

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	\$239.2m
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 November 2021

	Total Fund return (gross)	Total Fund return (net)	Benchmark return	Total excess return (net)
1 month (%)	-0.49	-0.52	-0.54	0.02
3 months (%)	-1.59	-1.71	-2.48	0.77
1 year (%)	16.57	15.91	15.48	0.43
3 years (% pa)	15.81	15.13	12.56	2.57
5 years (% pa)	14.60	13.61	10.11	3.50
Since inception (% pa)	12.33	10.89	7.30	3.59

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)

Charter Hall Group

IGO Ltd

Westpac Bank

Italics denote underweight

Top 5 overweight positions (alphabetical)

Aristocrat Leisure Limited

BHP Group

CSR Limited

IGO Ltd

Santos

Bottom 3 stock attribution (alphabetical)

Aristocrat Leisure Limited

Clinuvel Pharmaceuticals Limited

Santos

Italics denote underweight

Macquarie Australian Shares Fund

Monthly report – 30 November 2021

Fund highlights

The Fund finished the month down 0.52% (post-fees), outperforming the benchmark by 0.02%.

The largest contributors to relative performance for the month included overweight positions in IGO Ltd (IGO) and Charter Hall Group (CHC), and an underweight position in Westpac (WBC)

Diversified property group Charter Hall Group (CHC) outperformed after upgrading FY22 earnings guidance, reflecting a 36% growth rate of operational earnings per share compared to FY21. The upgrade was driven by strong transactional activity and positive revaluations across a number of industrial properties.

The largest detractors from relative performance included overweight positions in Santos (STO), Clinuvel Pharmaceuticals (CUV) and Aristocrat Leisure (ALL).

Oil producer Santos (STO) underperformed in November as the emergence of COVID-19 variant Omicron dampened hopes of a global re-opening ahead of the holiday period. News of the potential impact on oil demand coincided with the US Government announcing a supply boost from its National Petroleum Reserve, leading to a sharp drop in the oil price.

As 30 November 2021, the largest overweight positions in the Fund were Santos (STO), IGO Ltd (IGO) and Aristocrat Leisure (ALL).

Market overview

The Australian market was down for the month of November, with the S&P/ASX 200 Accumulation Index and S&P/ASX 300 Accumulation Index down 0.54% and 0.53% respectively. Globally, equities saw sharp falls throughout November, driven by the emergence of the Omicron variant, as investors moved into safe-haven asset classes. The emergence of Omicron added to fears of more lockdowns that have already started to re-emerge as COVID cases start to rise in the Northern Hemisphere. This added to existing concerns among investors that the cycle was already slowing, and monetary stimulus was moderating. To top it off, on the last day of the month, US Fed chair Powell signalled tapering may be accelerated, as inflation is less transitory than first thought. Despite these macro headwinds, the Australian market outperformed most developed markets, with the 0.5% fall in the ASX less than the 1.6% decline in the MSCI World All Countries Index. Emerging Markets were the laggards, with a 3.2% fall driven by a 5.9% fall for MSCI China.

Materials (+4.7%) was one of the best performing sector in November. The gains were led by iron ore and new energy stocks. Energy (-5.6%) was the worst performing sector on the back of weaker commodity prices.

Growth (+1.9%) outperformed Value (-4.0%) materially in November across the Australian market, with Growth now outperforming modestly over the last year. The stronger returns from Growth last month were driven by the Quality factor and the higher share of defensives categorised in the Growth basket.

The October sell-off in bonds was reversed in November, as Omicron headlines drove investors to scale back inflation and rate hike expectations, with Australian 10-year yields sliding 38bps to 1.70%, followed by US 10-year yields declining 11bps to 1.43%.

Commodities were materially weaker. Oil had already fallen mid-single digits before Omicron emerged, as October's concerns about energy shortages faded. Concerns about Omicron impacting oil demand added to losses, and WTI ended the month down nearly 21%. However, this wasn't the largest fall among commodities, as thermal coal fell 32% and uranium fell 27%. Iron ore fell 8% to US\$100/Mt on the back of weak China demand signals.

The AUD depreciated 5.3% against the USD during November to US\$0.709. In the domestic economy, the RBA maintained the cash rate at 0.10%.

Outlook

While lockdown restrictions across New South Wales and Victoria have eased in recent months, COVID risks remain, as evidenced by the recent emergence of the Omicron variant. The coming weeks will be critical in determining the risk of Omicron to global growth, and also the implications of the recent increase in Delta cases in Europe.

Domestically, the speed and strength of the economic recovery remains a key focus. Pent-up demand combined with high savings rates and the 'wealth effect' from record house prices should provide a firm footing for continued growth in corporate earnings.

Globally, the outlook for inflation and the likely tapering of bond purchases by the US Federal Reserve will be key themes for investors to monitor over the coming months.

Macquarie Australian Shares Fund

Monthly report – 30 November 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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