

# Polaris Global Equity Fund (Hedged)

Macquarie Professional Series

Monthly report – 31 August 2023

## Investment objective

Aims to achieve a long-term total return (before fees and expenses) that exceeds the MSCI World ex Australia Index, in \$A hedged with net dividends reinvested (Benchmark).

The Fund invests in the Polaris Global Equity Fund.

## Key information

### Fund details

|                                       |   |
|---------------------------------------|---|
| APIR code                             | MAQ2806AU   |
| Inception date                        | 28 December 2018  |
| Investment manager of Underlying Fund | Polaris Capital Management, LLC (Boston, US)                                    |
| Fund size                             | \$1.8m  |
| Distribution frequency                | Semi-annually   |
| Management fee*                       | 1.28% pa  |
| Minimum investment (Direct)           | \$5,000   |
| Unit prices and spreads               | <a href="https://macquarie.com.au/unit_prices">macquarie.com.au/unit_prices</a> |

\*Read the Product Disclosure Statement for more details on fees and costs.

## Fund performance to 31 August 2023

|                               | Total Fund return (gross) | Total Fund return (net) | Benchmark return | Total excess return (net) |
|-------------------------------|---------------------------|-------------------------|------------------|---------------------------|
| <b>1 month (%)</b>            | -3.90                     | -4.00                   | -1.85            | -2.15                     |
| <b>3 months (%)</b>           | 5.55                      | 5.22                    | 6.58             | -1.36                     |
| <b>1 year (%)</b>             | 9.45                      | 8.07                    | 13.01            | -4.94                     |
| <b>3 years (% pa)</b>         | 11.95                     | 10.53                   | 8.42             | 2.11                      |
| <b>Since inception (% pa)</b> | 7.48                      | 6.12                    | 11.43            | -5.31                     |

**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.

## Top 10 stocks

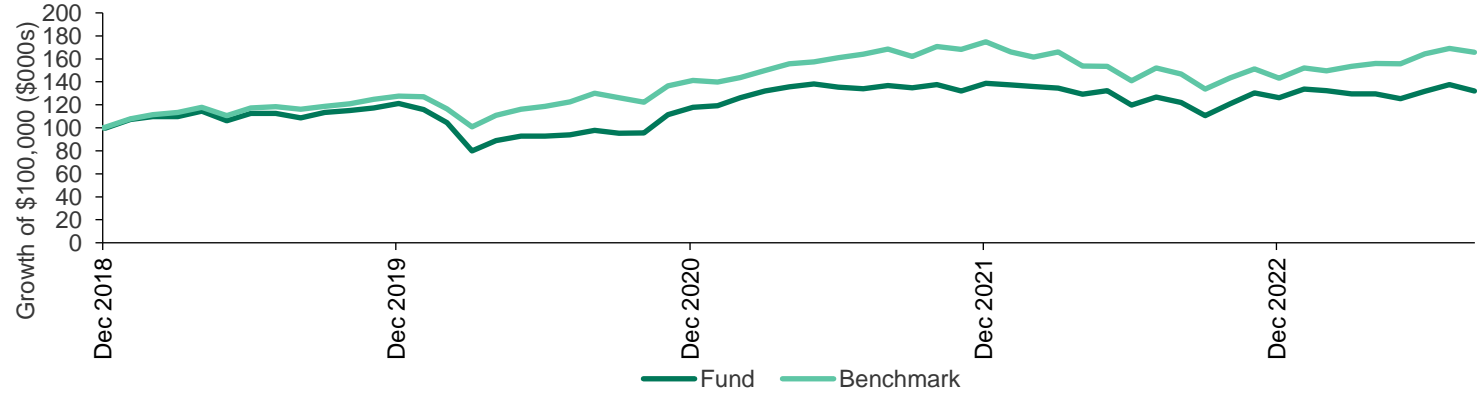
| Stock                         | Sector                 | Industry                                      | Holding (%) |
|-------------------------------|------------------------|---|-------------|
| Allison Transmission Holdings | Industrials            | Machinery                                     | 1.89        |
| Publicis Groupe SA            | Communication Services | Media   | 1.66        |
| Williams Cos Inc              | Energy                 | Oil Gas & Consumable Fuels                    | 1.61        |
| Microsoft Corp                | Information Technology | Software                                      | 1.55        |
| Arrow Electronics Inc         | Information Technology | Electronic Equipment Instruments & Components | 1.54        |
| SK Hynix Inc                  | Information Technology | Semiconductors & Semiconductor Equipment      | 1.50        |
| JPMorgan Chase & Co           | Financials             | Banks   | 1.45        |
| Marathon Petroleum Corp       | Energy                 | Oil Gas & Consumable Fuels                    | 1.44        |
| Smurfit Kappa Group           | Materials              | Containers & Packaging                        | 1.41        |
| Munich Re Group               | Financials             | Insurance                                     | 1.41        |
| <b>Total number of stocks</b> |                        |   | <b>90</b>   |

