

# Polaris Global Equity Fund (Hedged)

Macquarie Professional Series

Monthly report – 31 December 2022

## 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	\$1.7m
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 December 2022

	Total Fund return (gross)	Total Fund return (net)	Benchmark return	Total excess return (net)
<b>1 month (%)</b>	-2.97	-3.08	-5.19	2.11
<b>3 months (%)</b>	14.52	14.16	7.17	6.99
<b>1 year (%)</b>	-7.77	-8.95	-18.06	9.11
<b>3 years (% pa)</b>	2.68	1.37	3.92	-2.55
<b>Since inception (% pa)</b>	7.37	6.00	9.39	-3.39

**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

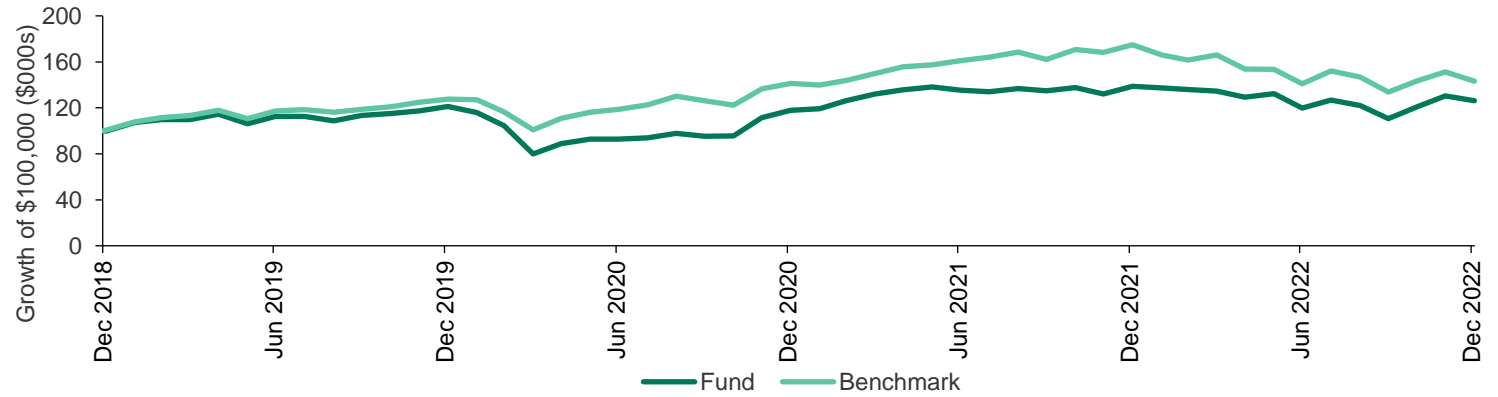
Stock	Sector	Industry	Holding (%)
Horizon Therapeutics Pub Ltd	Health Care	Biotechnology	1.93
Crocs Inc	Consumer Discretionary	Textiles Apparel & Luxury Goods	1.91
Abbvie Inc	Health Care	Biotechnology	1.67
United Therapeutics Corp	Health Care	Biotechnology	1.65
General Dynamics Corp	Industrials	Aerospace & Defense	1.60
Williams Cos Inc	Energy	Oil Gas & Consumable Fuels	1.57
Allison Transmission Holdings	Industrials	Machinery	1.53
CVS Health Corp	Health Care	Health Care Providers & Services	1.50
Gilead Sciences Inc	Health Care	Biotechnology	1.49
Smurfit Kappa Grp	Materials	Containers & Packaging	1.40
<b>Total number of stocks</b>			<b>90</b>

