

Arrowstreet Global Equity Fund

MACQUARIE PROFESSIONAL SERIES

A dynamic, active approach to global equities investing

Arrowstreet offers exposure to a diversified portfolio of global equities, from both developed and emerging markets. In identifying investment opportunities, Arrowstreet combines the investment intuition of their experienced team with rigorous quantitative research and sophisticated forecasting models. The investment team seeks to outperform the benchmark by identifying information that, while relevant to a company's share price, is less obvious to the market

Quantitative investment approach

Implementing fundamental investment ideas at scale

Driven by research

Seeking differentiated signals from less obvious information

Strong long-term performance record

Seeking to outperform across different market conditions

Quantitative investment approach

Arrowstreet combines the investment intuition of their experienced team with rigorous quantitative research, with the aim of consistently outperforming the benchmark across varying market conditions. A quantitative approach enables them to implement their investment ideas dynamically across an investment universe of over 10,000 stocks.

The investment team seeks to outperform the benchmark by identifying investment signals or ideas that are relevant to stock prices, and less obvious to the market. The emphasis is on information that is likely to impact stock prices with a predictable and measurable lag, and that can therefore be more useful in generating outperformance. The below diagram illustrates this philosophy.

Investment philosophy

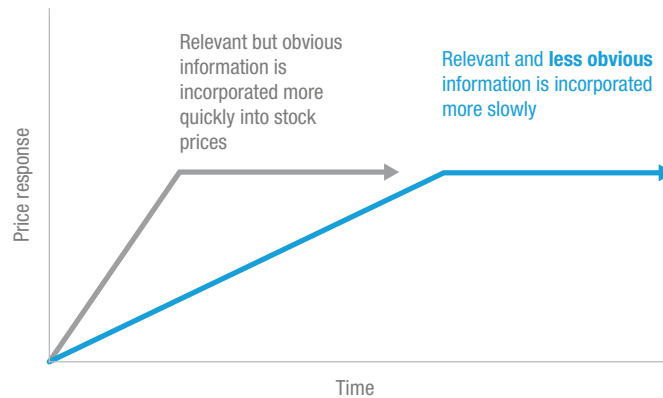


Diagram is for illustrative purposes only.

Driven by research

As investment signals are identified in the market and increasingly commoditised, their ability to contribute to excess returns slowly disappears. For a manager to maintain an investment 'edge', they must commit to identifying new, unexploited signals that can provide useful investment insight.

What are investment 'signals'?

Investment signals are measures that can be useful in forecasting stock prices.

Arrowstreet uses a diverse set of investment signals, incorporating information from proprietary measures within each of the six signal groups shown below. This approach allows Arrowstreet to incorporate a large amount of information in its stock price forecasts when searching for opportunities.



Arrowstreet's model measures a stock's expected excess return by including the following influences:

- Direct effects – characteristics of the company itself
- Indirect effects – characteristics of related companies linked according to Arrowstreet's proprietary linkages model, common country affiliation or common sector affiliation

In many cases, signals based on indirect effects can be less obvious to the market than more widely used signals based on direct effects.

Arrowstreet believes that generating excess returns to outperform the benchmark requires an investment process that is guided by sound investment intuition, is disciplined yet opportunistic, and incorporates a diverse set of investment signals.

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Reinvestment in research

Constant reinvestment in research is a key differentiating aspect of Arrowstreet’s investment process; enhancements are evolutionary, not revolutionary. Arrowstreet continuously undertake research in identifying new signals, as well as refining existing signals, and measuring the changing effectiveness of signals over time.

“Enhancements are evolutionary, not revolutionary”

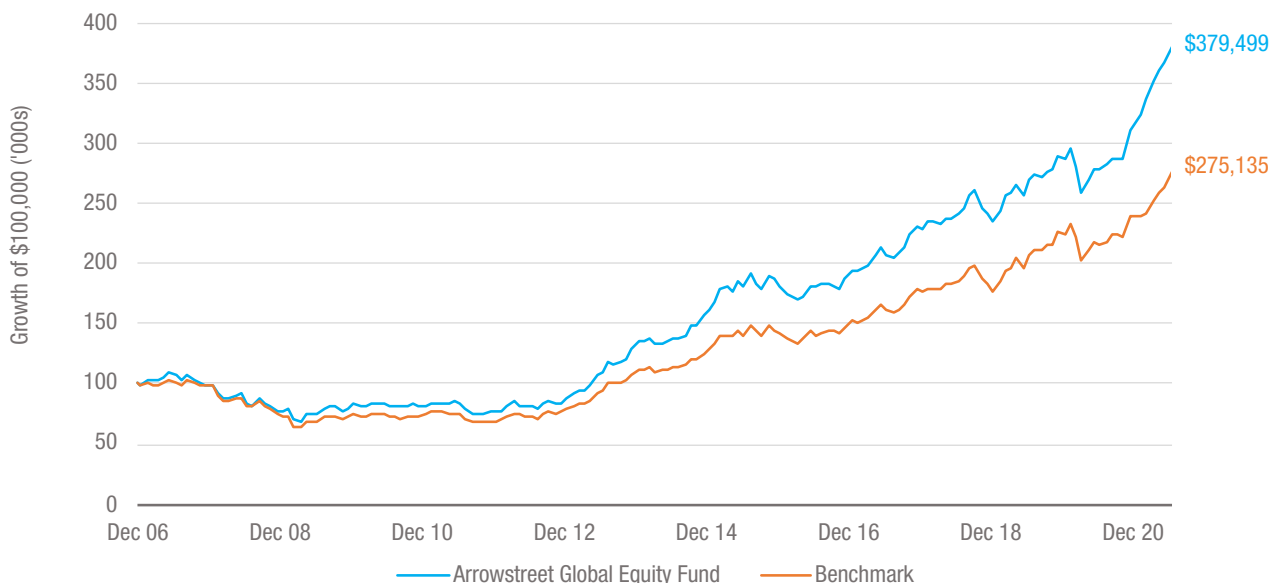
Research efforts also focus on increasing operational efficiency; by reducing transaction costs, for example, long-term returns for investors can be improved.

