

Investment objective

Aims to achieve a long-term total return (before fees and expenses) that exceeds the MSCI Emerging Markets Index, in \$A unhedged with net dividends reinvested (**Benchmark**).

Key information

Fund details

APIR code	MAQ0651AU
Inception date	23 June 2011
Investment manager	Walter Scott & Partners Limited (Edinburgh, UK)
Fund size	\$13.6m
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 July 2021

	Total Fund return (gross)	Total Fund return (net)	Benchmark return	Total excess return (net)
1 month (%)	-2.65	-2.77	-4.74	1.97
3 months (%)	3.82	3.47	0.46	3.01
1 year (%)	15.93	14.36	17.70	-3.34
3 years (% pa)	9.17	7.68	8.33	-0.65
5 years (% pa)	10.07	8.57	11.11	-2.54
7 years (% pa)	9.33	7.84	8.59	-0.75
Since inception (% pa)	8.86	7.38	7.60	-0.22

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.

The management fee was reduced to 1.28% pa from 14 May 2021.

Top 10 stocks

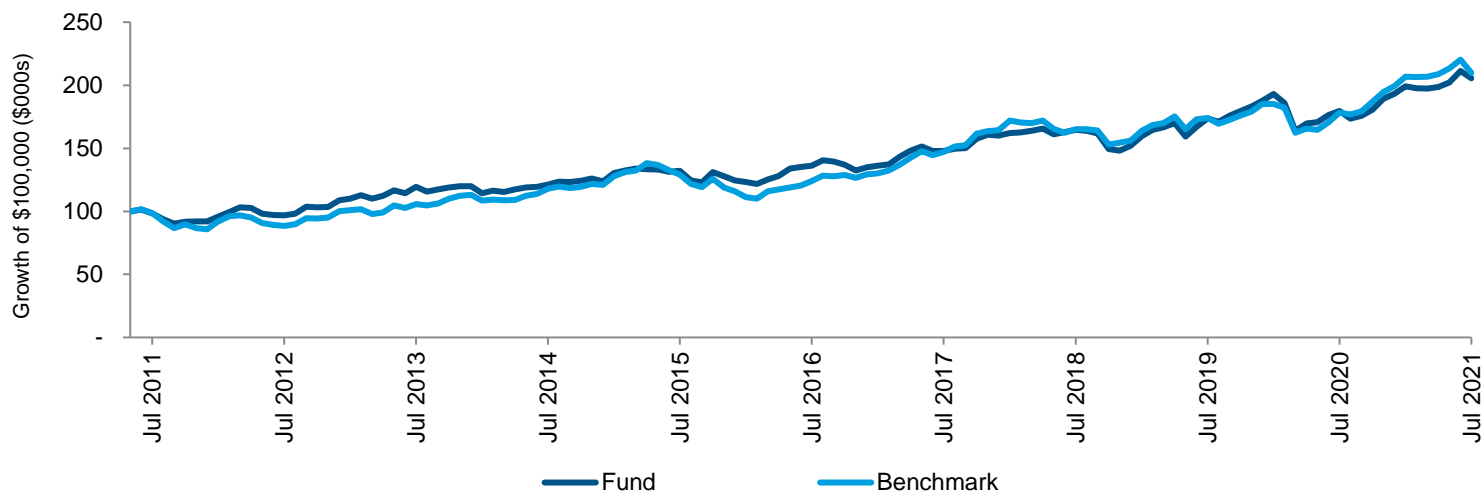
Stock	Sector	Industry	Holding (%)
Tencent Holdings Ltd	Communication services	Interactive Media & Services	4.27
Taiwan Semiconductor Manufacturing	Information technology	Semiconductors & Semiconductor Equipment	4.19
AIA Group Ltd	Financials	Insurance	4.18
Alibaba Group Holding Ltd	Consumer discretionary	Internet & Direct Marketing Retail	4.14
Samsung Electronics	Information technology	Technology Hardware Storage & Peripherals	3.93
Naver Corp	Communication services	Interactive Media & Services	3.71
Sarana Menara Nusa	Communication services	Diversified Telecommunication Services	3.11
Silergy Corp	Information technology	Semiconductors & Semiconductor Equipment	2.70
Advantech Co Ltd	Information technology	Technology Hardware Storage & Peripherals	2.51
Telekomunikasi Indonesia	Communication services	Diversified Telecommunication Services	2.47
Total number of stocks			45

