

### 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                          | \$958.0m  |
| Distribution frequency             | Annually  |
| Management fee*                    | 1.28% pa  |
| Minimum investment (Direct)        | \$5,000   |
| 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 July 2021

|                               | Total Fund return (gross) | Total Fund return (net) | Benchmark return | Total excess return (net) |
|-------------------------------|---------------------------|-------------------------|------------------|---------------------------|
| <b>1 month (%)</b>            | 3.87                      | 3.76                    | 1.77             | 1.99                      |
| <b>3 months (%)</b>           | 8.17                      | 7.83                    | 5.24             | 2.59                      |
| <b>1 year (%)</b>             | 33.41                     | 31.75                   | 33.75            | -2.00                     |
| <b>3 years (% pa)</b>         | 16.22                     | 14.75                   | 12.91            | 1.84                      |
| <b>5 years (% pa)</b>         | 16.79                     | 15.32                   | 13.91            | 1.41                      |
| <b>7 years (% pa)</b>         | 14.66                     | 13.21                   | 11.91            | 1.30                      |
| <b>Since inception (% pa)</b> | 12.53                     | 11.11                   | 10.03            | 1.08                      |

#### 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

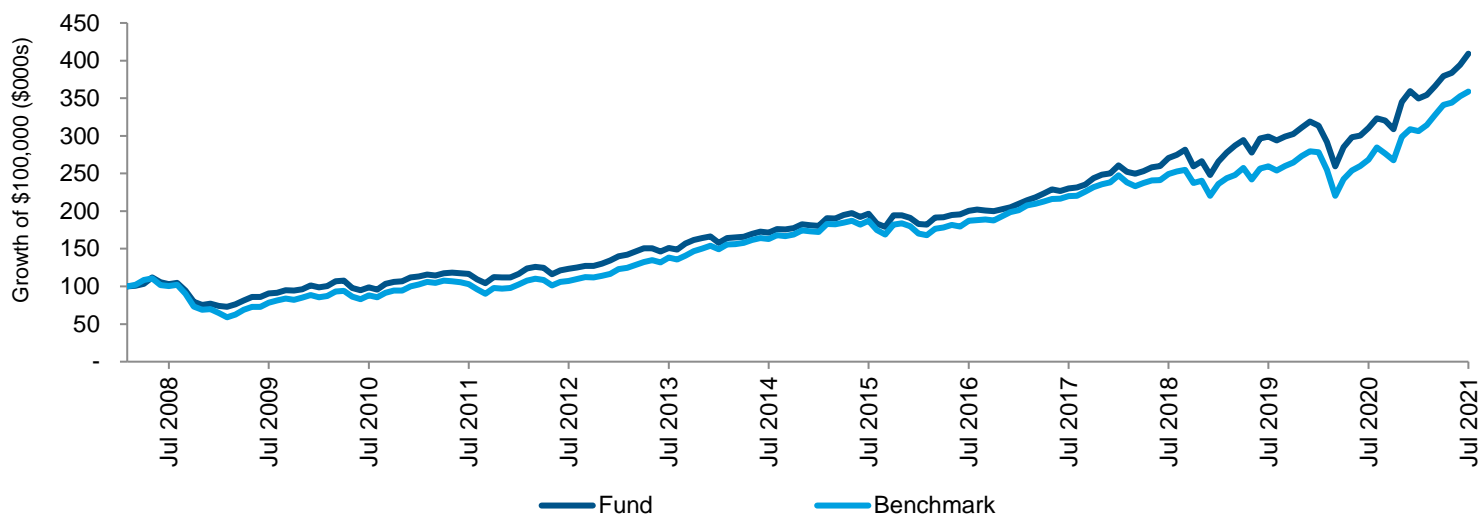
| Stock                              | Sector                 | Industry                                      | Holding (%) |
|------------------------------------|------------------------|---|-------------|
| Microsoft                          | Information technology | Software                                      | 3.78        |
| Keyence Corp.                      | Information technology | Electronic Equipment Instruments & Components | 3.26        |
| Alphabet                           | Communication services | Interactive Media & Services                  | 3.21        |
| Taiwan Semiconductor Manufacturing | Information technology | Semiconductors & Semiconductor Equipment      | 3.13        |
| Edwards Lifesciences               | Health care            | Health Care Equipment & Supplies              | 2.98        |
| Mastercard                         | Information technology | IT Services                                   | 2.94        |
| Adobe                              | Information technology | Software                                      | 2.79        |
| Nike                               | Consumer discretionary | Textiles Apparel & Luxury Goods               | 2.70        |
| Waters Corp.                       | Health care            | Life Sciences Tools & Services                | 2.61        |
| LVMH Moet Hennessy                 | Consumer discretionary | Textiles Apparel & Luxury Goods               | 2.58        |
| <b>Total number of stocks</b>      |                        |   | <b>49</b>   |

