

Macquarie Investment Management
Walter Scott Global Equity Fund (Hedged)



Macquarie Professional Series
 Monthly report – 31 December 2020

Investment objective

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

The Fund invests in the Walter Scott Global Equity Fund, which will not invest in 'tobacco' securities as defined by the Global Industry Classification Standard or 'controversial weapons' securities as defined by MSCI, Inc.

Key information

Fund details	
APIR code	MAQ0557AU
mFund code	MPS06
Inception date	20 March 2008
Underlying Fund investment manager	Walter Scott & Partners Limited (Edinburgh, UK)
Fund size	\$972.4m
Distribution frequency	Annually
Management fee*	1.28% pa
Minimum investment (Direct)	\$20,000
Unit prices and spreads	macquarie.com.au/unit_prices

*Read the Product Disclosure Statement for more details on fees and costs.

Fund performance to 31 December 2020

	Total Fund return (gross)	Total Fund return (net)	Benchmark return	Total excess return (net)
1 month (%)	4.33	4.22	3.45	0.77
3 months (%)	12.65	12.30	11.73	0.57
1 year (%)	14.18	12.74	10.57	2.17
3 years (% pa)	14.30	12.86	9.01	3.85
5 years (% pa)	14.92	13.47	11.39	2.08
7 years (% pa)	13.07	11.64	10.44	1.20
Since inception (% pa)	11.93	10.52	9.22	1.30

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 Fund returns are quoted after the deduction of fees and expenses. Due to individual circumstances, your net returns may differ from the net returns quoted above.

Top 10 stocks

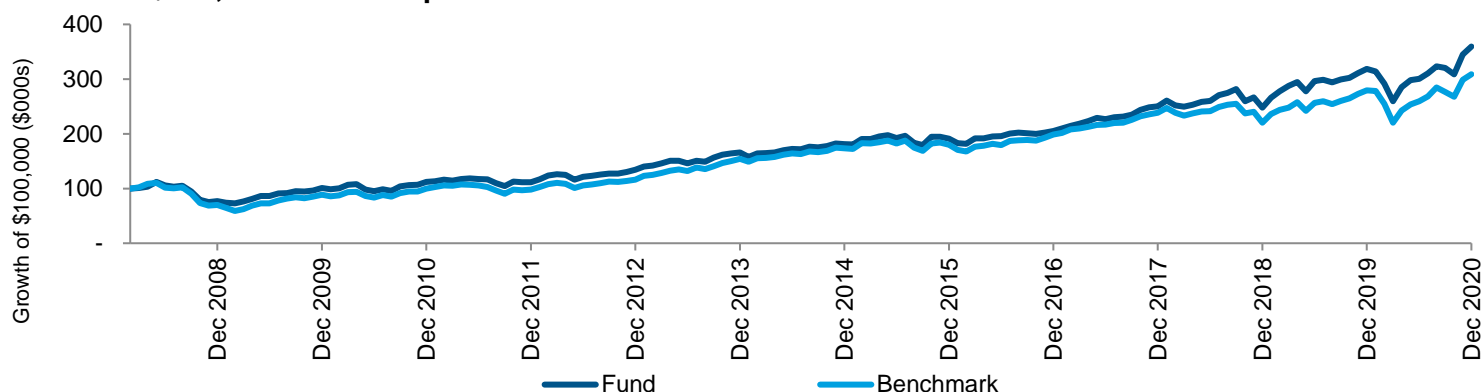
Stock	Sector	Industry	Holding (%)
Taiwan Semiconductor Manufacturing	Information technology	Semiconductors & Semiconductor Equipment	4.65
Keyence Corp	Information technology	Electronic Equipment Instruments & Components	3.98
Microsoft Corp	Information technology	Software	3.24
Mastercard Inc	Information technology	IT Services	2.99
Edwards Lifesciences Corp	Health care	Health Care Equipment & Supplies	2.90
Aia Group Ltd	Financials	Insurance	2.71
Nike Inc	Consumer discretionary	Textiles Apparel & Luxury Goods	2.50
Cognizant Tech Solutions	Information technology	IT Services	2.47
Adobe Inc	Information technology	Software	2.46
Walt Disney	Communication services	Entertainment	2.39
Total number of stocks			48

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Macquarie Professional Series

