

Walter Scott Emerging Markets Fund

Macquarie Professional Series

Monthly report – 30 June 2022

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).

The Fund 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	MAQ0651AU
Inception date	23 June 2011
Investment manager	Walter Scott & Partners Limited (Edinburgh, UK)
Fund size	\$14.1m
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 30 June 2022

	Total Fund return (gross)	Total Fund return (net)	Benchmark return	Total excess return (net)
1 month (%)	-0.32	-0.44	-2.61	2.17
3 months (%)	-3.05	-3.38	-3.30	-0.08
1 year (%)	-16.47	-17.64	-18.43	0.79
3 years (% pa)	2.80	1.39	1.25	0.14
5 years (% pa)	4.73	3.30	4.44	-1.14
7 years (% pa)	5.54	4.10	4.43	-0.33
Since inception (% pa)	6.61	5.16	5.46	-0.30

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

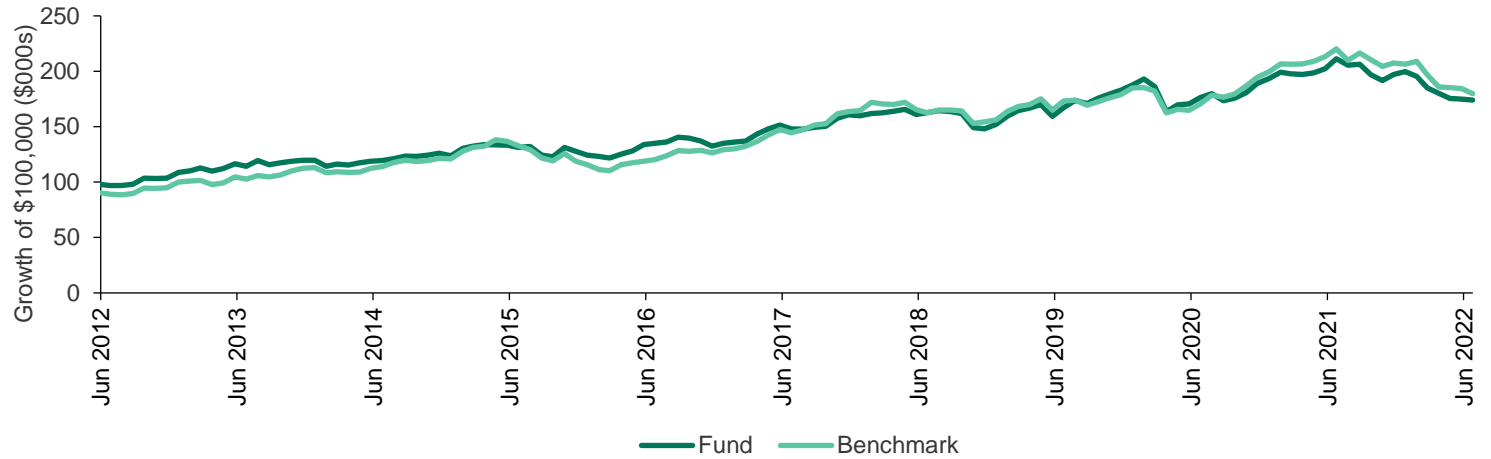
Stock	Sector	Industry	Holding (%)
Zhejiang Sanhua In	Industrials	Machinery	4.48
Aia Group Ltd	Financials	Insurance	3.58
Taiwan Semiconductor Manufacturing	Information Technology	Semiconductors & Semiconductor Equipment	3.55
Tencent Holdings Ltd	Communication Services	Interactive Media & Services	3.37
Alibaba Group Holding Ltd	Consumer Discretionary	Internet & Direct Marketing Retail	3.17
Sarana Menara Nusa	Communication Services	Diversified Telecommunication Services	2.58
Airtac Internation	Industrials	Machinery	2.53
Dino Polska Sa	Consumer Staples	Food & Staples Retailing	2.50
Leeno Industrial	Information Technology	Semiconductors & Semiconductor Equipment	2.44
Ping An Insurance	Financials	Insurance	2.43
Total number of stocks			46

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Growth of \$100,000 since inception

