

Walter Scott Emerging Markets Fund

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 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	\$16.3m
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 October 2022

	Total Fund return (gross)	Total Fund return (net)	Benchmark return	Total excess return (net)
1 month (%)	-1.67	-1.79	-2.57	0.78
3 months (%)	-7.52	-7.85	-6.27	-1.58
1 year (%)	-16.33	-17.49	-18.98	1.49
3 years (% pa)	-2.81	-4.15	-2.01	-2.14
5 years (% pa)	1.45	0.07	0.49	-0.42
7 years (% pa)	4.12	2.70	4.01	-1.32
Since inception (% pa)	5.55	4.11	4.54	-0.43

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

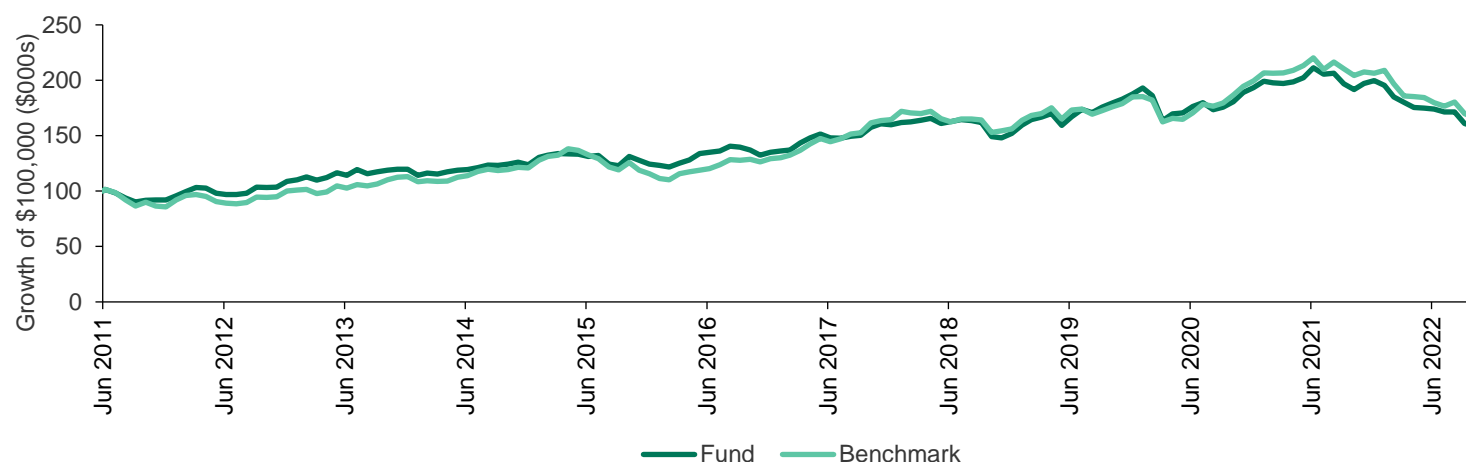
Stock	Sector	Industry	Holding (%)
Totvs Sa	Information Technology	Software	3.55
Taiwan Semiconductor Manufacturing	Information Technology	Semiconductors & Semiconductor Equipment	3.48
Sarana Menara Nusa	Communication Services	Diversified Telecommunication Services	3.35
Gpo Aero Sureste	Industrials	Transportation Infrastructure	3.26
Telekomunikasi Indonesia	Communication Services	Diversified Telecommunication Services	3.21
Samsung Electronics	Information Technology	Technology Hardware Storage & Peripherals	3.20
Wal-Mart De Mexico	Consumer Staples	Food & Staples Retailing	3.19
Gpo Aero Cent Nort	Industrials	Transportation Infrastructure	3.10
Dino Polska Sa	Consumer Staples	Food & Staples Retailing	2.90
Tencent Holdings Ltd	Communication Services	Interactive Media & Services	2.82
Total number of stocks			44

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Growth of \$100,000 since inception

