

Walter Scott Emerging Markets Fund

Macquarie Professional Series

Monthly report – 31 July 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	\$15.4m
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 2022

	Total Fund return (gross)	Total Fund return (net)	Benchmark return	Total excess return (net)
1 month (%)	-1.32	-1.44	-1.70	0.26
3 months (%)	-1.90	-2.24	-4.74	2.50
1 year (%)	-15.33	-16.51	-15.82	-0.69
3 years (% pa)	0.97	-0.42	0.48	-0.90
5 years (% pa)	4.46	3.03	3.71	-0.68
7 years (% pa)	5.22	3.79	4.57	-0.78
Since inception (% pa)	6.43	4.98	5.26	-0.28

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

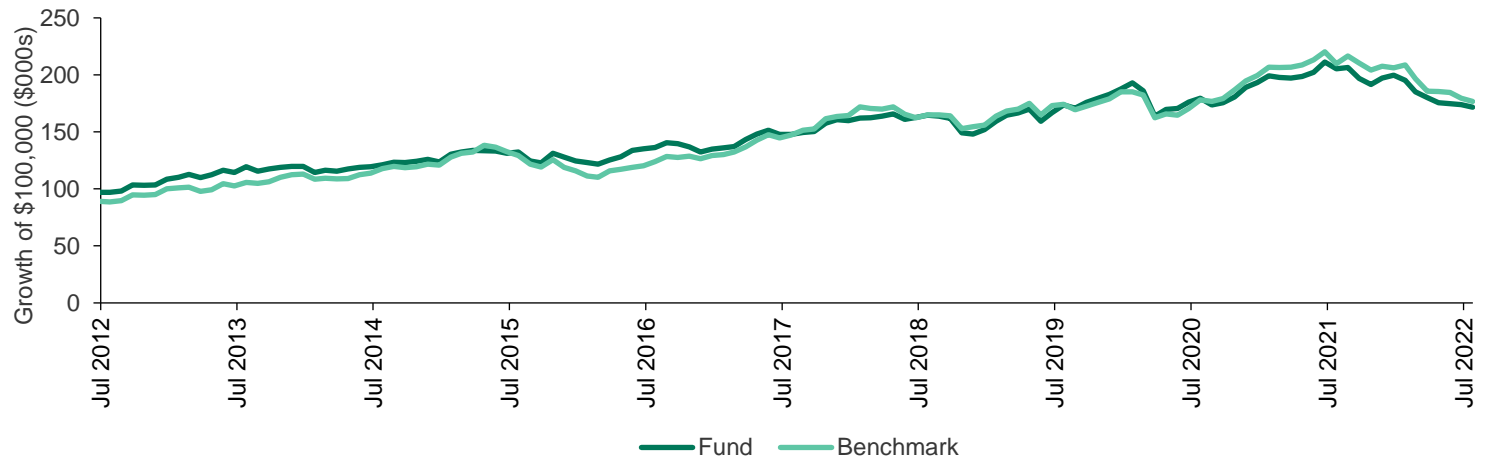
Stock	Sector	Industry	Holding (%)
Zhejiang Sanhua In	Industrials	Machinery	4.73
Taiwan Semiconductor Manufacturing	Information Technology	Semiconductors & Semiconductor Equipment	3.86
Tencent Holdings Ltd	Communication Services	Interactive Media & Services	3.25
Samsung Electronics	Information Technology	Technology Hardware Storage & Peripherals	3.15
Aia Group Ltd	Financials	Insurance	2.99
Sarana Menara Nusa	Communication Services	Diversified Telecommunication Services	2.95
Telekomunikasi Indonesia	Communication Services	Diversified Telecommunication Services	2.82
Totvs Sa	Information Technology	Software	2.76
Naver Corp	Communication Services	Interactive Media & Services	2.66
Alibaba Group Holding Ltd	Consumer Discretionary	Internet & Direct Marketing Retail	2.57
Total number of stocks			46

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Growth of \$100,000 since inception

