

Walter Scott Global Equity Fund (Hedged)

Macquarie Professional Series

Monthly report – 31 May 2022

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	MAQ057AU
mFund code	MPS06
Inception date	20 March 2008
Underlying Fund investment manager	Walter Scott & Partners Limited (Edinburgh, UK)
Fund size	\$981.1m
Distribution frequency	Annually
Management fee*	1.28% pa
Minimum investment (Direct)	\$5,000
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 May 2022

	Total Fund return (gross)	Total Fund return (net)	Benchmark return	Total excess return (net)
1 month (%)	-1.39	-1.50	-0.20	-1.30
3 months (%)	-4.86	-5.17	-4.97	-0.20
1 year (%)	-3.65	-4.88	-2.51	-2.37
3 years (% pa)	10.94	9.55	11.50	-1.95
5 years (% pa)	11.18	9.78	9.19	0.59
7 years (% pa)	10.56	9.17	8.69	0.48
Since inception (% pa)	10.94	9.55	8.90	0.65

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

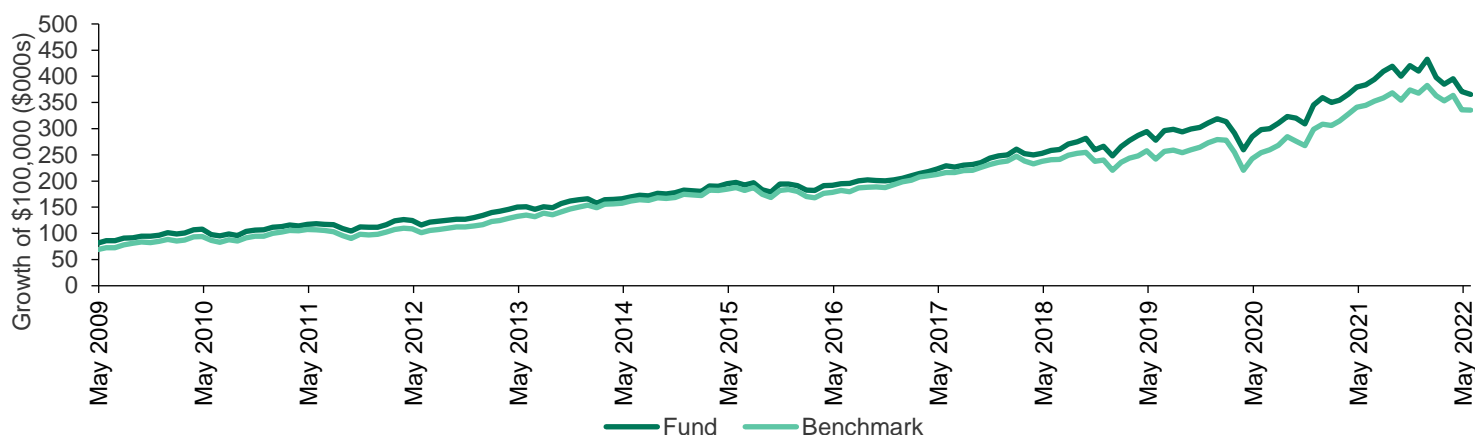
Stock	Sector	Industry	Holding (%)
Microsoft Corp	Information Technology	Software	4.16
Novo Nordisk A/S	Health Care	Pharmaceuticals	3.32
Mastercard Inc	Information Technology	IT Services	3.15
Alphabet Inc	Communication Services	Interactive Media & Services	3.12
Taiwan Semiconductor Manufacturing	Information Technology	Semiconductors & Semiconductor Equipment	2.95
Automatic Data Processing	Information Technology	IT Services	2.88
Alimentation Couche-Tard Inc	Consumer Staples	Food & Staples Retailing	2.82
Edwards Lifesciences Corp	Health Care	Health Care Equipment & Supplies	2.82
Linde Plc	Materials	Chemicals	2.82
Keyence Corp	Information Technology	Electronic Equipment Instruments & Components	2.72
Total number of stocks			46

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Growth of \$100,000 since inception

