary	Textiles Apparel & Luxury Goods	1.60
Kia Motors Corp	Consumer Discretionary	Automobiles	1.54
Zhongsheng Group H	Consumer Discretionary	Specialty Retail	1.53
Magna International Inc	Consumer Discretionary	Auto Components	1.51
Methanex Corp	Materials	Chemicals	1.51
Crocs Inc	Consumer Discretionary	Textiles Apparel & Luxury Goods	1.47
Microsoft Corp	Information Technology	Software	1.45
Samsung Electronics	Information Technology	Technology Hardware Storage & Peripherals	1.45
Arrow Electronics Inc	Information Technology	Electronic Equipment Instruments & Components	1.42
Webster Financial Corp	Financials	Banks	1.40
Total number of stocks			97

Fund details	
Total funds under management	\$143.4m
Inception date	10 October 2014
Investment manager	Polaris Capital Management, LLC; Boston (US)
Management fee*	1.28% pa (inclusive of the net effect of GST)
APIR code	MAQ0838AU
Portfolio Turnover	Approximately 30% p.a.
Buy/sell spread	+0.22% / -0.20%
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



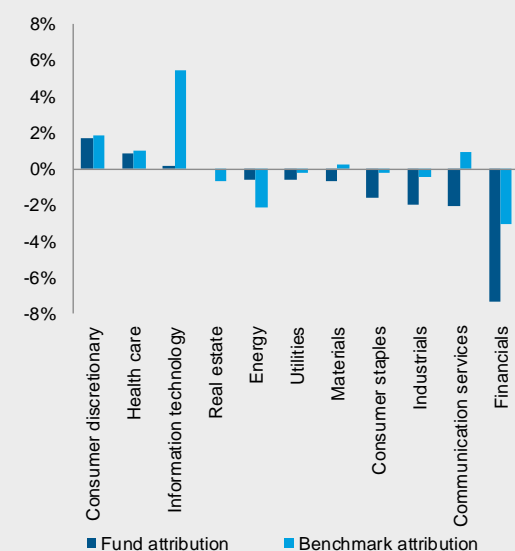
Sector weights	Fund (%)	Benchmark (%)
Financials	23.28	11.65
Consumer discretionary	17.37	12.00
Materials	13.63	4.18
Information technology	11.12	22.03
Industrials	9.44	10.53
Health care	8.02	13.52
Communication services	6.51	9.36
Consumer staples	5.85	8.18
Utilities	2.32	3.45
Energy	1.99	2.40
Real estate	0.00	2.71
Cash	0.49	0.00
Total	100	100

Region weights	Fund (%)	Benchmark (%)
North America	44.23	71.35
Europe ex UK	23.39	14.99
Emerging Markets	15.06	0.00
United Kingdom	10.47	4.05
Japan	5.48	8.15
Asia ex Japan	0.88	1.47
Cash	0.49	0.00
Total	100	100

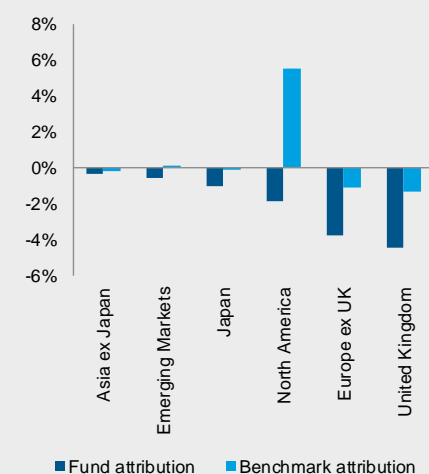
Performance summary

- The Fund returned 2.13% in October 2020, compared with a return for the Benchmark of -1.13%, with key European markets moving lower as COVID-19 cases in the region soared.
- Most market sectors saw declines in October, including Energy, following a further fall in oil prices, and Information Technology; Utilities and Communication Services moved higher. For the Fund, the largest sector contributors to relative performance were holdings in Consumer Discretionary, including Tapestry and Crocs, as well as holdings in Financials. The largest relative detractors were the Fund's holdings in Communication Services, largely driven by Cineworld, as well as an underweight to the sector.
- Tapestry and Crocs were among the top individual contributors to performance in October. Tapestry announced its new CEO and signalled that it was ready to move forward with the company's strategic agenda. Third quarter earnings proved Tapestry is on the right track, with an increase in revenue across its three brands – Coach, Kate Spade, and Stuart Weitzman. Footwear manufacturer Crocs reported record revenues, supported by a 23% increase in direct-to-consumer sales, and launched a new marketing campaign featuring musician Justin Bieber.
- Intel and Cineworld were among the top individual detractors from performance in October. Investors worried about Intel's competitors cutting into its market share, and possibly engaging a third-party foundry for its next generation of chips. Despite this, Intel exceeded its quarterly revenue expectations. Cineworld fell sharply as a result of sustained operational pressures from the COVID-19 pandemic, with the company announcing the temporary closure of all operations at its 536 Regal theatres in the US and 127 Cineworld theatres in the UK. Polaris continues to communicate with management and views the company as a long-term holding that will rebound post-pandemic.

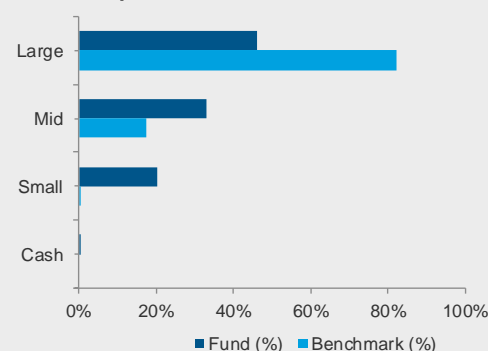
Sector attribution - 12 months to date



Region attribution - 12 months to date



Market Cap



Distribution history	Cents per unit
Jun-20	0.5030
Dec-19	0.9901
Jun-19	1.9547
Dec-18	0.0906

Unit prices	
Application price	\$1.2474
Redemption price	\$1.2422
NAV price	\$1.2447

- During the month, Polaris completed the initial purchase of Berry Global, a US-based plastic packaging manufacturer, and Williams Companies, a US gas pipeline and midstream business. Polaris also completed the final sales of Dometic Group, Imerys and Wesco International, on valuation grounds.

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

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