

Macquarie Investment Management
Polaris Global Equity Fund (Hedged)

Macquarie Professional Series

Monthly report – 31 August 2021



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	\$1.5m
Distribution frequency	Semi-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 August 2021

	Total Fund return (gross)	Total Fund return (net)	Benchmark return	Total excess return (net)
1 month (%)	2.25	2.14	2.69	-0.55
3 months (%)	-0.61	-0.93	7.01	-7.94
1 year (%)	41.78	40.02	29.38	10.64
Since inception (% pa)	13.90	12.46	21.54	-9.08

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

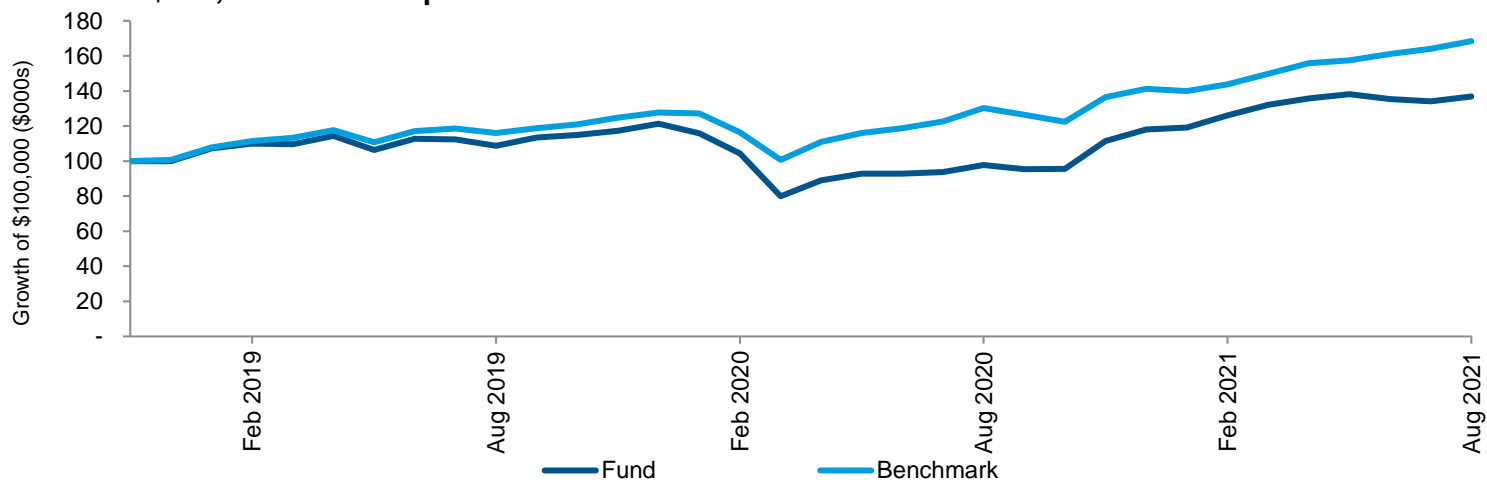
Stock	Sector	Industry	Holding (%)
Crocs Inc	Consumer discretionary	Textiles Apparel & Luxury Goods	2.13
Capital One Financial Corp	Financials	Consumer Finance	1.73
United Therapeutics Corp	Health care	Biotechnology	1.68
Jpmorgan Chase & Co	Financials	Banks	1.51
Publicis Groupe Sa	Communication services	Media	1.50
Marathon Petroleum Corp	Energy	Oil Gas & Consumable Fuels	1.47
Popular Inc	Financials	Banks	1.46
Kia Corporation	Consumer discretionary	Automobiles	1.45
Webster Financial Corp	Financials	Banks	1.36
Mondi Plc	Materials	Paper & Forest Products	1.35
Total number of stocks			96

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Growth of \$100,000 since inception

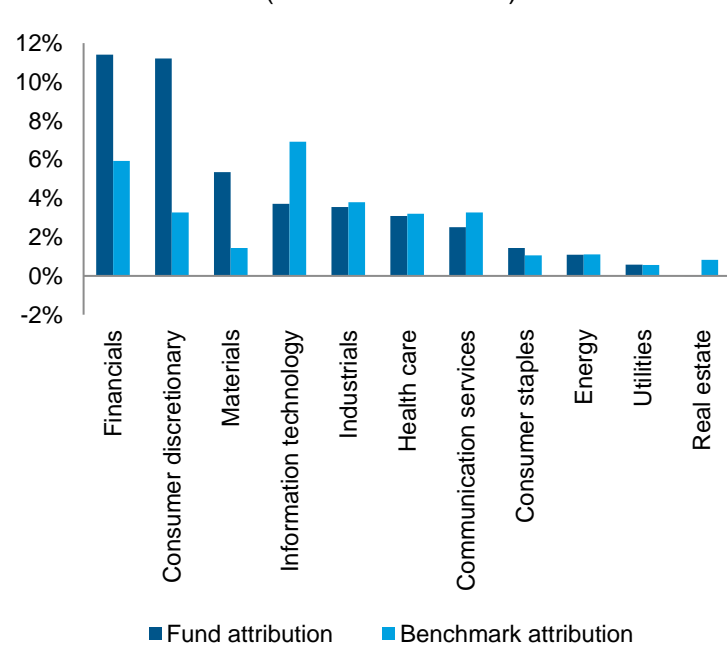


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Sector weights

Sector	Fund (%)	Benchmark (%)
Financials	20.31	12.97
Consumer discretionary	16.15	11.81
Materials	12.40	4.02
Health care	9.93	12.83
Industrials	9.15	10.52
Information technology	8.12	23.24
Communication services	7.57	9.42
Consumer staples	5.37	6.94
Energy	2.48	2.78
Utilities	1.87	2.80
Real estate	0.93	2.65
Cash	5.73	0.00
Total	100	100

