

# Polaris Global Equity Fund (Hedged)

Macquarie Professional Series

Monthly report – 31 July 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	\$1.9m
Distribution frequency	Semi-annually
Management fee*	1.28% pa
Minimum investment (Direct)	\$5,000
Unit prices and spreads	<a href="https://www.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 July 2023

	Total Fund return (gross)	Total Fund return (net)	Benchmark return	Total excess return (net)
<b>1 month (%)</b>	4.50	4.39	2.84	1.55
<b>3 months (%)</b>	6.38	6.04	8.35	-2.31
<b>1 year (%)</b>	9.76	8.36	11.03	-2.67
<b>3 years (% pa)</b>	15.06	13.61	11.29	2.32
<b>Since inception (% pa)</b>	8.56	7.19	12.11	-4.92

**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

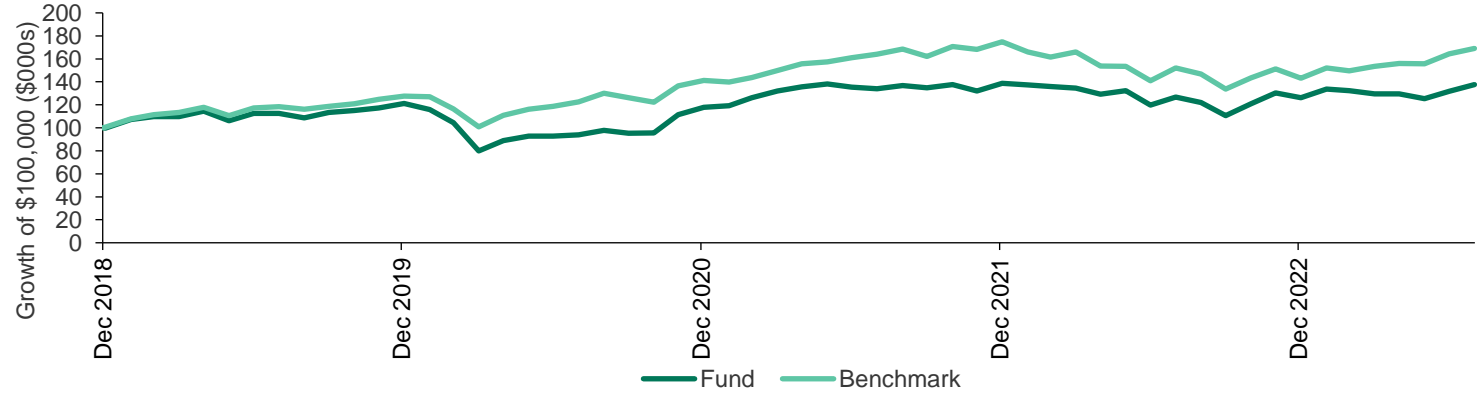
Stock	Sector	Industry	Holding (%)
Allison Transmission Holdings	Industrials	Machinery	1.76
Publicis Groupe Sa	Communication Services	Media	1.65
Arrow Electronics Inc	Information Technology	Electronic Equipment Instruments & Components	1.58
Williams Cos Inc	Energy	Oil Gas & Consumable Fuels	1.54
Microsoft Corp	Information Technology	Software	1.52
SK Hynix Inc	Information Technology	Semiconductors & Semiconductor Equipment	1.50
JPMorgan Chase & Co	Financials	Banks	1.50
MKS Instruments Inc	Information Technology	Semiconductors & Semiconductor Equipment	1.47
Lundin Mining Corp	Materials	Metals & Mining	1.45
Horizon Therapeutics Pub Ltd	Health Care	Biotechnology	1.41
<b>Total number of stocks</b>			<b>91</b>

# Polaris Global Equity Fund (Hedged)

Macquarie Professional Series

Monthly report – 31 July 2023

## Growth of \$100,000 since inception

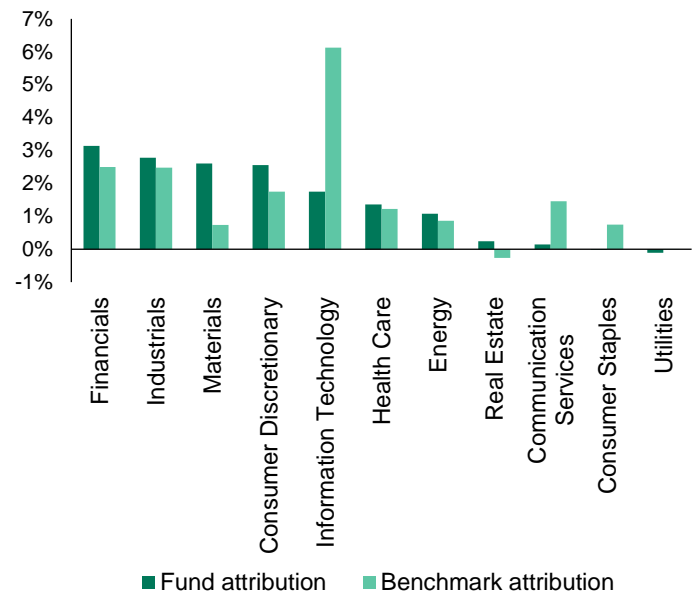


Past performance is not a reliable indicator of future performance. Data as at 31 July 2023.

