

Walter Scott Global Equity Fund

Macquarie Professional Series

Monthly report – 31 August 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 unhedged with net dividends reinvested (Benchmark).

The Fund will not invest in 'tobacco' securities as defined by the Global Industry Classification Standard or 'controversial weapons' securities as defined by MSCI, Inc.

Key information

Fund details

APIR code	MAQ0410AU
mFund code	MPS04
Inception date	18 March 2005
Investment manager	Walter Scott & Partners Limited (Edinburgh, UK)
Fund size	\$4,153.7m
Distribution frequency	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 2022

	Total Fund return (gross)	Total Fund return (net)	Benchmark return	Total excess return (net)
1 month (%)	-4.53	-4.64	-2.54	-2.10
3 months (%)	-1.84	-2.16	-1.11	-1.05
1 year (%)	-14.08	-15.19	-9.62	-5.57
3 years (% pa)	6.72	5.37	8.21	-2.84
5 years (% pa)	12.62	11.21	11.12	0.09
7 years (% pa)	10.92	9.52	9.38	0.14
Since inception (% pa)	9.96	8.57	7.71	0.86

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

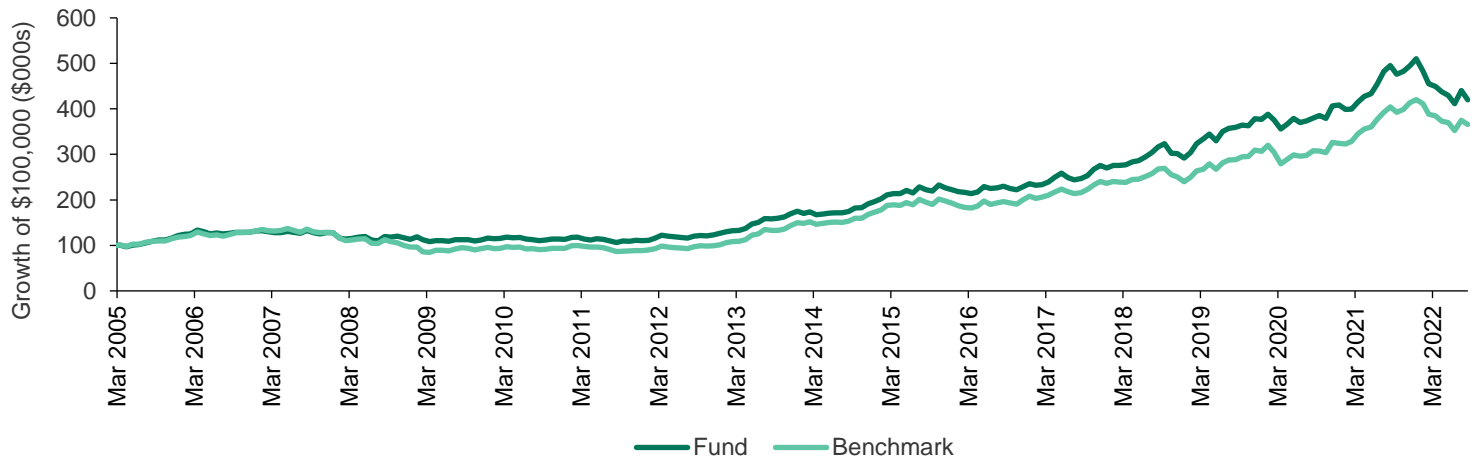
Stock	Sector	Industry	Holding (%)
Microsoft Corp.	Information Technology	Software	4.17
Novo Nordisk A/S	Health Care	Pharmaceuticals	3.40
Automatic Data Processing	Information Technology	IT Services	3.21
Mastercard Inc.	Information Technology	IT Services	3.19
Alphabet Inc.	Communication Services	Interactive Media & Services	2.99
Amphenol Corp.	Information Technology	Electronic Equipment Instruments & Components	2.89
Keyence Corp.	Information Technology	Electronic Equipment Instruments & Components	2.89
Taiwan Semiconductor Manufacturing	Information Technology	Semiconductors & Semiconductor Equipment	2.88
Alimentation Couche-Tard Inc.	Consumer Staples	Food & Staples Retailing	2.77
Linde Plc	Materials	Chemicals	2.74
Total number of stocks			47

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Growth of \$100,000 since inception

