

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	\$14.9m
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 December 2021

	Total Fund return (gross)	Total Fund return (net)	Benchmark return	Total excess return (net)
1 month (%)	1.50	1.37	-0.65	2.02
3 months (%)	1.84	1.46	-1.95	3.41
1 year (%)	4.81	3.35	3.44	-0.09
3 years (% pa)	11.06	9.54	9.75	-0.21
5 years (% pa)	9.66	8.16	9.79	-1.63
7 years (% pa)	8.57	7.09	7.92	-0.83
Since inception (% pa)	8.28	6.80	7.12	-0.32

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

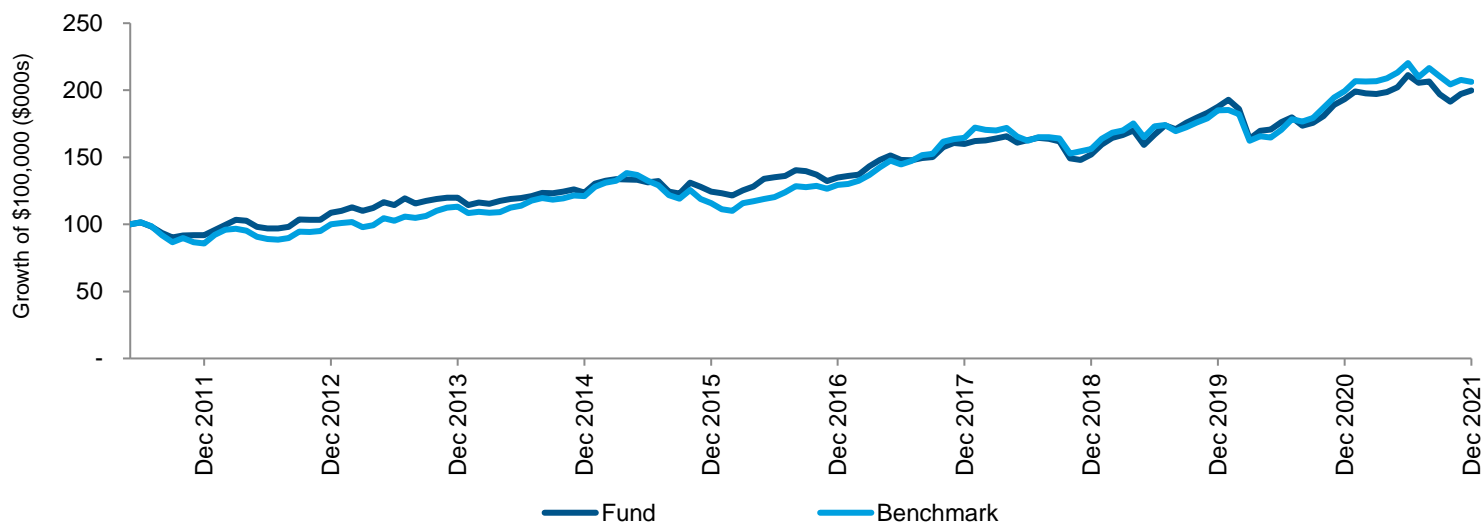
Stock	Sector	Industry	Holding (%)
Tencent Holdings Ltd	Communication services	Interactive Media & Services	4.02
Taiwan Semiconductor Manufacturing	Information technology	Semiconductors & Semiconductor Equipment	3.88
Aia Group Ltd	Financials	Insurance	3.51
Samsung Electronics	Information technology	Technology Hardware Storage & Peripherals	3.44
Silergy Corp	Information technology	Semiconductors & Semiconductor Equipment	3.37
Advantech Co Ltd	Information technology	Technology Hardware Storage & Peripherals	2.82
Naver Corp	Communication services	Interactive Media & Services	2.80
Alibaba Group Holding Ltd	Consumer discretionary	Internet & Direct Marketing Retail	2.73
Telekomunikasi Indonesia	Communication services	Diversified Telecommunication Services	2.61
Guangdong Invest	Utilities	Water Utilities	2.57
Total number of stocks			43