Walter Scott Emerging Markets Fund

Macquarie Professional Series

Monthly report – 31 July 2021

Growth of \$100,000 since inception

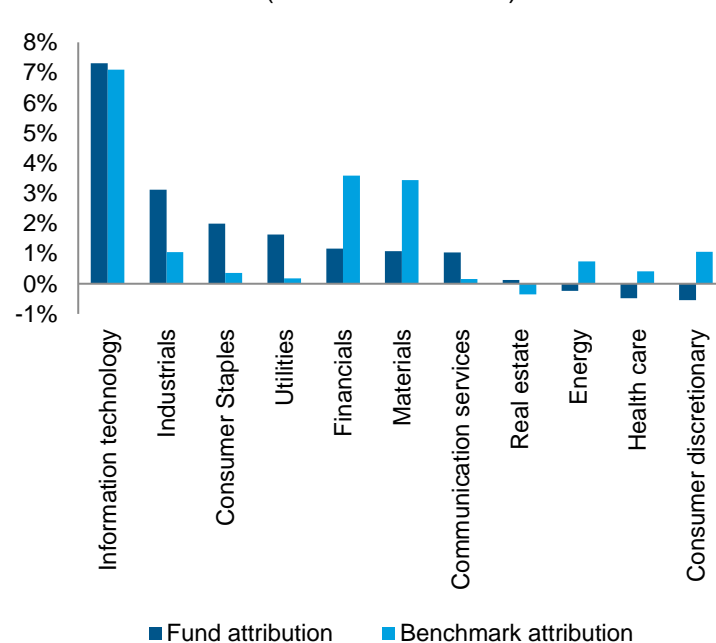


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Sector weights

Sector	Fund (%)	Benchmark (%)
Information technology	25.37	21.19
Communication services	15.62	10.68
Consumer staples	13.77	5.62
Industrials	10.49	4.88
Consumer discretionary	8.92	16.26
Financials	8.18	18.40
Utilities	6.12	2.04
Health care	3.55	4.88
Materials	1.79	9.18
Energy	1.54	5.10
Real estate	1.45	1.78
Cash	3.21	0.00
Total	100	100

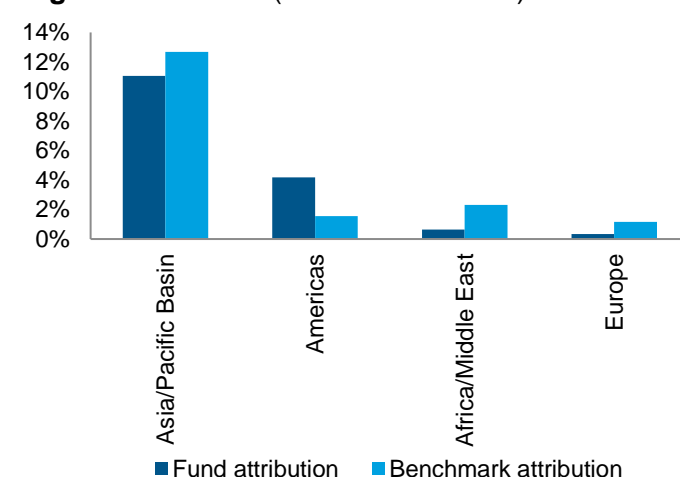
Sector attribution (12 months to date)



Region weights

Region	Fund (%)	Benchmark (%)
Asia/Pacific Basin	77.64	77.95
Americas	14.36	8.05
Europe	2.75	4.89
Africa/Middle East	2.05	9.12
Cash	3.21	0.00
Total	100	100

Region attribution (12 months to date)



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Performance summary

- The Fund returned -2.77% in July 2021, compared with a return for the Benchmark of -4.74%, with emerging market equities facing turbulence as further regulatory pressure was placed on a range of Chinese companies.
- With the exception of Materials, all market sectors fell in July. The largest relative contributors to the Fund were holdings in Consumer Discretionary, including Ace Hardware Indonesia, and an underweight to the sector. This contribution was partially offset by an underweight to Materials.
- Since the suspension of Ant Group's IPO last November, China's authorities have made abundantly clear their intention to intervene in the private sector where and when they believe it necessary. The latest evidence of this more hands-on approach came with the banning of Didi Chuxing's ride-hailing app over data concerns just days after the company's US\$4 billion IPO in New York. This surprise move was then followed by a crackdown on China's hitherto booming private tutoring industry. Such government interference in China is a risk of which Walter Scott has long been cognisant and, like all risks, one that is carefully weighed. In Walter Scott's view, while periodic bouts of regulatory interference can prove disruptive and require close monitoring, responsible companies that operate within the rules and show willingness to work with government when required will continue to thrive over the long-term. Tencent Holdings is an example of a company that has proven adept at responding to shifts in the regulatory landscape, at times moving proactively to align itself with policy objectives. While Walter Scott's considered approach to investing in China has been at odds with many investors' wholehearted embrace of more speculative plays, July's events have prompted a reappraisal of what constitutes an appropriate risk premium when investing in China, to the benefit of the portfolio's relative performance.
- While Beijing's current fervour for regulatory intervention has been an abrupt reminder of the prominence of the state in today's Chinese economy, it by no means renders the country un-investable. Few markets demand such exhaustive research and analysis – a comprehensive understanding of what you're buying is essential – but China remains home to many high-quality companies exposed to a compelling structural growth story. Disruptive as recent events have been, they have not detracted from the opportunities available to long-term investors.

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

Weights and attribution breakdown for sector, stocks and region 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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