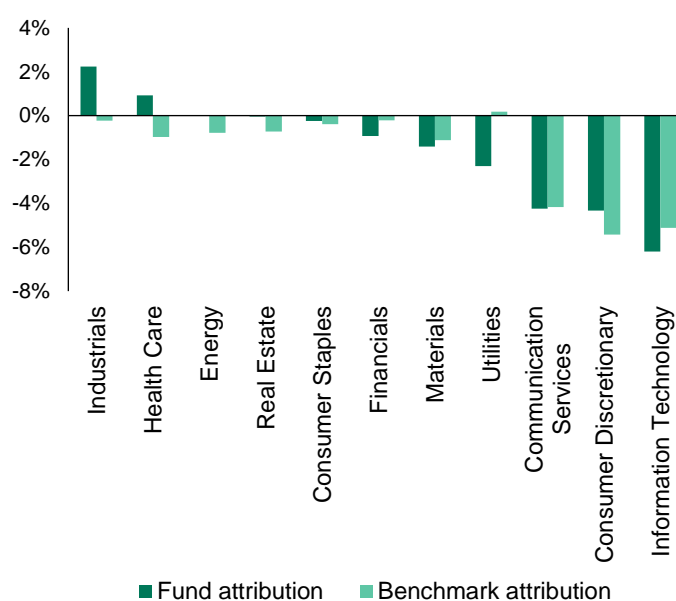


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Sector weights

Sector	Fund (%)	Benchmark (%)
Information Technology	20.41	19.06
Industrials	15.90	6.09
Consumer Staples	13.48	6.51
Communication Services	12.49	8.69
Consumer Discretionary	9.43	12.22
Health Care	8.71	4.12
Financials	6.82	23.63
Utilities	4.79	3.22
Materials	2.13	9.13
Real Estate	2.06	1.73
Energy	0.00	5.60
Cash	3.78	0.00
Total	100	100

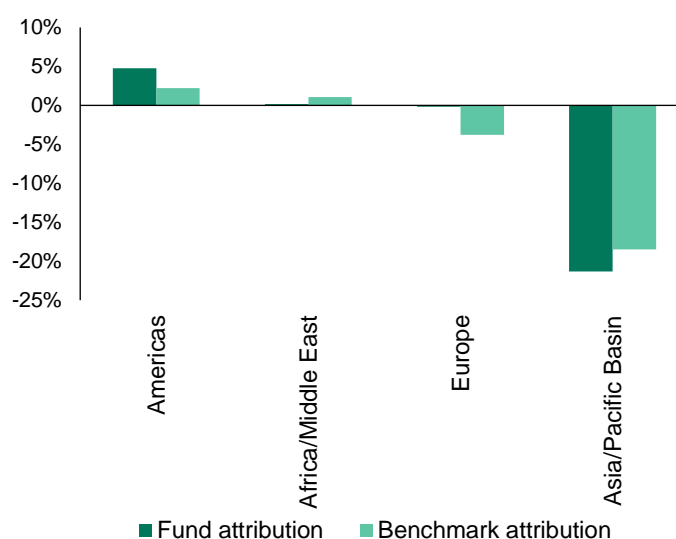
Sector attribution (12 months to date)



Region weights

Region	Fund (%)	Benchmark (%)
Asia/Pacific Basin	67.27	75.44
Americas	21.50	10.11
Europe	5.32	1.36
Africa/Middle East	2.12	13.09
Cash	3.78	0.00
Total	100	100

Region attribution (12 months to date)



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Performance summary

- The Fund returned -1.79%, net of fees, in October 2022, compared with a return for the Benchmark of -2.57%, as Chinese equities in particular lagged following disappointing data that highlighted the profound challenges facing the Chinese economy.
- In contrast with developed markets, sector performance was mixed in emerging markets in October, with Consumer Discretionary and Communication Services detracting most from index returns. For the Fund, the largest relative contributors included holdings in Consumer Discretionary, including Allegro.EU and Hyundai Mobis, and an underweight to the sector. Relative detractors included holdings in Financials, such as Ping An Insurance and AIA Group, and an underweight to the sector. During the month, Walter Scott completed the final sale of ASM Pacific Technology, owing to a deteriorating sales outlook for the company.
- Given the volatility in Chinese equity markets this month, the portfolio's underweight exposure to China was a relative positive. It was still a difficult month for several Chinese holdings, however, most notably Alibaba Group and Tencent Holdings. More positively, shares in Mindray, a leading Chinese medical devices company, were boosted by the news that innovative medical equipment would be exempted from China's centralised drug procurement program. The company, with its focus on high-tech areas of the med-tech market, remains well aligned with central government plans for domestic innovation and import substitution.
- As we enter the closing months of 2022, the outlook for emerging market equities remains uncertain. The strength of the US dollar, elevated inflation, and tighter financial conditions are justifiable concerns, while the geopolitical situation, most notably in Ukraine and Taiwan, shows little sign of improvement. Significant unease around China's prospects, meanwhile, both economically and politically, continues to exert downward pressure on the broader asset class. With few signs that these headwinds will dissipate in the near term, continued volatility in equity markets appears likely. Walter Scott's approach will be to look through future market gyrations and stay focused on the fundamentals of the portfolio companies and their evolution through time.

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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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