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## Growth of \$100,000 since inception

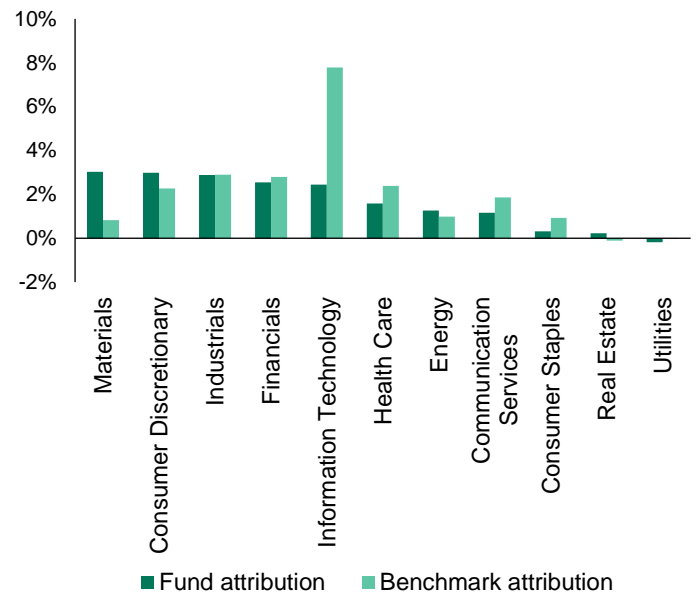


Past performance is not a reliable indicator of future performance. Data as at 31 August 2023.

## Sector weights

| Sector                 | Fund (%)   | Benchmark (%) |
|------------------------|------------|---------------|
| Financials             | 20.47      | 14.32         |
| Consumer Discretionary | 14.09      | 11.12         |
| Industrials            | 12.16      | 11.00         |
| Materials              | 9.99       | 3.67          |
| Information Technology | 9.88       | 22.64         |
| Health Care            | 9.11       | 12.74         |
| Communication Services | 6.43       | 7.37          |
| Energy                 | 5.32       | 4.85          |
| Consumer Staples       | 4.14       | 7.30          |
| Real Estate            | 1.07       | 2.32          |
| Utilities              | 0.90       | 2.67          |
| Cash                   | 6.44       | 0.00          |
| <b>Total</b>           | <b>100</b> | <b>100</b>    |

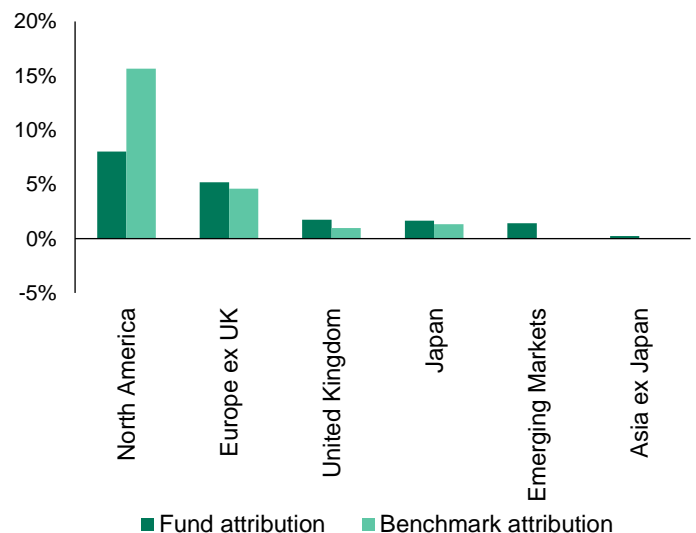
## Sector attribution (12 months to date)