# Polaris Global Equity Fund (Hedged)

Macquarie Professional Series

Monthly report – 31 December 2022

## Growth of \$100,000 since inception

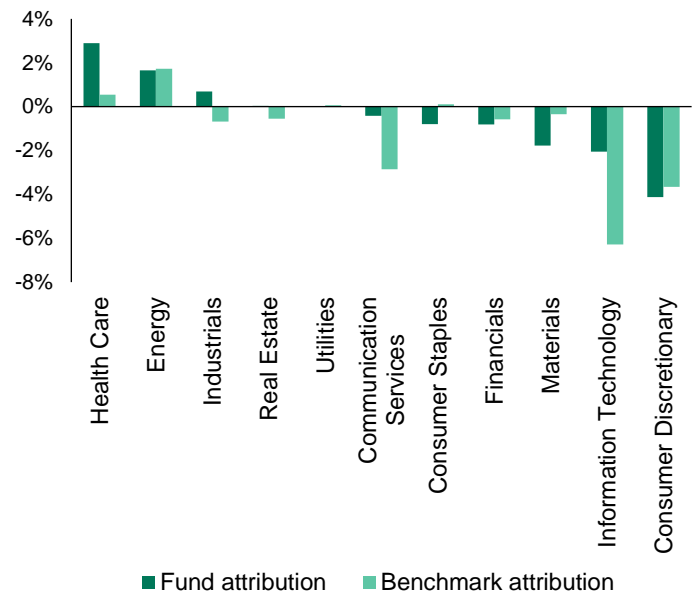


Past performance is not a reliable indicator of future performance. Data as at 31 December 2022.

## Sector weights

Sector	Fund (%)	Benchmark (%)
Financials	22.14	13.88
Consumer Discretionary	14.97	10.10
Health Care	13.54	14.64
Materials	11.45	4.01
Industrials	10.29	10.83
Information Technology	9.12	20.60
Communication Services	6.11	6.48
Consumer Staples	4.60	7.98
Energy	4.18	5.65
Utilities	1.29	3.24
Real Estate	1.22	2.60
Cash	1.09	0.00
<b>Total</b>	<b>100</b>	<b>100</b>

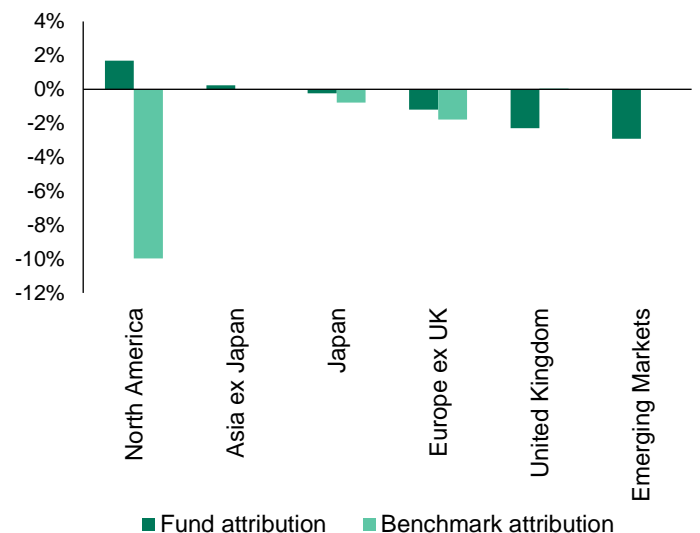
## Sector attribution (12 months to date)



## Region weights

Region	Fund (%)	Benchmark (%)
North America	58.28	73.12
Europe ex UK	18.30	14.63
Emerging Markets	8.08	0.00
United Kingdom	6.47	4.46
Japan	6.39	6.41
Asia ex Japan	1.39	1.38
Cash	1.09	0.00
<b>Total</b>	<b>100</b>	<b>100</b>