Walter Scott Emerging Markets Fund

Macquarie Professional Series

Monthly report – 31 December 2021

Growth of \$100,000 since inception

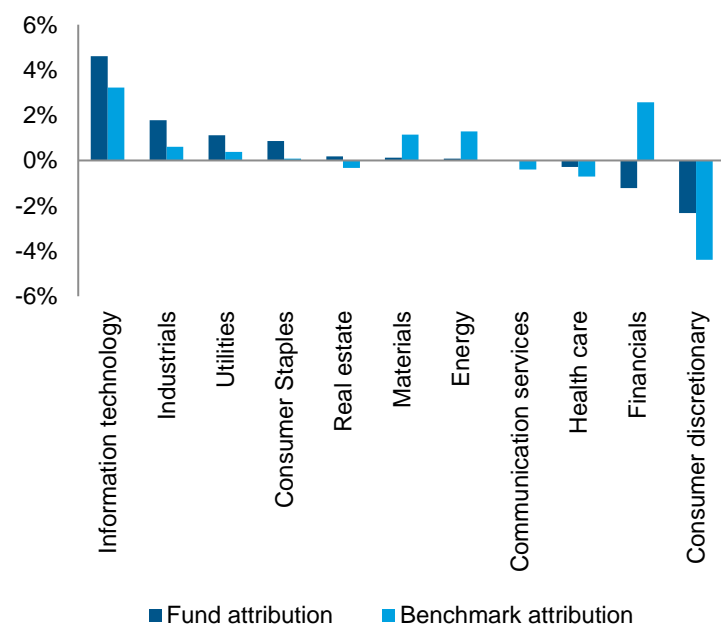


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Sector weights

Sector	Fund (%)	Benchmark (%)
Information technology	26.14	22.67
Communication services	13.84	10.72
Industrials	12.90	5.07
Consumer staples	11.83	5.87
Consumer discretionary	7.93	13.54
Financials	7.44	19.40
Utilities	6.74	2.37
Health care	4.04	4.24
Materials	3.97	8.60
Real estate	1.86	1.95
Energy	0.00	5.56
Cash	3.33	0.00
Total	100	100

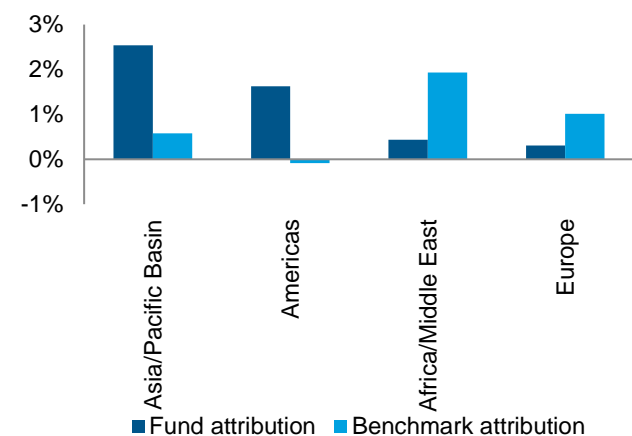
Sector attribution (12 months to date)



Region weights

Region	Fund (%)	Benchmark (%)
Asia/Pacific Basin	76.45	78.99
Americas	15.11	6.74
Europe	3.05	5.00
Africa/Middle East	2.07	9.27
Cash	3.33	0.00
Total	100	100

Region attribution (12 months to date)



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Performance summary

- The Fund returned 1.37% in December 2021, compared with a return for the Benchmark of -0.65%, amid significant intra-month volatility caused by the spread of the Omicron COVID-19 variant, fears of the reintroduction of economically damaging containment measures, as well as ongoing inflation pressures.
- IT contributed most to index performance in December, offset by falls in the Consumer Discretionary and Health Care sectors. For the Fund, the largest relative contributors were underweight positioning in Consumer Discretionary and holdings in the sector, namely Hyundai Mobis, as well as holdings in Consumer Staples, led by Walmart de Mexico. These results were partially offset by underweight positions in Financials and Energy.
- During the month, Walter Scott completed the initial purchases of Polish companies Allegro and Dino Polska, and the final sales of AAC Technologies and Jollibee Foods. With Polish e-commerce penetration still lagging well behind more developed European economies, there is a substantial runway for e-commerce platform Allegro to continue growing its core business at a rapid pace. Allegro has also developed levers beyond the Polish marketplace that should further accelerate overall growth. Dino operates a chain of around 1,600 supermarkets in Poland. The rapid expansion of its store base, using a standardised format, is crucial to the company's ability to grow in rural and suburban areas. AAC Technologies was sold given it has struggled to improve its fortunes over the past three years, having been negatively impacted by pricing pressure from its largest customer, Apple, as well as achieving only mixed success in diversifying into new product categories and end markets. The pandemic has brought significant operational challenges to Filipino restaurant operator Jollibee Foods and given the uncertainty over how long it will take its largest markets to recover, the position was sold.
- Moving into 2022, inflation will contribute to a more challenging operating backdrop for emerging market companies, alongside continued pandemic concerns, supply chain disruption, and economic and regulatory headwinds in China. Investors will also be watching closely the US Federal Reserve and the path of monetary policy. While mindful of macroeconomic developments, Walter Scott remains focused on the underlying fundamentals of the Fund's portfolio companies and how the environment is impacting the long-term investment case of each. Walter Scott is confident that each company enjoys significant advantages that will enable them to not only weather a more testing environment, but to grow, take market share and build on what are already strong market positions in 2022 and beyond.

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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