

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	\$235.9m
Distribution frequency	Quarterly
Management fee*	0.60% 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 30 June 2021

	Total Fund return (gross)	Total Fund return (net)	Benchmark return	Total excess return (net)
1 month (%)	1.75	1.70	2.26	-0.56
3 months (%)	7.82	7.66	8.29	-0.63
1 year (%)	29.88	29.10	27.80	1.30
3 years (% pa)	11.77	11.10	9.58	1.52
5 years (% pa)	15.60	14.55	11.15	3.40
Since inception (% pa)	12.49	11.03	7.43	3.60

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)

[Redacted]
Charter Hall Group
<i>Newcrest Mining Ltd</i>
ResMed Inc

Italics denote underweight

Top 5 overweight positions (alphabetical)

[Redacted]
Aristocrat Leisure Limited
BHP Group
Charter Hall Group
IGO Ltd
ResMed Inc

Bottom 3 stock attribution (alphabetical)

[Redacted]
Evolution Mining Limited
Northern Star Resources Ltd
Oz Minerals Limited

Italics denote underweight

Macquarie Australian Shares Fund

Monthly report – 30 June 2021

Fund highlights

The Fund finished the month up 1.70% (post-fees), underperforming the benchmark by 0.56%.

The largest contributors to relative performance for the month included overweight positions in ResMed (RMD) and Charter Hall Group (CHC), and an underweight position in Newcrest Mining (NCM).

Respiratory device maker ResMed (RMD) outperformed following a device recall from key competitor, Philips. The announcement by Philips was sparked by concerns of potential health risks from device components, leading to a surge in demand for ResMed products. In ResMed's trading update for the quarter ending 31 March 2021, management announced that revenue was only slightly down compared to the March 2020 quarter, which was significantly boosted by the COVID-driven spike in ventilator demand.

The greatest detractors from relative performance included overweight positions in Evolution Mining (EVN), Northern Star Resources (NST) and OZ Minerals (OZL).

Gold producer Evolution Mining (EVN) underperformed as fading inflationary expectations drove the price of gold down 7.2%. Regardless, Evolution's most recent quarterly update showed positive production levels and, as one of the lowest cost gold producers in the world, the firm is well placed to weather commodity price fluctuations.

As 30 June 2021, the largest overweight positions in the Fund were Aristocrat Leisure (ALL), BHP Group (BHP) and IGO Limited (IGO).

Market overview

The Australian market rose during June, with the S&P/ASX 200 Accumulation Index and the S&P/ASX 300 Accumulation Index up 2.26% and 2.25% respectively.

The Australian market outperformed the Developed Markets Index (+2.1%) throughout June. The ASX 200 returned 27.8% for FY21, which was the strongest financial year return since 2006. In the global context, Australia underperformed the tech-heavy US index (S&P 500) by 14.0% for the year, however outperformed UK stocks by 10.8% due to the impact of Brexit. Interestingly, the best performing subsector in the Australian market for the financial year was Automotives (+86%), as COVID-19 drove consumers from public transport to private vehicles. During June, a fall in bond yields in the domestic market drove strong returns across the technology sector. Conversely, the movement in yields compressed bank margins, resulting in the major banks retracing some gains made in May following their earnings upgrades. In COVID-19 news, case numbers declined as global vaccination programs continued to progress, with 50% of the population vaccinated in the UK, 47% in the US and Australia trailing somewhat at 7.4%.

The pattern of snap lockdowns across Australia's capital cities continued, with a multi-city lockdown including Sydney and Brisbane being triggered in late June. Community backlash to the on-and-off lockdown process resulted in the Federal Government announcing its four-phase "Pathway out of COVID-19", which outlines Australia's plan to transition from its suppression-focussed policy toward a more managed approach once vaccinations reach certain levels.

The Technology sector (+13.4%) was the best performer for the month, driven by Afterpay (APT, 27.4%), Altium (ALU, 20.8%) and Wisetech (WTC, 13.1%). Financials (-0.2%) was the worst performing sector, driven by falls in National Australia Bank (NAB, -2.7%), Westpac (WBC, -2.3%) and ANZ Bank (ANZ, -2.0%).

Commodity prices rose again in June, with Brent oil prices up 7.9% to US\$75.13/bbl and Iron ore up 6.9%. Inflation expectations eased throughout the month, driving gold prices down 7.2%.

Global bond yields drifted lower throughout the month, with the US 10 year government bond yield falling 0.13% to 1.45% and the Australian 10 year government bond yield down 0.12% to 1.51%.

The AUD depreciated 2.3c against the USD during April to US\$0.75. In the domestic economy, the RBA maintained the cash rate at 0.15%

Outlook

While the COVID-19 recovery in Australia continues to progress, the June outbreak placed additional pressure on the Federal and State governments to expedite Australia's vaccine rollout. For the months ahead, key factors influencing market sentiment will include movements in bond yields and inflation, the success of the global vaccine rollout and the impact of the unwind of domestic stimulus measures on the local economy.

Macquarie Australian Shares Fund

Monthly report – 30 June 2021

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

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