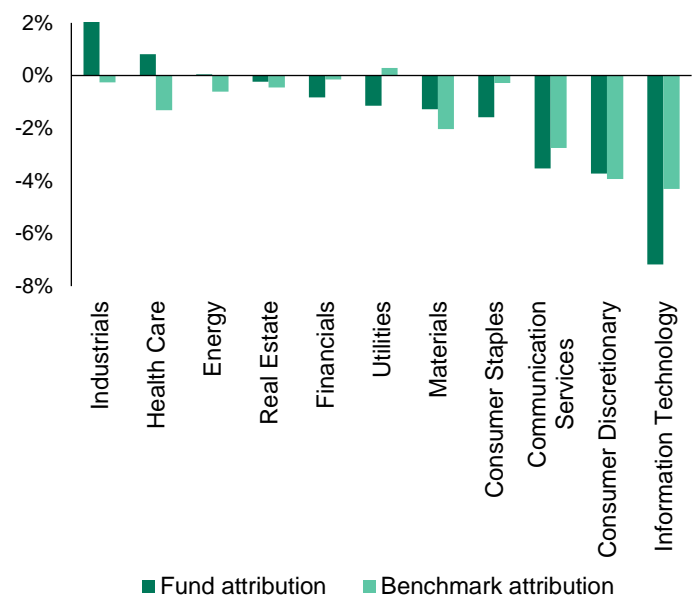


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Sector weights

Sector	Fund (%)	Benchmark (%)
Information Technology	22.04	20.07
Industrials	16.93	5.78
Communication Services	12.73	10.03
Consumer Staples	11.87	6.25
Consumer Discretionary	9.41	13.82
Financials	7.40	21.50
Health Care	6.06	4.03
Utilities	5.75	3.03
Materials	2.71	8.46
Real Estate	1.67	1.88
Energy	0.00	5.15
Cash	3.43	0.00
Total	100	100

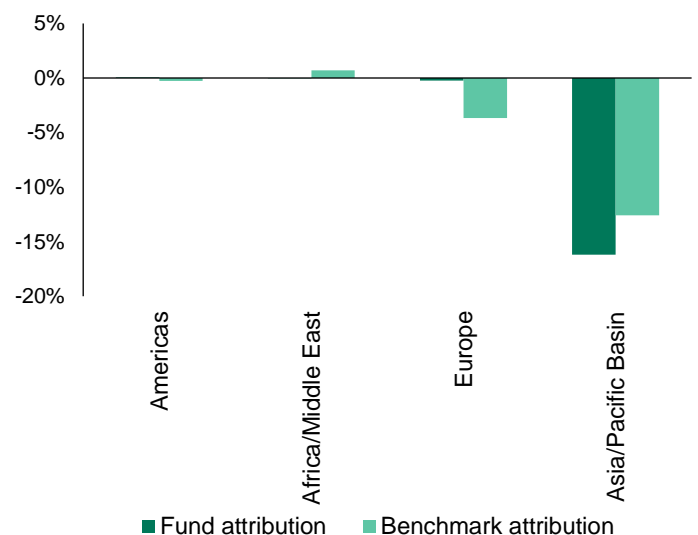
Sector attribution (12 months to date)



Region weights

Region	Fund (%)	Benchmark (%)
Asia/Pacific Basin	74.36	78.82
Americas	16.28	8.22
Europe	3.90	1.28
Africa/Middle East	2.04	11.67
Cash	3.43	0.00
Total	100	100

Region attribution (12 months to date)



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Performance summary

- The Fund returned -1.44% in July 2022, compared with a return for the Benchmark of -1.70%, as emerging markets failed to keep pace with the strong gains of their developed market peers following another aggressive bout of selling in Chinese equity markets.
- IT was the lone contributor of note to market returns in July, while Consumer Discretionary and Communication Services led the market lower. For the Fund, the largest relative contributors included holdings in Consumer Staples, such as LG Household & Health Care and Dino Polska, and in Communication Services, including Naver Corporation and Sarana Menara Nusantara. Relative detractors included holdings in Financials, such as Ping An Insurance and AIA Group, and an underweight to the sector. There were no initial purchases or final sales within the portfolio during the month.
- LG Household & Health Care reported a better-than-expected set of second-quarter results, suggesting the Seoul-based business is starting to recover from recent China-related disruption. Earlier in the year, pandemic restrictions in China and bottlenecks at the ports of Shanghai and Shenzhen drove a sharp fall in first-quarter revenues and profits at LG's important luxury cosmetics business. But while the still-challenging operating environment ensured second-quarter activity was considerably weaker than the comparable quarter in 2021, there was an encouraging improvement relative to the first three months of 2022. It was a kinder environment for LG's household goods and beverage businesses, however. Sales at the former rose 10% thanks to the strong performance of several premium brands, although rising input cost crimped profitability. Beverages, meanwhile, was boosted by the increasing popularity of zero and low-calorie drinks.
- With the impact of inflation on consumers and businesses likely to worsen in the near term, and corporate sentiment sagging, the merits of a resilient business model and robust balance sheet, often underappreciated during times of plenty, are again becoming self-evident. This is particularly true in emerging markets. Walter Scott believe that the astutely managed, cash generative companies within the portfolio, possessing low levels of leverage and compelling growth opportunities, remain well positioned to negotiate the challenges that lie ahead.

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.

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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