Monthly report – 31 December 2020

Growth of \$100,000 since inception

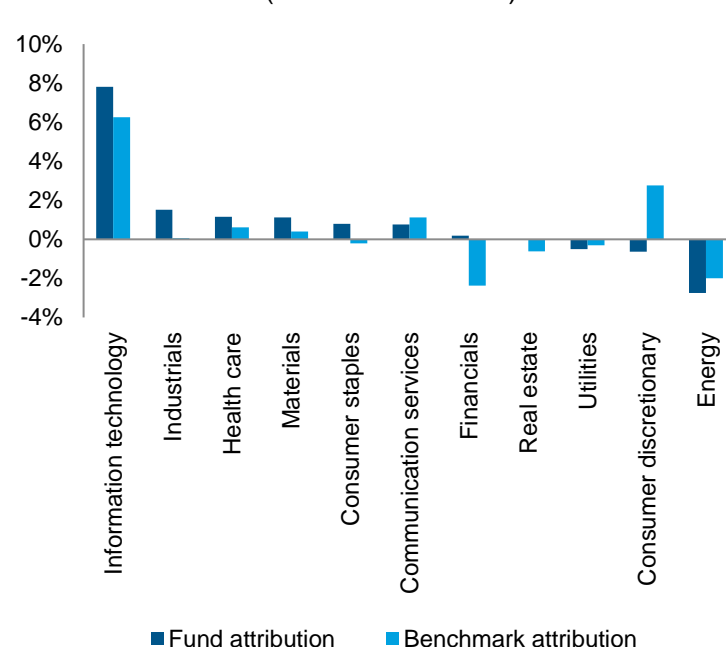


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Sector weights

Sector	Fund (%)	Benchmark (%)
Information technology	33.39	22.48
Health care	19.98	12.99
Consumer discretionary	12.52	12.31
Industrials	9.36	10.61
Consumer staples	9.05	7.65
Communication services	4.67	9.04
Materials	4.46	4.17
Financials	2.71	12.33
Utilities	1.25	3.17
Energy	0.00	2.68
Real estate	0.00	2.55
Cash	2.61	0.00
Total	100	100

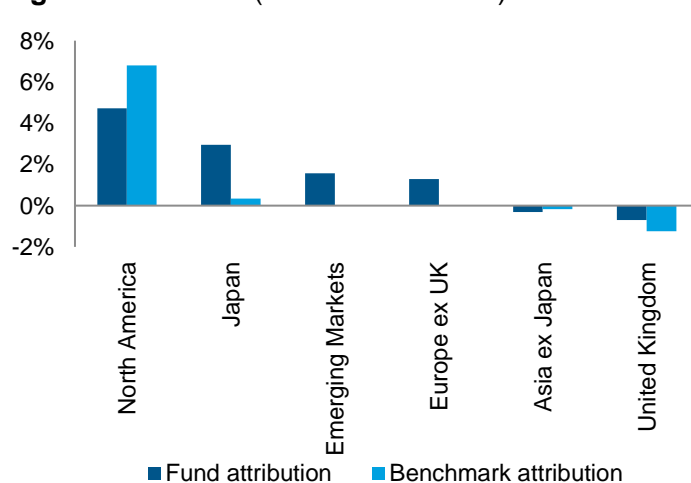
Sector attribution (12 months to date)



Region weights

Region	Fund (%)	Benchmark (%)
North America	56.49	70.73
Europe ex UK	17.48	15.43
Japan	9.73	7.98
United Kingdom	5.07	4.42
Emerging Markets	4.65	0.00
Asia ex Japan	3.97	1.45
Cash	2.61	0.00
Total	100	100

Region attribution (12 months to date)



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Macquarie Professional Series

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Performance summary

- The Fund returned 4.22% in December 2020, compared with a return for the Benchmark of 3.45%.
- Sector returns were mixed this month, with the Information Technology, Consumer Discretionary, and Financials sectors moving higher, and Utilities, Industrials and Real Estate declining, amongst others. For the Fund, the largest relative contributors were holdings in Health Care, such as Intuitive Surgical and Edwards Lifesciences, and in Information Technology, including Taiwan Semiconductor and Keyence; these were partially offset by holdings in Industrials, including SMC Corporation, KONE and Fastenal.
- There were several changes to the portfolio in December, with the initial purchases of Canadian National Railway (CN) and Paychex, and the final sales of CNOOC and EOG Resources. Below, Walter Scott discusses the rationale behind each of these decisions.
- CN is a Class I freight railway and the largest railway in Canada. Rail is the lowest cost, most energy-efficient mode of ground transportation, and economies of scale, productivity improvements and real pricing growth should result in an improving margin structure for CN. Paychex provides human capital management services to small and medium-sized businesses and is the dominant player in its market niche. The company is benefitting from the move to outsource the growing administrative burden of payroll processing, and increased penetration into the majority of the market who perform these functions in-house provides a large growth opportunity.
- Chinese oil producer CNOOC was sold following reports that the Trump administration was poised to place CNOOC on a blacklist of Chinese firms in which Americans are unable to invest. Though unconfirmed at the time of sale, this directive would ban a meaningful group of shareholders from owning the stock and significantly impair CNOOC's ability to operate certain assets. Despite its technological leadership and best-in-class operational capabilities within the oil and gas industry, EOG Resources has been plagued by a weak and volatile oil price environment over the last five years, and was sold following a sharp rebound in its share price.
- Walter Scott remains focused on investing in financially strong companies that can weather near-term turbulence and take advantage of secular growth trends, to deliver strong, sustainable returns over the long-term.

For more information speak to your financial adviser, call us on 1800 814 523, email mim.clientservice@macquarie.com or visit macquarie.com

Important information

Weights and attribution breakdown for sector, stocks and region relates to the underlying fund, and are sourced from Macquarie and Factset.

Macquarie Investment Management Australia Limited ABN 55 092 552 611 AFS Licence 238321 is the issuer of units in, and responsible entity of the Fund.

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