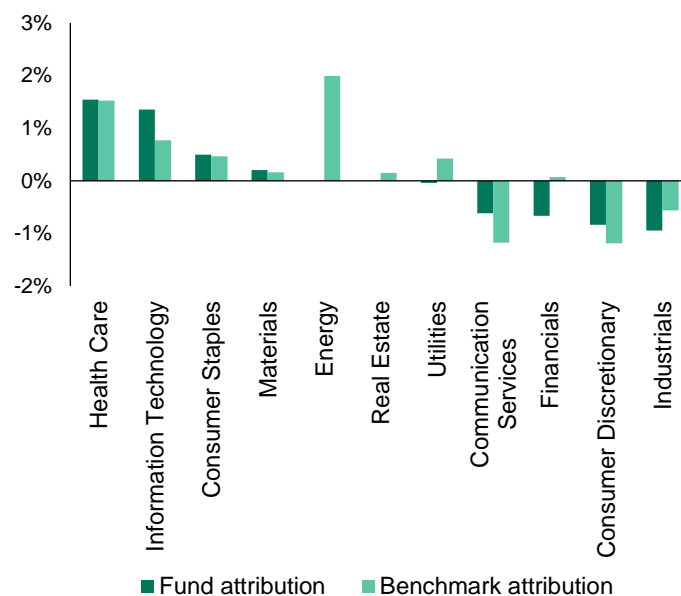


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Sector weights

Sector	Fund (%)	Benchmark (%)
Information Technology	33.51	21.83
Health Care	17.80	13.51
Consumer Discretionary	12.51	10.83
Industrials	11.67	9.99
Consumer Staples	8.49	7.48
Materials	4.77	4.16
Communication Services	4.55	7.65
Financials	3.92	13.40
Energy	0.00	5.22
Utilities	0.00	3.18
Real Estate	0.00	2.76
Cash	2.79	0.00
Total	100	100

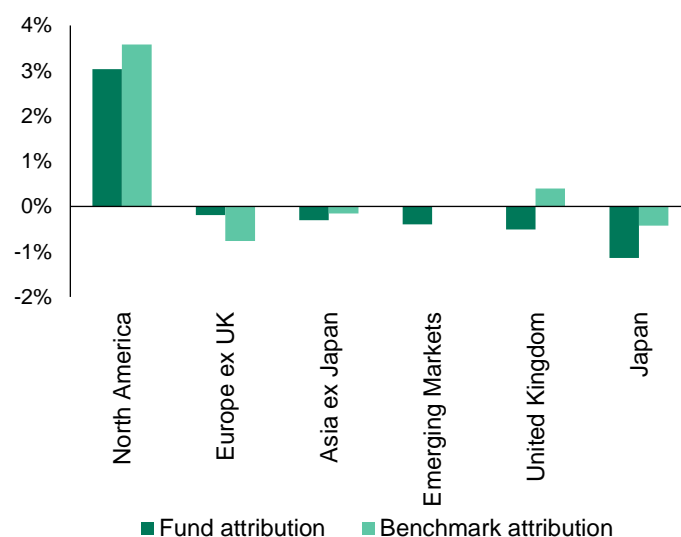
Sector attribution (12 months to date)



Region weights

Region	Fund (%)	Benchmark (%)
North America	60.60	73.67
Europe ex UK	17.40	14.13
Japan	7.48	6.34
United Kingdom	5.29	4.55
Asia ex Japan	3.48	1.31
Emerging Markets	2.95	0.00
Cash	2.79	0.00
Total	100	100

Region attribution (12 months to date)



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Performance summary

- The Fund returned -1.50% in May 2022, compared with a return for the Benchmark of -0.20%, as equity markets regained a degree of composure, although not without a bout or two of turbulence given mounting macroeconomic headwinds.
- IT and Consumer Discretionary drove the index lower in May, while Energy and Financials were notable positive sector contributors. For the Fund, holdings in Health Care, such as Roche and Illumina, and an underweight to Energy were the largest relative sector detractors. These results were partially offset by holdings in Consumer Discretionary, including Inditex and Compass Group. There were no initial purchases or final sales within the portfolio during the month.
- The perennial question of the cost of healthcare has likely been amplified in many countries by rising budget deficits, but it highlights the importance of innovation and a strong drug pipeline. Walter Scott had two meetings during the month with the management of global pharmaceutical company Roche, one with the group CFO and the other with the CEO of the diagnostics business. These meetings reaffirmed Walter Scott's view that Roche has a strong culture of innovation and is aligned to key areas in healthcare. Management is confident about its pharmaceutical pipeline and while the boost that the diagnostics division received from Covid is expected to ease, the core diagnostics business is growing well. Since 2018, Roche has lost CHF10bn of sales due to biosimilar erosion but still grew its top line, increased R&D investment and maintained profitability. Although drug patents will continue to expire across the business, the company has passed a recent patent cliff that was causing disruption. The company will continue to invest in innovation and work to lower the cost per molecule of discovery. Increased R&D spend will be facilitated by growing the top line and taking costs from other parts of the business.
- It is likely that the coming months will see further turbulence in equity markets given a dimmer outlook for the global economy. However, Walter Scott's investment approach does not require bets on economic or market direction. With a long-term orientation, Walter Scott can look through periods of turmoil and focus on innovative, financially strong, and well-managed companies that are at the forefront of trends that will drive their earnings for years to come.

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

Important information

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

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