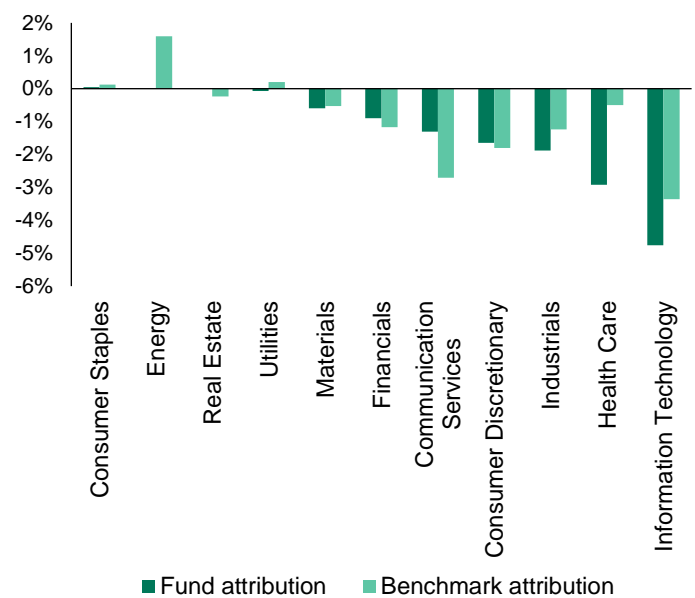


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Sector weights

Sector	Fund (%)	Benchmark (%)
Information Technology	33.77	22.15
Health Care	18.33	13.27
Consumer Discretionary	12.69	11.39
Industrials	11.48	10.18
Consumer Staples	8.50	7.70
Communication Services	4.61	7.36
Materials	4.54	3.76
Financials	3.87	12.96
Energy	0.00	5.20
Utilities	0.00	3.24
Real Estate	0.00	2.78
Cash	2.21	0.00
Total	100	100

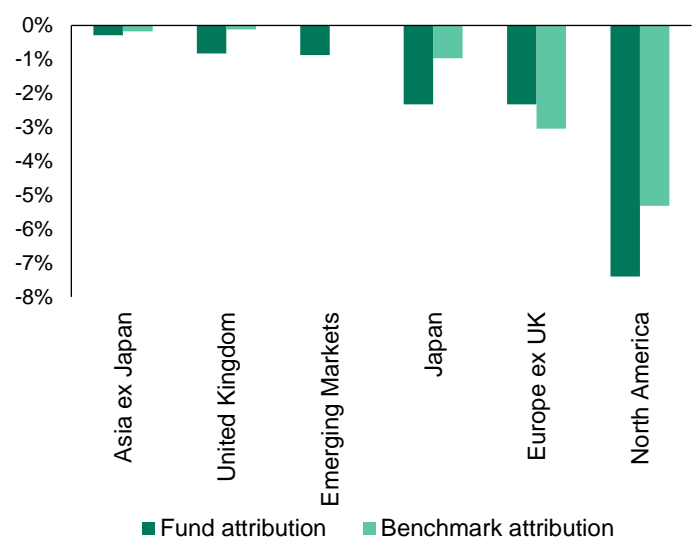
Sector attribution (12 months to date)



Region weights

Region	Fund (%)	Benchmark (%)
North America	60.97	74.88
Europe ex UK	18.20	13.27
Japan	7.06	6.29
United Kingdom	5.17	4.24
Asia ex Japan	3.50	1.31
Emerging Markets	2.88	0.00
Cash	2.21	0.00
Total	100	100

Region attribution (12 months to date)



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Performance summary

- The Fund returned -4.64% in August 2022, compared with a return for the Benchmark of -2.54%, with equity markets starting the month on an upbeat note, lifted by hopes that the US Federal Reserve might eventually moderate its monetary aggression, before succumbing to inflation and growth concerns.
- The IT and Health Care sectors led the benchmark lower in August, with Energy the sole positive index contributor. For the Fund, holdings in Health Care, including Waters Corporation, Edwards Lifesciences, and Novo Nordisk, and in Financials, such as Prudential and AIA Group, were the largest relative sector detractors. Relative contributors of note included holdings in Communication Services, namely The Walt Disney Company. There were no initial purchases or final sales within the portfolio during the month.
- Macroeconomic pressures were evident in the second-quarter results of leading off-price clothing and home furnishing retailer TJX Companies, with the company reporting a 1.9% year-on-year drop in sales. However, margins were promisingly resilient despite significant cost pressures. A tough environment can play into TJX's hands with more off-price product on the market leading to favourable buying conditions, therefore creating a better customer proposition in-store and attracting a value-conscious consumer who is more likely to trade down to TJX. The historic precedent is for the business to outperform in such environments, as evidenced by resilient performance in the GFC (the company posting sales growth right through that downturn). Walter Scott expects a similar outcome this time around.
- Guessing market direction is not part of Walter Scott's investment process, but in terms of market tenor, it is likely that investors will increasingly focus on corporate financial strength and profitability. Against a backdrop of monetary tightening, the pullback in equities has taken a lot of heat out of valuations, and market 'delta' will consequently be a function of earnings rather than valuation shifts, in Walter Scott's view. This is a recipe for volatility as investors mull over economic data and its impact on near-term earnings. Nonetheless, Walter Scott's focus remains on sticking to the analysis of held or portfolio candidate companies, gauging their ability to weather economic tempests and deliver excellent earnings growth over the long-term.

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

Important information

Weights and attribution breakdown for sector, stocks and region is sourced from Macquarie and FactSet.

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