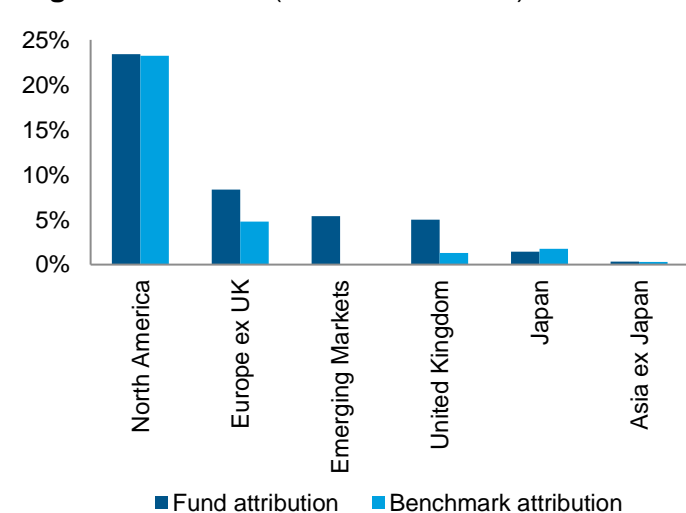
Sector attribution (12 months to date)



Region weights

Region	Fund (%)	Benchmark (%)
North America	42.78	72.62
Europe ex UK	20.64	15.15
Emerging Markets	11.08	0.00
United Kingdom	10.60	4.20
Japan	8.37	6.77
Asia ex Japan	0.81	1.27
Cash	5.73	0.00
Total	100	100

Region attribution (12 months to date)

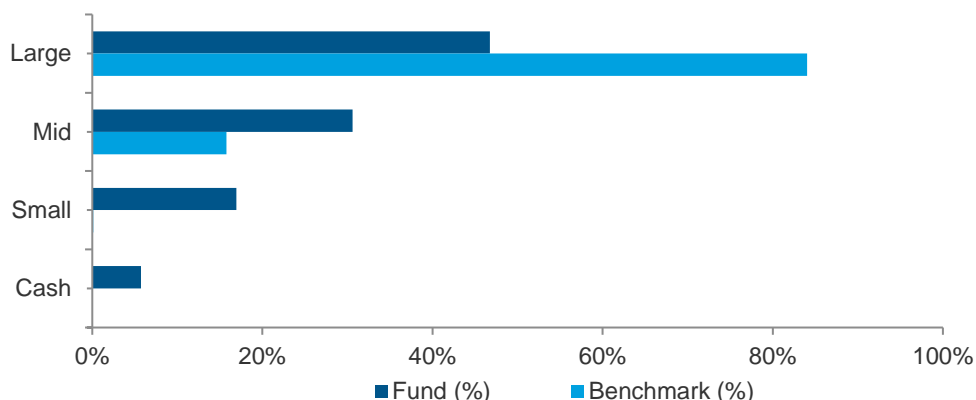


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Market capitalisation



Performance summary

- The Fund returned 2.14% in August 2021, compared with a return for the Benchmark of 2.68%, with global equity markets achieving a further consecutive month of gains.
- All GICS sectors with the exception of Energy moved higher in August. For the Fund, the largest sector detractors on a relative basis were holdings in IT, which lagged the rise of the broader sector, and an underweight to the sector, as well as holdings in Materials, including Lundin Mining and Lanxess, and an overweight to the sector. These results were partially offset by overweight positioning and holdings in Financials, such as Bancolumbia.
- United Therapeutics and Babcock International were among the top individual contributors to performance in August. United Therapeutics beat analyst estimates for both revenue and earnings for the second quarter, and the company continued its expansion of Tyvaso into new applications beyond pulmonary arterial hypertension. Babcock International, which provides engineering support services to the UK defence sector, bounced back after reassuring the market in its annual results announcement that it does not need to raise equity, and is expecting improved sales growth.
- Jazz Pharmaceuticals and LG Electronics were among the top individual detractors from performance in August. Jazz's launch of Xywav, a prescription medicine used to treat narcolepsy symptoms and idiopathic hypersomnia, has outperformed estimates four quarters in a row, resulting in the sooner-than-expected launch of authorised generics against Xywav's precursor Xyrem. Although LG announced its highest quarterly revenues ever in second quarter, with the company continuing to expand its market share in premium home appliances and consumer electronics outside of South Korea, profits in two of its divisions fell.
- During the month, Polaris completed the initial purchases of LG Electronics (LGE) and Discovery. LGE is a global leader in home appliances and continues to take market share from existing powerhouses such as Whirlpool and Electrolux. LGE has elevated its brand equity, targeted the premium market, and introduced new appliance segments, resulting in a massive improvement in the profitability of their appliance business over the past decade. Discovery, a US content developer and distributor, has a differentiated content portfolio and its merger with Warner Media will give it the scale to compete with larger peers. Polaris also completed the final sales of US regional bank Ameris Bancorp, diversified chemical company Lanxess and pulp machinery maker Valmet, all on valuation grounds.

For more information speak to your financial adviser, call us on 1800 814 523, email mim.clientservice@macquarie.com or visit macquarie.com

Important information

Weights and attribution breakdown for sector, stocks and region relates to the underlying fund, and are sourced from Macquarie and Factset.

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