## Walter Scott Global Equity Fund (Hedged)

Macquarie Professional Series

Monthly report – 31 July 2021

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

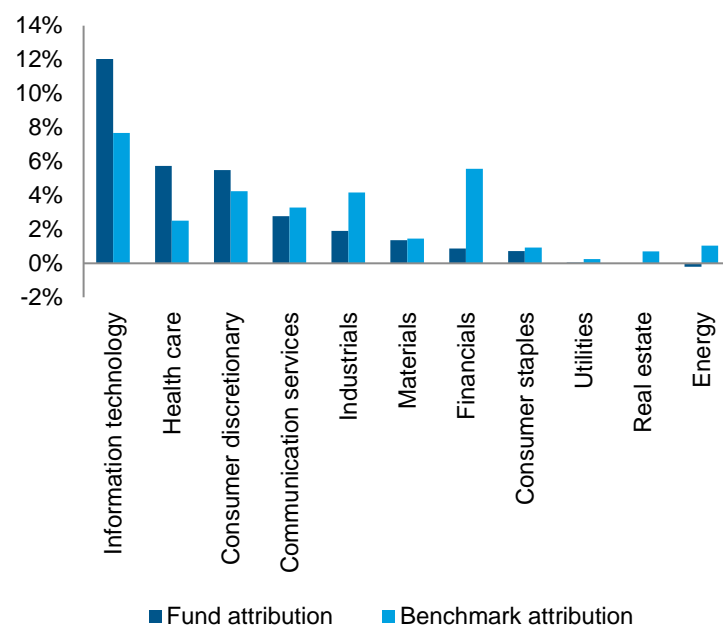


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### Sector weights

| Sector                 | Fund (%)   | Benchmark (%) |
|------------------------|------------|---------------|
| Information technology | 34.26      | 22.90         |
| Health care            | 19.05      | 12.81         |
| Consumer discretionary | 12.69      | 11.98         |
| Industrials            | 11.16      | 10.67         |
| Consumer staples       | 9.16       | 7.04          |
| Communication services | 5.18       | 9.28          |
| Materials              | 4.23       | 4.11          |
| Financials             | 2.41       | 12.84         |
| Utilities              | 0.64       | 2.79          |
| Energy                 | 0.00       | 2.90          |
| Real estate            | 0.00       | 2.68          |
| Cash                   | 1.22       | 0.00          |
| <b>Total</b>           | <b>100</b> | <b>100</b>    |

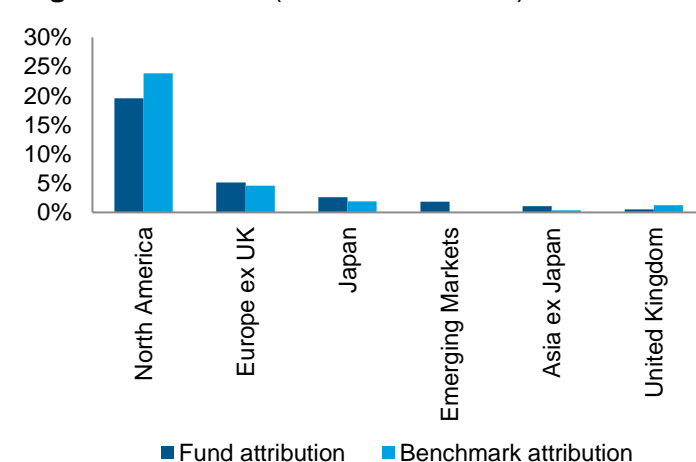
### Sector attribution (12 months to date)



### Region weights

| Region           | Fund (%)   | Benchmark (%) |
|------------------|------------|---------------|
| North America    | 59.25      | 72.45         |
| Europe ex UK     | 19.29      | 15.20         |
| Japan            | 8.24       | 6.73          |
| United Kingdom   | 4.86       | 4.31          |
| Asia ex Japan    | 4.02       | 1.32          |
| Emerging Markets | 3.13       | 0.00          |
| Cash             | 1.22       | 0.00          |
| <b>Total</b>     | <b>100</b> | <b>100</b>    |

### Region attribution (12 months to date)



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### Performance summary

- The Fund returned 3.76% in July 2021, compared with a return for the Benchmark of 1.77%, as investors continued to celebrate the gradual, if uneven, recovery from the COVID-19 pandemic.
- With the exception of the Energy sector, all market sectors moved higher in July. For the Fund, the largest relative contributors to performance were holdings in IT, including Keyence and Oracle, and in Health Care, including Waters Corporation and Edwards Lifesciences. These were partially offset by an underweight to the Real Estate sector. There were no initial purchases or final sales within the portfolio during the month.
- The Chinese government's continued crackdown on the technology sector has increasingly unnerved investors. Last November saw Chinese regulators force the cancellation of fintech champion Ant Group's IPO, 33% held by Alibaba, which was itself hit by a US\$2.8 billion antitrust fine in April this year. Fast forward to this month's news regarding Didi Chuxing, the ride-hailing app, which a few days after its public listing in the US was made the subject of an investigation into the security of private data. The latest targets have been the online education companies whose curriculum-based tutoring services will now have to be conducted on a not-for-profit basis.
- Walter Scott has been long been mindful of the risks of investing in China, of which government intervention is but one, focusing on companies that have key attributes of a sustainable and robust long-term growth outlook, balance sheet strength, sound governance and good leadership. Walter Scott has often found that the best way of taking advantage of China's rapid growth and development is through global companies with strong business franchises in China, but there are local leaders that are well placed to benefit from such trends. Founded in Shanghai in 1919, pan-Asian life insurer AIA Group has operations in 18 countries across the Asia Pacific region. This represents a huge market opportunity as Asia is expected to account for 90% of the next 1 billion middle-class consumers, according to the company. In China, life insurance penetration is still around 3%, and is expected to double over the next ten years. Through organic expansion and the granting of new licences, the company expects to see a four-fold increase in the Chinese middle-class addressable market, and China will be the dominant growth driver for the business over the coming decade.
- While Chinese regulators have been attempting to soothe market nerves, interventions by the state are part and parcel of the Chinese corporate environment. Walter Scott, through its long-term investment approach, can look through periods of market turbulence and focus on the opportunities afforded by what remains a highly dynamic economy replete with opportunities for both leading domestic and global companies alike.

**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

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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