

# Polaris Global Equity Fund (Hedged)

Macquarie Professional Series

Monthly report – 31 March 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	\$1.6m
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 March 2022

	Total Fund return (gross)	Total Fund return (net)	Benchmark return	Total excess return (net)
<b>1 month (%)</b>	-0.91	-1.02	2.88	-3.90
<b>3 months (%)</b>	-2.74	-3.05	-5.02	1.97
<b>1 year (%)</b>	3.20	1.89	10.85	-8.96
<b>3 years (% pa)</b>	8.41	7.04	13.58	-6.54
<b>Since inception (% pa)</b>	10.94	9.53	16.87	-7.34

**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

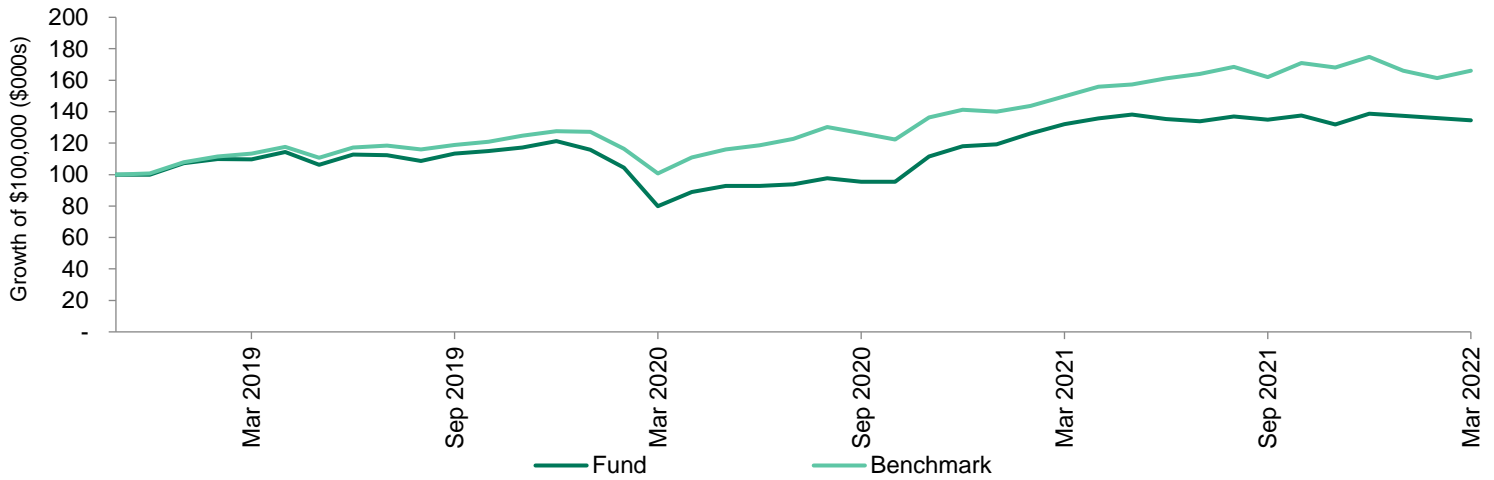
Stock	Sector	Industry	Holding (%)
Methanex Corp	Materials	Chemicals	1.70
Marubeni Corp	Industrials	Trading Companies & Distributors	1.63
Lundin Mining Corp	Materials	Metals & Mining	1.60
Open Text Corp	Information Technology	Software	1.53
Popular Inc	Financials	Banks	1.51
Williams Cos Inc	Energy	Oil Gas & Consumable Fuels	1.50
Anthem Inc	Health Care	Health Care Providers & Services	1.49
Abbvie Inc	Health Care	Biotechnology	1.48
United Therapeutics Corp	Health Care	Biotechnology	1.45
Webster Financial Corp	Financials	Banks	1.45
<b>Total number of stocks</b>			<b>96</b>

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## Growth of \$100,000 since inception

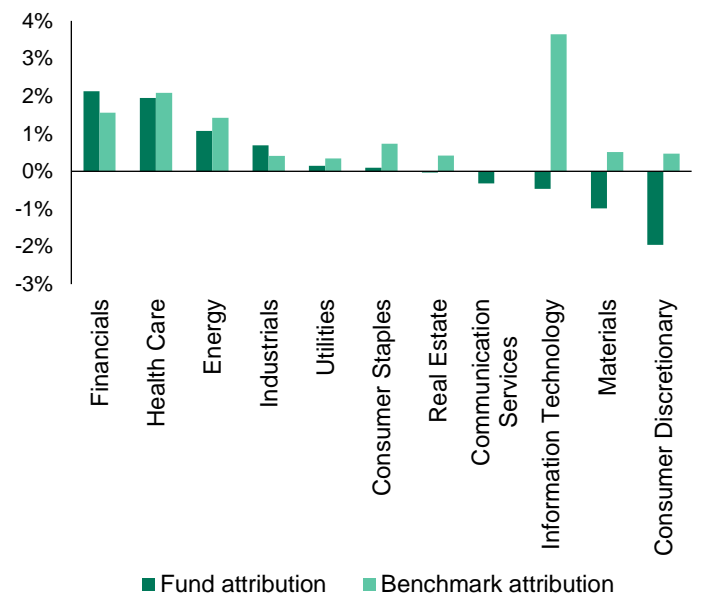


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## Sector weights

Sector	Fund (%)	Benchmark (%)
Financials	22.28	13.21
Consumer Discretionary	14.15	11.72
Materials	12.69	4.00
Industrials	11.79	10.17
Information Technology	10.05	22.93
Health Care	9.86	12.92
Communication Services	7.86	8.02
Energy	3.86	4.28
Consumer Staples	3.85	7.08
Real Estate	1.03	2.72
Utilities	0.89	2.94
Cash	1.69	0.00
<b>Total</b>	<b>100</b>	<b>100</b>