## Region weights

| Region           | Fund (%)   | Benchmark (%) |
|------------------|------------|---------------|
| North America    | 50.62      | 74.53         |
| Europe ex UK     | 21.55      | 14.12         |
| Emerging Markets | 7.66       | 0.00          |
| Japan            | 6.55       | 6.25          |
| United Kingdom   | 6.07       | 4.02          |
| Asia ex Japan    | 1.12       | 1.08          |
| Cash             | 6.44       | 0.00          |
| <b>Total</b>     | <b>100</b> | <b>100</b>    |

## Region attribution (12 months to date)

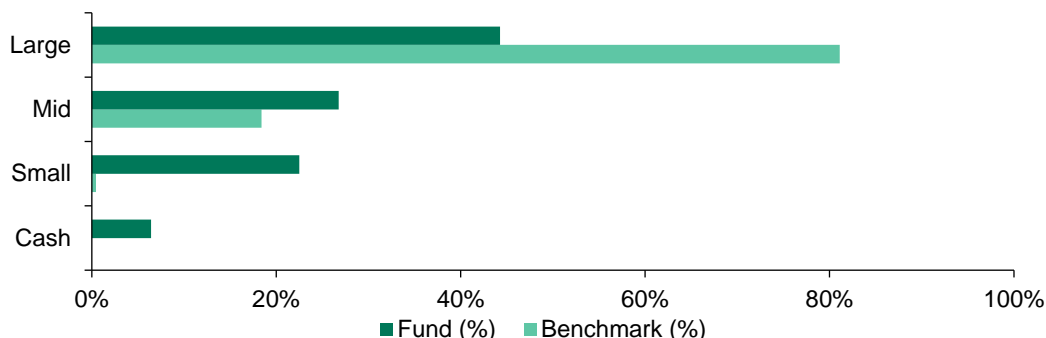


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### Market capitalisation



### Performance summary

- The Fund returned -4.00%, net of fees, in August 2023, compared with a return for the Benchmark of -1.85%, with market activity remaining resilient in the US but softening in Europe and China, as a result of weak macroeconomic conditions.
- The IT, Health Care and Energy sectors made the largest contributions to a positive month for the index in unhedged terms. For the Fund, the largest relative sector detractors included holdings in Financials, such as Capital One Financial and Webster Financial, and holdings in Consumer Discretionary, including Canadian Tire, Sally Beauty Holdings and Crocs. Notable relative contributors included holdings in Energy, led by Marathon Petroleum.
- Horizon Therapeutics and Marathon Petroleum were among the top individual contributors in August. Shares in Horizon, which develops and commercialises orphan drugs, rose during the month after the US Federal Trade Commission (FTC) approved its acquisition by Amgen. During 2022, Amgen announced its intention to acquire Horizon for US\$27.8 billion, but was subsequently blocked by the FTC over anti-competition fears. Last month the FTC and Amgen reached a deal allowing the acquisition to go through. With Horizon trading close to the acquisition price with limited upside potential, Polaris sold its position during the month. Marathon Petroleum reported earnings in early August, beating EPS estimates, with reported crude capacity utilisation at 93%, above guidance of 91%.
- Lundin Mining and Canadian Tire were among the top individual detractors in August. Shares in Lundin Mining fell following leadership departures that have interrupted the Toronto-based miner as it navigates a return to its Vancouver home territory. Three senior vice presidents on the executive leadership team are stepping down as the company approaches a September deadline to relocate its headquarters to Canada's west coast. Canadian Tire's retail sales declined 0.1% in Q2 2023, impacted by softening consumer demand, particularly in Ontario, and a mix shift towards more essential and value offerings. Management withdrew its previous four-year (2022-2025) financial guidance, given the slowdown in retail.
- During the month, Polaris completed the final sales of Horizon Therapeutics, as noted above, and Carter's Inc. Carter's was sold on weaker infant population numbers and the shift in customer preferences regarding branded baby products.

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**For more information speak to your financial adviser, call us on 1800 814 523, email [mam.clientservice@macquarie.com](mailto:mam.clientservice@macquarie.com) or visit [macquarieim.com](http://macquarieim.com)**

### Important information

Weights and attribution breakdown for sector, stocks, region and market capitalisation relates to the Underlying Fund, and 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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