

# Polaris Global Equity Fund (Hedged)

Macquarie Professional Series

Monthly report – 31 January 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 January 2023

	Total Fund return (gross)	Total Fund return (net)	Benchmark return	Total excess return (net)
<b>1 month (%)</b>	5.91	5.80	6.23	-0.43
<b>3 months (%)</b>	10.94	10.59	6.19	4.40
<b>1 year (%)</b>	-1.40	-2.66	-8.30	5.64
<b>3 years (% pa)</b>	6.22	4.88	6.18	-1.30
<b>Since inception (% pa)</b>	8.72	7.34	10.81	-3.47

**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

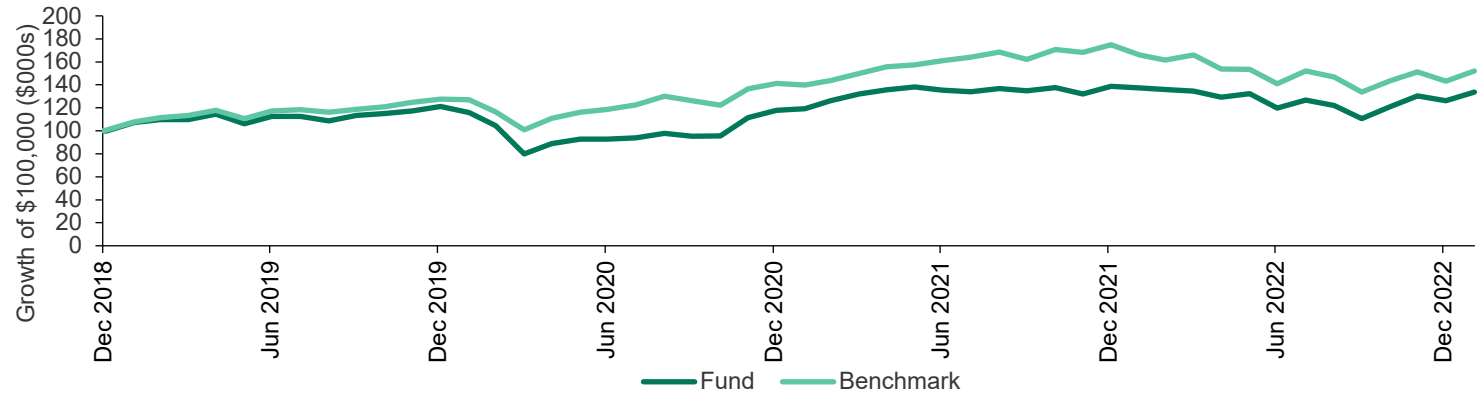
Stock	Sector	Industry	Holding (%)
Crocs Inc	Consumer Discretionary	Textiles Apparel & Luxury Goods	1.90
Horizon Therapeutics Pub Ltd	Health Care	Biotechnology	1.64
Williams Cos Inc	Energy	Oil Gas & Consumable Fuels	1.53
Publicis Groupe Sa	Communication Services	Media	1.52
Webster Financial Corp	Financials	Banks	1.49
Methanex Corp	Materials	Chemicals	1.49
Mks Instruments Inc	Information Technology	Semiconductors & Semiconductor Equipment	1.46
Weichai Power Co	Industrials	Machinery	1.45
Allison Transmission Holdings	Industrials	Machinery	1.44
Smurfit Kappa Grp	Materials	Containers & Packaging	1.43
<b>Total number of stocks</b>			<b>90</b>

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## Growth of \$100,000 since inception

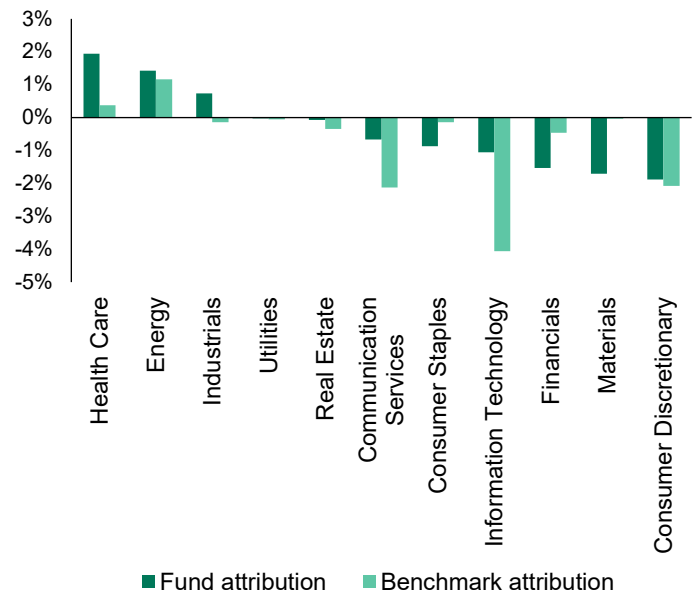


Past performance is not a reliable indicator of future performance. Data as at 31 January 2023.