## Region attribution (12 months to date)

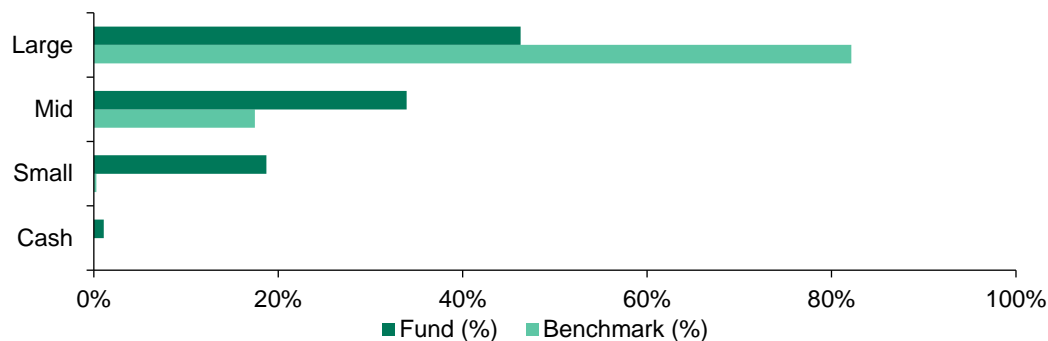


# Polaris Global Equity Fund (Hedged)

## Macquarie Professional Series

Monthly report – 31 December 2022

### Market capitalisation



### Performance summary

- The Fund returned -3.08%, net of fees, in December 2022, compared with a return for the Benchmark of -5.19%, with geopolitical conflicts and inflation proving to be the most pressing economic risks during the month.
- Defensive sectors including Utilities and Consumer Staples outperformed in a month in which all market sectors moved lower. For the Fund, the largest relative contributors were holdings in Consumer Discretionary, including Crocs and Sally Beauty Holdings, and in IT, including OpenText and MKS Instruments, as well as an underweight to the latter. Holdings in Financials, led by Webster Financial, International Bancshares and M&T Bank, and an underweight to Utilities were the largest relative detractors.
- Horizon Therapeutics and Crocs were among the top individual contributors in December. Shares in Horizon gained after Amgen announced its intent to acquire the company. The deal is valued at US\$27.8 billion, which represented a 48% premium to Horizon's stock price closing on 29 November 2022. Shoe and sportswear retailers, including Crocs, benefitted from NIKE's upbeat guidance referencing better inventory controls. Concerns about post-pandemic sales and higher shipping costs have weighed on Crocs' share price in recent months, yet the company's most recent earnings report outlined robust sales both domestically and abroad.
- Webster Financial, International Bancshares and M&T Bank were among the top individual detractors in December. Each company was among a handful of US banks that languished on lower-than-expected net interest margins and banking fees, while costs increased.
- During the month, Polaris completed the initial purchases of MKS Instruments and Northern Trust, and the final sale of Brother Industries. MKS Instruments is a semiconductor equipment manufacturer dominant in material and photonic solutions. Northern Trust is a US trust and custodian bank with a sizeable wealth and investment management business. Brother Industries, a Japanese print manufacturer, was sold following supply chain challenges and slower retail/home ink sales as professionals transitioned back to commercial offices.

# Polaris Global Equity Fund (Hedged)

## Macquarie Professional Series

Monthly report – 31 December 2022

---

**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.

The information in this report is provided for general information purposes only and is not, and should not be construed as, an advertisement, an invitation, an offer, a solicitation of an offer or a recommendation to participate in any investment strategy or take any other action, including to buy or sell any product offered by any member of the Macquarie Group. The above information is not personal advice and does not take into account the investment objectives, financial situation or needs of any person. The Fund is designed for investors who are seeking capital growth, are intending to use the Fund as a satellite within a portfolio, have a medium to long-term investment timeframe, have a high or very high risk/return profile and require the ability to have daily access to capital. Please review the Target Market Determination available at [macquarieim.com/TMD](http://macquarieim.com/TMD) and consider if the Fund may be suitable for you. Investors should consider the offer document of the Fund in deciding whether to acquire or continue to hold units in the Fund. The offer document is available by contacting us on 1800 814 523. Past performance is not a reliable indicator of future performance.

Future results are impossible to predict. In preparing this document, reliance may have been placed, without independent verification, on the accuracy and completeness of information available from external sources. This report may also include opinions, estimates and other forward-looking statements which are, by their very nature, subject to various risks and uncertainties. Actual events or results may differ materially, positively or negatively, from those reflected or contemplated in such forward-looking statements. Forward-looking statements constitute the investment manager's judgement as at the date of preparation of this report and are subject to change without notice. To the maximum extent permitted by law, no member of the Macquarie Group nor its directors, employees or agents accept any liability for any loss arising from the use of this document, its contents or otherwise arising in connection with it.

Other than Macquarie Bank Limited ABN 46 008 583 542 ("Macquarie Bank"), any Macquarie Group entity noted in this material is not an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia). The obligations of these other Macquarie Group entities do not represent deposits or other liabilities of Macquarie Bank. Macquarie Bank does not guarantee or otherwise provide assurance in respect of the obligations of these other Macquarie Group entities. In addition, if this document relates to an investment, (a) the investor is subject to investment risk including possible delays in repayment and loss of income and principal invested and (b) none of Macquarie Bank or any other Macquarie Group entity guarantees any particular rate of return on or the performance of the investment, nor do they guarantee repayment of capital in respect of the investment.

PRRP-PGEFH-ANZ