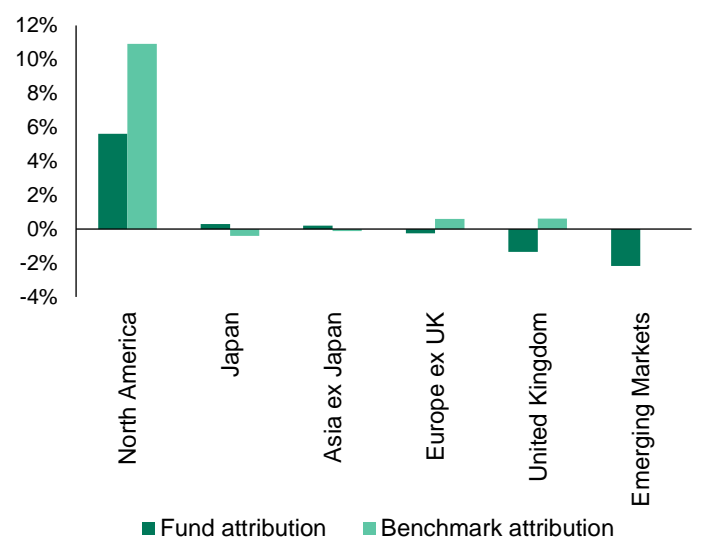
## Sector attribution (12 months to date)



## Region weights

Region	Fund (%)	Benchmark (%)
North America	51.30	74.23
Europe ex UK	18.67	13.95
Emerging Markets	10.20	0.00
Japan	8.58	6.26
United Kingdom	8.30	4.28
Asia ex Japan	1.26	1.28
Cash	1.69	0.00
<b>Total</b>	<b>100</b>	<b>100</b>

## Region attribution (12 months to date)

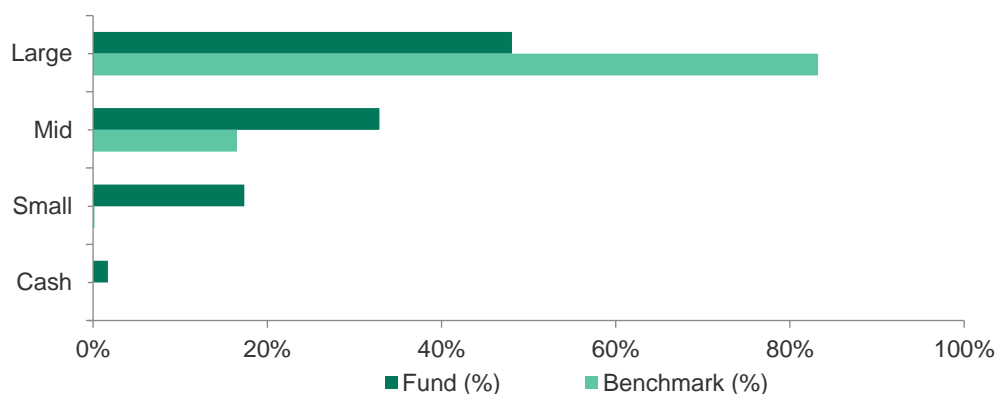


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### Market capitalisation



### Performance summary

- The Fund returned -1.02% in March 2022, compared with a return for the Benchmark of 2.88%, as inflation remained elevated, fuelled by fiscal spending, supply chain issues, and higher commodity prices caused by the conflict in Ukraine.
- Financials, Consumer Staples and Communication Services were among the largest detractors from index performance in March. The largest relative detractors for the Fund on a sector basis were holdings in Consumer Discretionary, including UK homebuilders Bellway and Taylor Wimpey, and holdings in Materials, such as BASF. Notable relative contributors included holdings in Health Care, including Jazz Pharmaceuticals and AbbVie.
- Marubeni and Bancolombia were among the top individual contributors to performance in March. Marubeni, a Japanese trading company, raised its full year guidance by ¥50 billion compared to previous forecasts, due to robust operations across its agriculture, energy, and metals and mining businesses. The company also raised dividends and announced a share buyback of up to ¥30 billion in 2022. Bancolombia reported strong earnings in late February with non-performing loans improving, net interest margins expanding, and digital banking Nequi reaching 10 million users.
- Alrosa and Capital One Financial were among the top individual detractors from performance in March. The Moscow Stock Exchange remained closed throughout March to avoid the impact of global sanctions following the Russian invasion of Ukraine. The Fund's position in Alrosa, a Russian diamond miner, was revalued to nil during the month and the investment manager intends to divest the position when restrictions are lifted. The Responsible Entity continues to closely monitor the market situation to ensure an appropriate valuation is applied to this holding. Capital One Financial, a US-based credit card and auto financing company, was impacted by concerns around consumer confidence, a potential economic downturn, and stagflation. Although credit card and auto loan growth are increasing and delinquencies remain well below historical levels, there is growing concern over a worsening consumer credit cycle with stimulus checks and deferral programs ending.
- During the month, Polaris completed the initial purchases of NOV and OpenText, and the final sales of Andritz and Sumitomo Mitsui Trust. NOV is an oil equipment company that provides equipment and rigs for oil exploration and production. With high oil prices and many years of underinvestment in the oil and gas industry, NOV is well positioned to benefit from the current environment as a late cycle beneficiary. OpenText, a provider of enterprise information management software and solutions, commands 30-40% market share on its service offerings. Sumitomo Mitsui Trust and Andritz were sold to make room for these purchases.

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