## Sector weights

Sector	Fund (%)	Benchmark (%)
Financials	22.22	14.10
Consumer Discretionary	16.41	10.82
Materials	11.86	4.12
Health Care	11.73	13.61
Industrials	10.38	10.66
Information Technology	9.14	21.19
Communication Services	6.39	6.84
Consumer Staples	4.55	7.53
Energy	4.07	5.44
Utilities	1.02	3.03
Real Estate	0.98	2.65
Cash	1.25	0.00
<b>Total</b>	<b>100</b>	<b>100</b>

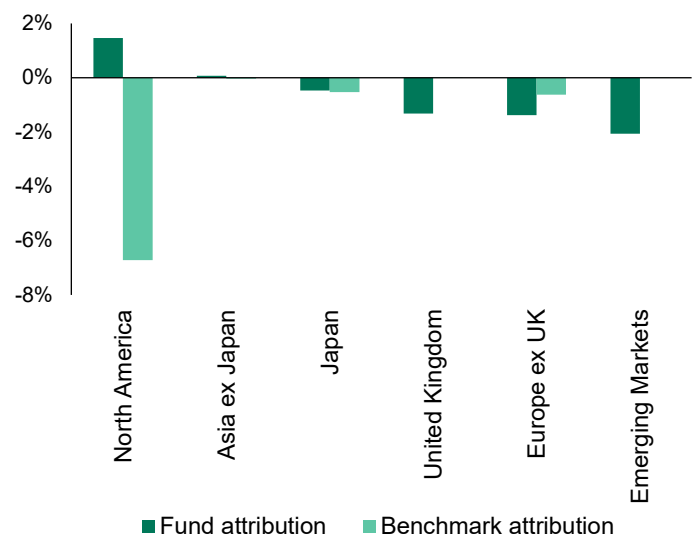
## Sector attribution (12 months to date)



## Region weights

Region	Fund (%)	Benchmark (%)
North America	56.39	72.90
Europe ex UK	18.88	14.95
Emerging Markets	8.85	0.00
United Kingdom	7.18	4.43
Japan	6.23	6.37
Asia ex Japan	1.23	1.36
Cash	1.25	0.00
<b>Total</b>	<b>100</b>	<b>100</b>

## Region attribution (12 months to date)

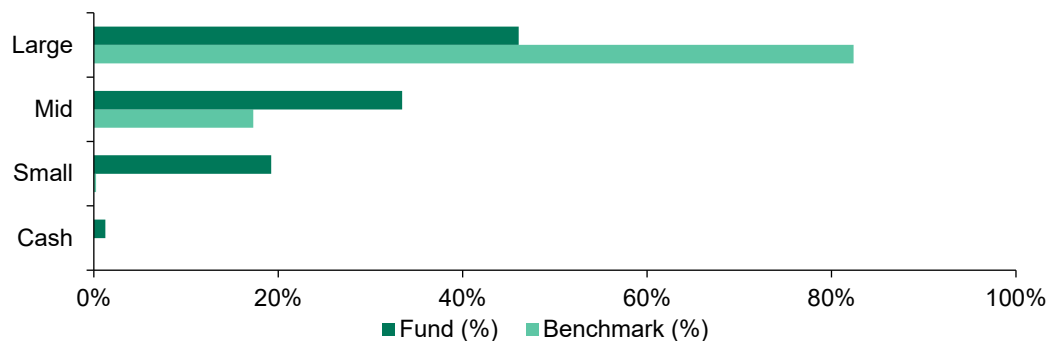


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### Market capitalisation



### Performance summary

- The Fund returned 5.80%, net of fees, in January 2023, compared with a return for the Benchmark of 6.23%, with markets continuing to exhibit positive momentum following the easing of Covid restrictions in China and amid investor hopes that central banks are close to the end of their rate hiking cycle.
- The growth-oriented IT and Consumer Discretionary sectors drove the market higher in January, while defensive sectors including Health Care and Consumer Staples declined. For the Fund, the largest relative detractors were holdings in Financials, including DNB and Sparebank, and in Communication Services, including LG Uplus and KDDI. Holdings in Consumer Staples, such as Greencore Group and Tyson Foods, and an underweight to the sector were the largest relative contributors.
- Methanex and Capital One Financial were among the top individual contributors in January. Shares in Methanex performed exceptionally during January, with investors rotating back into the re-opening trade in China. There will be more demand from the Chinese market as the economy quickly returns to pre-pandemic activity. Capital One reported Q4 results that missed on key metrics, mainly stemming from higher provisions for loan losses and deposit betas. However, investors focused on future expectations; the assumption on the higher provision was using a 5% unemployment number, which investors believe to be very conservative.
- AbbVie and NextEra Energy were among the top individual detractors in January. AbbVie declined on a miss in earnings stemming from a decrease in its oncology segment. On the positive side, management affirmed expectations of top-line growth guidance in 2025 post the loss-of-exclusivity for Humira. NextEra Energy fell following the sudden retirement of the CEO of its subsidiary Florida Power & Light (FPL), with the departure largely resulting from a campaign financing complaint. After a full internal investigation, management concluded that neither FPL nor NextEra Energy committed any violations. Polaris are monitoring if this will lead to a further investigation by the Federal Election Commission or further reputational damage in Florida.
- There were no initial purchases or final sales within the portfolio during the month.

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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.

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