

# Walter Scott Global Equity Fund (Hedged)

Macquarie Professional Series

Monthly report – 31 October 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	MAQ0557AU
mFund code	MPS06
Inception date	20 March 2008
Underlying Fund investment manager	Walter Scott & Partners Limited (Edinburgh, UK)
Fund size	\$1,018.7m
Distribution frequency	Annually
Management fee*	1.28% pa
Minimum investment (Direct)	\$5,000
Unit prices and spreads	<a href="https://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 October 2022

	Total Fund return (gross)	Total Fund return (net)	Benchmark return	Total excess return (net)
<b>1 month (%)</b>	6.29	6.18	7.22	-1.04
<b>3 months (%)</b>	-7.42	-7.73	-5.83	-1.90
<b>1 year (%)</b>	-18.12	-19.18	-16.11	-3.07
<b>3 years (% pa)</b>	5.29	3.95	5.82	-1.87
<b>5 years (% pa)</b>	8.25	6.88	6.23	0.65
<b>7 years (% pa)</b>	9.68	8.29	8.06	0.23
<b>Since inception (% pa)</b>	10.12	8.73	8.13	0.60

**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 10 stocks

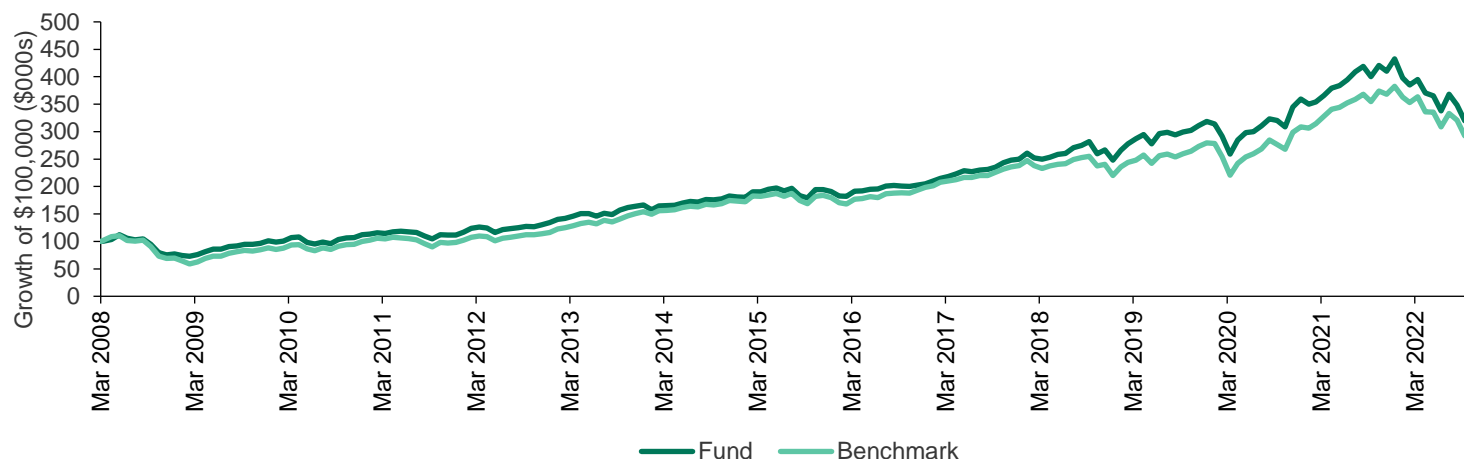
Stock	Sector	Industry	Holding (%)
Microsoft Corp	Information Technology	Software	3.78
Novo Nordisk A/S	Health Care	Pharmaceuticals	3.38
Automatic Data Processing	Information Technology	IT Services	3.22
Amphenol Corp	Information Technology	Electronic Equipment Instruments & Components	3.21
Mastercard Inc	Information Technology	IT Services	3.18
Linde Plc	Materials	Chemicals	3.10
Keyence Corp	Information Technology	Electronic Equipment Instruments & Components	3.09
Alimentation Couche-Tard Inc	Consumer Staples	Food & Staples Retailing	2.88
Lvmh Moet Hennessy	Consumer Discretionary	Textiles Apparel & Luxury Goods	2.83
Alphabet Inc	Communication Services	Interactive Media & Services	2.79
<b>Total number of stocks</b>			<b>46</b>

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## Growth of \$100,000 since inception