## Sector weights

Sector	Fund (%)	Benchmark (%)
Financials	20.99	14.53
Consumer Discretionary	15.56	11.17
Industrials	11.07	11.08
Materials	10.97	3.76
Health Care	10.45	12.58
Information Technology	9.92	22.51
Communication Services	6.26	7.30
Energy	4.91	4.66
Consumer Staples	4.18	7.31
Real Estate	1.00	2.34
Utilities	0.94	2.76
Cash	3.76	0.00
<b>Total</b>	<b>100</b>	<b>100</b>

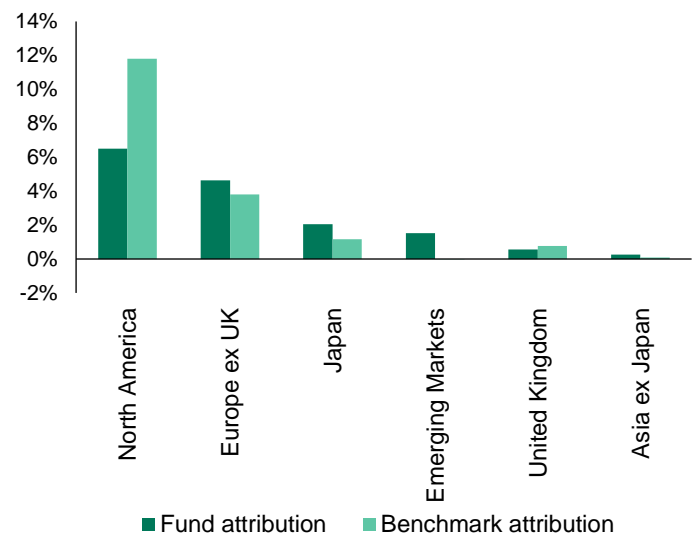
## Sector attribution (12 months to date)



## Region weights

Region	Fund (%)	Benchmark (%)
North America	54.38	74.12
Europe ex UK	20.19	14.34
Emerging Markets	7.86	0.00
Japan	6.53	6.25
United Kingdom	6.14	4.12
Asia ex Japan	1.15	1.16
Cash	3.76	0.00
<b>Total</b>	<b>100</b>	<b>100</b>

## Region attribution (12 months to date)

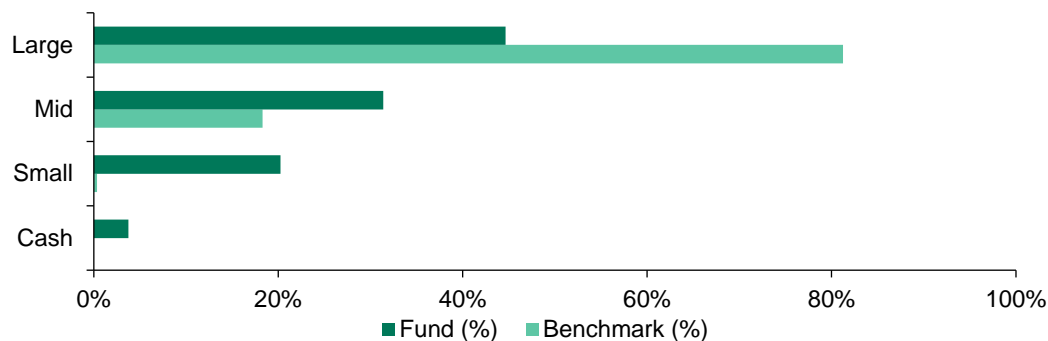


# Polaris Global Equity Fund (Hedged)

## Macquarie Professional Series

Monthly report – 31 July 2023

### Market capitalisation



### Performance summary

- The Fund returned 4.39%, net of fees, in July 2023, compared with a return for the Benchmark of 2.84%, as value stocks outpaced their growth counterparts amid a rebound in Financials and Materials and relative slowdown in outsized technology sector gains.
- The Energy, Financials and Materials sectors led the market higher in July, amid a strong month for value investing. The largest relative sector contributors for the Fund included holdings in Financials, such as Webster Financial and Popular, and holdings in Materials, including Smurfit Kappa, Lundin Mining and Yara. Notable relative detractors included holdings in Communication Services, led by Interpublic Group.
- Webster Financial and Smurfit Kappa were among the top individual contributors in July. Despite seeing pressure on net interest margins and slight adjustments on guidance, Webster had robust growth in both loans and deposits. Investors were optimistic about the stock, positing even further improvement in the second half of 2023. Smurfit Kappa posted record first quarter earnings, driven by easing of input costs and resilient pricing levels, setting a positive outlook for the remainder of the year. The company is now setting its sights on wider expansion efforts in North Africa, after the launch of its first plant in Morocco. The market became bullish on Smurfit Kappa's business cycle on the back of restocking demand projections over the next twelve months.
- Teleperformance and Interpublic Group were among the top individual detractors in July. Teleperformance scaled back guidance on top-line expectations for the second consecutive quarter. Margins held up, but the company noted a pullback in client spending, as focus rotated to leaner operations and lower fixed costs. Interpublic Group reversed full-year organic revenue guidance from 2-4% to 1-2%. The advertising holding companies saw spending drop among its notable technology and telecommunications clients, overshadowing net new business gains among other industry players.
- During the month, Polaris completed the final sale of Brookline Bancorp. Brookline had one of the highest loan-to-deposit ratios in the portfolio and, due to recent acquisitions, had more commercial real estate exposure than Polaris deemed appropriate. Polaris' recent addition of Cullen Frost provided the opportunity to sell Brookline while maintaining the portfolio's exposure to banks.

# Polaris Global Equity Fund (Hedged)

## Macquarie Professional Series

Monthly report – 31 July 2023

---

**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