

## Investment objective

Aims to outperform the S&P/ASX 200 Accumulation Index (**Index**) over the medium to long term (before fees). It aims to provide capital growth and some income.

## Key information

| Fund details                |   |
|-----------------------------|---|
| APIR code                   | MAQ0443AU   |
| Inception date              | 29 November 2005  |
| Fund size                   | \$213.8m  |
| Distribution frequency      | Quarterly   |
| Management fee*             | 0.60% pa  |
| Minimum investment (Direct) | \$20,000  |
| Unit prices and spreads     | <a href="https://www.macquarie.com.au/unit_prices">macquarie.com.au/unit_prices</a> |

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

## Fund performance to 31 March 2021

|                        | Total Fund return (gross) | Total Fund return (net) | Benchmark return | Total excess return (net) |
|------------------------|---------------------------|-------------------------|------------------|---------------------------|
| 1 month (%)            | 2.68                      | 2.63                    | 2.44             | 0.19                      |
| 3 months (%)           | 4.26                      | 4.10                    | 4.26             | -0.16                     |
| 1 year (%)             | 42.84                     | 41.98                   | 37.47            | 4.51                      |
| 3 years (% pa)         | 11.96                     | 11.29                   | 9.64             | 1.65                      |
| 5 years (% pa)         | 14.57                     | 13.47                   | 10.24            | 3.23                      |
| Since inception (% pa) | 12.15                     | 10.68                   | 7.00             | 3.68                      |

### 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 3 stock attribution (alphabetical)

Aristocrat Leisure Limited

Bluescope Steel Limited

*Rio Tinto*

Italics denote underweight

### Top 5 overweight positions (alphabetical)

Aristocrat Leisure Limited

BHP Group

Bluescope Steel Limited

Scentre Group Ltd

Seven Group Holdings

### Bottom 3 stock attribution (alphabetical)

BHP Group

Nickel Mines Ltd

Northern Star Resources Ltd

Italics denote underweight

# Macquarie Australian Shares Fund

Monthly report – 31 March 2021

## Fund highlights

The Fund finished the month up 2.63% (post-fees), outperforming the benchmark by 0.19%.

The largest contributors to relative performance for the month included overweight positions in BlueScope Steel (BSL), Aristocrat Leisure (ALL) and an underweight position in Rio Tinto (RIO).

Global steel manufacturer BlueScope Steel (BSL) outperformed in March after announcing strong results in late February and continues to benefit from rising steel prices. The Biden Administration's announcement of a US \$2t infrastructure-based recovery program provides ongoing tailwinds for the company, which has a large presence in the US steel market.

The greatest detractors from relative performance included overweight positions in BHP Group (BHP), Northern Star Resources (NST) and Nickel Mines (NIC).

Iron ore giant BHP Group (BHP) retraced in March following a period of strong outperformance. During March, a pollution crackdown in China weighed on the iron ore price after local governments in key steel producing regions began limiting production during heavily polluted days.

As 31 March 2021, the largest overweight positions in the Fund were Aristocrat Leisure (ALL), Scentre Group (SCG), and BHP Group (BHP).

## Market overview

The Australian market rose during March, with the S&P/ASX 200 Accumulation Index and the S&P/ASX 300 Accumulation Index up 2.44% and 2.30% respectively.

The Australian market lagged the US (+4.2%) and Developed Markets (+4.4%) throughout March. In the domestic market, yield-sensitive sectors such as Utilities (+6.8%) and Real Estate (+6.6%) drove returns, supported by a modest fall in Australian bond yields after spiking in February. House prices in Australia surged 2.6% higher in March, growing at the fastest rate since 1988. Globally, markets reacted after the Suez Canal was blocked entirely for 7 days when container ship Ever Given became wedged across the narrow channel, reducing global trade by almost \$9b per day (12% of daily global trade) with experts suggesting that supply chains could take 60 days to recover. In COVID-19 news, global vaccination programs progressed however global daily COVID-19 cases are rising again due to spikes in India, Brazil and Continental Europe.

After a long period of minimal community transmission in Australia, a 3 day snap lockdown was announced on 31st March for Greater Brisbane after ten new cases of COVID-19 were recorded (four from community transmission). This triggered event cancellations and the re-imposition of some border closures, however at the time of writing the outbreak in Queensland seems to have been contained.

The consumer discretionary sector (+7.0%) was the best performer for the month, driven by JB Hi-Fi (JBH, +19.3%), Aristocrat Leisure (ALL, +13.1%) and Crown Resorts (CWN, +18.2%). Utilities (+6.8%) and REITs (+6.6%) were also strong. Materials (-3.0%) was the worst performing sector, driven by falls in Fortescue Metals (FMG, -11.0%), Rio Tinto (RIO, -8.9%) and Northern Star Resources (NST, -6.2%).

Commodity prices fell throughout March, with Brent oil prices down 3.9% to US\$63.54/bbl, Iron ore down 5.2% and gold falling 3.0%.

Rising inflation expectations caused global bond yields to continue to trend higher, with the US 10 year government bond yield rising 0.28% to 1.74%. Conversely, the Australian 10 year government bond yield declined slightly, down 0.9% to 1.79%.

The AUD depreciated 1.2c against the USD during March to US\$0.76. In the domestic economy, the RBA maintained the cash rate at 0.15%.

## Outlook

The COVID-19 recovery in Australia continues to progress, with the vaccine rollout slowly gaining momentum and a trans-Tasman travel bubble with New Zealand announced. Looking ahead, key factors driving market sentiment will include movements in bond yields, the global effectiveness of the various vaccines and the impact of the unwind of domestic stimulus measures on the local economy.

## Macquarie Australian Shares Fund

Monthly report – 31 March 2021

**For more information speak to your financial adviser, call us on 1800 814 523, email [mim.clientservice@macquarie.com](mailto:mim.clientservice@macquarie.com) or visit [macquarie.com](http://macquarie.com)**

### **Important information**

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.

The information in this report is provided for general information purposes only and is not, and should not be construed as, an advertisement, an invitation, an offer, a solicitation of an offer or a recommendation to participate in any investment strategy or take any other action, including to buy or sell any product offered by any member of the Macquarie Group. The above information is not personal advice and does not take into account the investment objectives, financial situation or needs of any person. Investors should consider the offer document of the Fund in deciding whether to acquire or continue to hold units in the Fund. The offer document is available by contacting us on 1800 814 523. Past performance is not a reliable indicator of future performance.

Future results are impossible to predict. In preparing this document, reliance may have been placed, without independent verification, on the accuracy and completeness of information available from external sources. This report may also include opinions, estimates and other forward-looking statements which are, by their very nature, subject to various risks and uncertainties. Actual events or results may differ materially, positively or negatively, from those reflected or contemplated in such forward-looking statements. Forward-looking statements constitute the investment manager's judgement as at the date of preparation of this report and are subject to change without notice. To the maximum extent permitted by law, no member of the Macquarie Group nor its directors, employees or agents accept any liability for any loss arising from the use of this document, its contents or otherwise arising in connection with it.

Other than Macquarie Bank Limited (**MBL**), none of the entities noted in this document are authorised deposit-taking institutions for the purposes of the Banking Act 1959 (Commonwealth of Australia). The obligations of these entities do not represent deposits or other liabilities of MBL. MBL does not guarantee or otherwise provide assurance in respect of the obligations of these entities, unless noted otherwise.