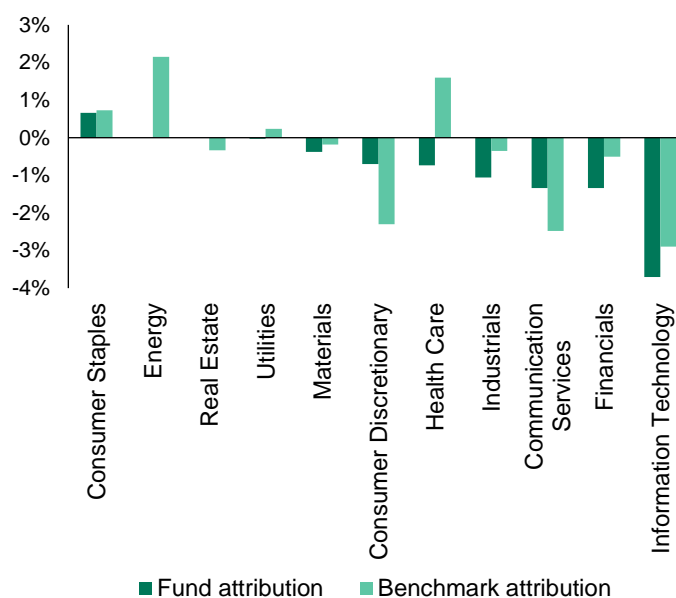


Past performance is not a reliable indicator of future performance. Data as at 31 October 2022.

## Sector weights

Sector	Fund (%)	Benchmark (%)
Information Technology	33.93	21.50
Health Care	19.14	14.35
Consumer Discretionary	13.31	10.76
Industrials	10.48	10.38
Consumer Staples	8.18	7.74
Materials	4.82	3.76
Communication Services	4.45	6.79
Financials	3.42	13.30
Energy	0.00	5.81
Utilities	0.00	3.04
Real Estate	0.00	2.56
Cash	2.27	0.00
<b>Total</b>	<b>100</b>	<b>100</b>

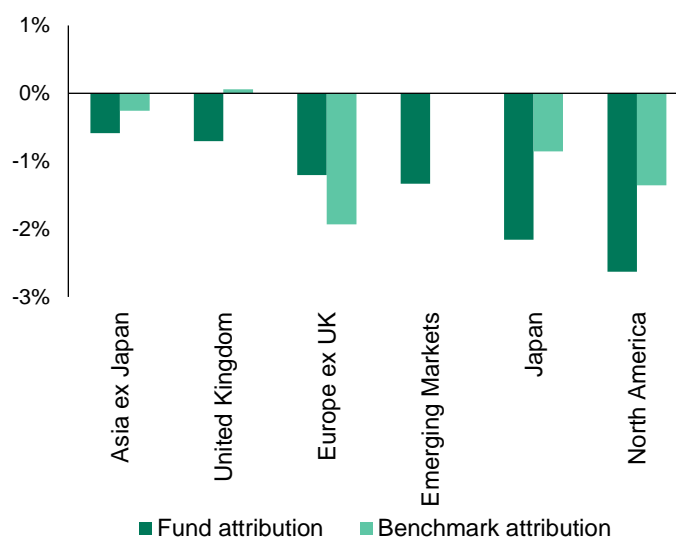
## Sector attribution (12 months to date)



## Region weights

Region	Fund (%)	Benchmark (%)
North America	62.89	75.27
Europe ex UK	18.23	13.46
Japan	5.96	5.93
United Kingdom	5.42	4.20
Asia ex Japan	2.94	1.13
Emerging Markets	2.29	0.00
Cash	2.27	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 6.18%, net of fees, in October 2022, compared with a return for the Benchmark of 7.22%, as equity markets rallied on investor hopes that weaker growth, gradual supply chain improvements, and commodity price reversals will eventually bring an end to monetary tightening as the drivers of inflation wilt.
- The IT and Health Care sectors were among the largest contributors to a strong month for the index. Holdings in Financials, including AIA Group and Prudential, and a lack of exposure to the Energy sector were the largest relative sector detractors for the Fund, while the main relative contributors were holdings in Consumer Discretionary, such as TJX Companies, Booking Holdings and LVMH, amongst others. During the month, Walter Scott completed the final sale of Fanuc, to provide funds for more compelling investment candidates.
- Economic turbulence does not yet seem to have blunted indulgence too much, judging by LVMH's excellent nine-month results which highlighted the resilience of luxury spending and the company's pricing power. Luxury is not recession proof, but LVMH's customer base enjoys a differentiated consumption profile compared to the general population. Sales growth was positive across all business divisions, with the all-important Fashion & Leather division (almost half of group sales) growing ahead of expectations. Geographically, Europe, the US and Japan witnessed robust local demand, with sales also helped by the recovery in international travel. While Asia was less buoyant, growth accelerated in the third quarter in response to an easing of pandemic-related restrictions. Mainland China saw "flattish" year-on-year growth, with management expecting trends to recover "soon".
- Markets will continue to ponder the scale and extent of the gathering downturn. Notwithstanding the operational resilience many leading companies have displayed so far, potentially stiffer tests lie ahead, and some may experience earnings volatility. By virtue of their market-leadership, financial and competitive strengths, and management teams experienced in navigating through cycles, Walter Scott remains confident in the ability of portfolio companies to deliver excellent returns over the long term.

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

### Important information

Weights and attribution breakdown for sector, stocks and region relates to the Underlying Fund, and is sourced from Macquarie and FactSet.

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