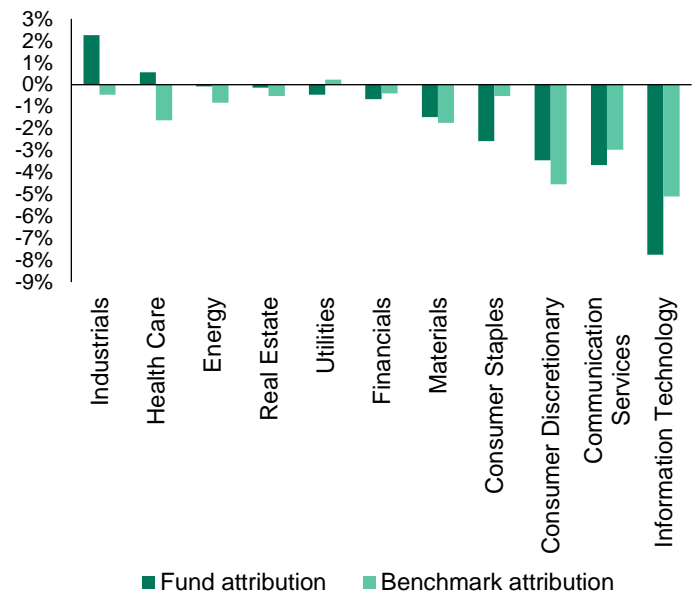


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Sector weights

Sector	Fund (%)	Benchmark (%)
Information Technology	20.20	19.19
Industrials	17.21	5.65
Communication Services	11.91	10.59
Consumer Staples	11.15	6.13
Consumer Discretionary	9.70	14.88
Financials	8.15	21.21
Health Care	6.48	3.95
Utilities	6.47	2.92
Materials	3.32	8.40
Real Estate	1.86	2.12
Energy	0.00	4.96
Cash	3.55	0.00
Total	100	100

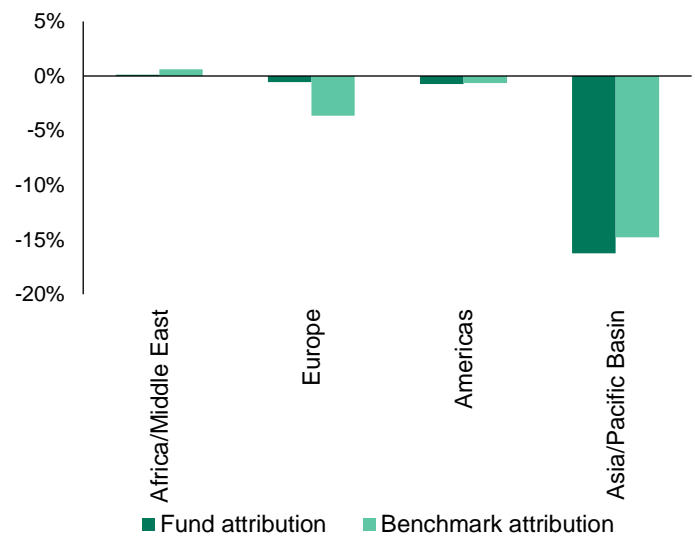
Sector attribution (12 months to date)



Region weights

Region	Fund (%)	Benchmark (%)
Asia/Pacific Basin	75.14	79.73
Americas	15.75	7.81
Europe	3.73	1.26
Africa/Middle East	1.84	11.20
Cash	3.55	0.00
Total	100	100

Region attribution (12 months to date)



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Performance summary

- The Fund returned -0.44% in June 2022, compared with a return for the Benchmark of -2.61%, as the easing of pandemic-related restrictions and the promise of monetary and fiscal stimulus lifted Chinese equities and added a degree of resilience to emerging markets, in another volatile month for equities globally.
- The Consumer Discretionary sector saw the largest gains in June, owing to strong performance by Alibaba Group, while IT and Financials were the largest market detractors. For the Fund, the largest relative contributors were holdings in Industrials, led by Zhejiang Sanhua, and in Financials, including Ping An Insurance and AIA Group. These results were partially offset by holdings in Consumer Discretionary, such as ACE Hardware and Hyundai Mobis, and an underweight to the sector. There were no initial purchases or final sales within the portfolio during the month.
- Walter Scott has continued to engage with management teams to glean insights into how they are navigating what remains a challenging environment. The CEO of WuXi Biologics, one of largest players in the global contract development and manufacturing organisation (CDMO) industry, was in bullish spirits despite the impact of lockdowns on its Shanghai factory. During the restrictions, around 30-40% of the WuXi's Shanghai workforce volunteered to stay in the factory to keep production running. Remarkably, despite this reduced headcount, the factory still ran at 100% capacity. As a CDMO, WuXi provides outsourcing services to global pharmaceutical companies, helping them to develop and manufacture therapies in the fast-growing biologics space. With biologics expected to continue taking market share from chemically synthesised therapies, WuXi has ambitious plans to increase manufacturing capacity nearly threefold by 2024. During the meeting, WuXi's CEO confirmed that the company is already looking beyond 2024 and expects to build further capacity across the US, Europe, Singapore and China. This will support the business as it moves into newer, more-profitable technologies, such as fusion proteins and bispecifics, where few rivals can match its expertise.
- Walter Scott remains focused on the fundamentals of the companies in the portfolio, testing and assessing their ability to deliver sustainable earnings growth, irrespective of near-term macro and market gyrations. For now, both this analysis and ongoing dialogue with management teams gives Walter Scott confidence that the investee companies can deliver over the long term.

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 is sourced from Macquarie and FactSet.

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