In this way, Arrowstreet’s investment strategy offers access to cutting-edge investment research.

Strong long-term performance record

As a result of Arrowstreet’s investment approach, the Fund has provided investors with strong long-term benchmark outperformance after fees. As shown below, a \$100,000 investment in the Fund at inception accumulated to \$379,499 as at 30 June 2021, exceeding the return of the benchmark by \$104,365.

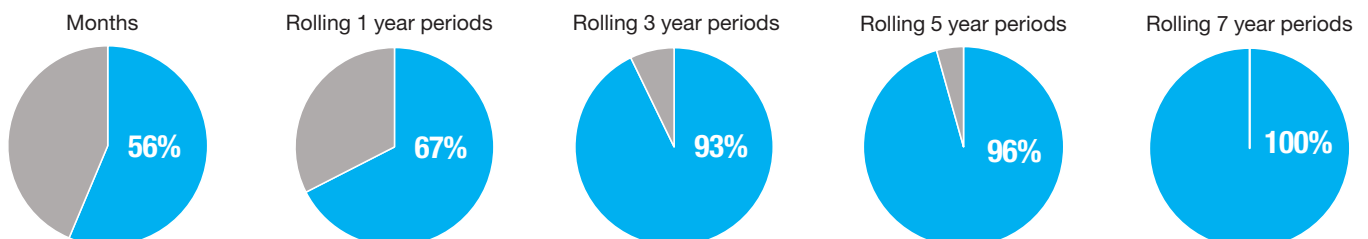
Growth of \$100,000 since inception of the Fund



Past performance is not a reliable indicator of future performance. Source: Macquarie, MSCI, for the period from 18 December 2006 to 30 June 2021, net of fees.

Arrowstreet has delivered this outperformance with a high level of consistency across a variety of market conditions.

Since inception the Fund has outperformed the Benchmark in:¹



¹ Past performance is not a reliable indicator of future performance. Outperformance of the Benchmark does not mean the Fund’s performance has always been positive. Sharemarkets can be volatile, and have the potential to fall by large amounts over short periods of time. One year, three year, five year and seven year periods are measured on a monthly rolling basis starting on the first month end following inception until 30 June 2021. Using five year periods as an example, the first period was measured from 31/12/2006 to 31/12/2011, the second from 31/01/2007 to 31/01/2012 with each subsequent five year period starting one month later. The last five year period was measured from 30/06/2016 to 30/06/2021.

About Arrowstreet

Arrowstreet Capital, Limited Partnership (**Arrowstreet**) is an independent private partnership that serves as a discretionary institutional global equity manager. Arrowstreet is wholly-owned and controlled by members of the firm's senior management and non-executive directors. Arrowstreet was founded in June 1999 and its principal place of business is located in Boston, Massachusetts.

Risks

All investments carry risk. Different investments carry different levels of risk, depending on the investment strategy and the underlying assets. Generally, the higher the potential return of an investment, the greater the risk. The risks of investing in this Fund include:

Investment risk: The Fund has exposure to share markets. The risk of an investment in the Fund is higher than an investment in a typical bank account or fixed income investment. Amounts distributed to unitholders may fluctuate, as may the Fund's unit price. The unit price may vary by material amounts, even over short periods of time, including during the period between a redemption request or application for units being made and the time the redemption unit price or application unit price is calculated.

Market risk: The investments that the Fund has exposure to are likely to have a broad correlation with share markets in general. Share markets can be volatile and have the potential to fall by large amounts over short periods of time. Poor performance

or losses in domestic and/or global share markets are likely to negatively impact the overall performance of the Fund.

International and emerging market risk: The Fund may make investments that have exposure to a range of international economies, including emerging economies. Global and country specific macroeconomic factors may impact the Fund's international investments. Governments may intervene in markets, industries, and companies; may alter tax and legal regimes; and may act to prevent or limit the repatriation of foreign capital. Emerging markets in particular may experience lower liquidity, the potential for political unrest, the increased likelihood of sovereign intervention (including default and currency intervention), currency volatility, and increased legal risk. These events may impact the Fund's international investments.

More information on the risks of investing in the Fund is contained in the Product Disclosure Statement, which should be considered before deciding to invest in the Fund.

A range of access options

We remain committed to providing a range of investment options so that advisers and their clients can make a selection that best suits their needs and circumstances. The Arrowstreet Global Equity investment strategy can be accessed directly via the Fund or via the ASX mFund platform, as well as through a performance fee option with a lower management fee and through a hedged option. For more information, refer to the relevant product disclosure statement.



Macquarie Professional Series – enabling local access to global specialists

The Arrowstreet Global Equity Fund is proudly brought to you by Macquarie Professional Series. We search the world to uncover differentiated investment solutions, enabling local investors to access strategies from world-class fund managers. We leverage our insights into the local investment landscape, seeking to anticipate investment needs and identify relevant opportunities currently overlooked in the market

For more information, call us on 1800 814 523,
email mim.clientservice@macquarie.com, or visit macquarieIM.com

Important information

This information has been prepared by Macquarie Investment Management Australia Limited (ABN 55 092 552 611 AFSL 238321) the issuer and responsible entity of the Fund referred to above. This is general information only and does not take account of investment objectives, financial situation or needs of any person. It should not be relied upon in determining whether to invest in the Fund. In deciding whether to acquire or continue to hold an investment in the Fund, an investor should consider the Fund's product disclosure statement. The product disclosure statement is available on our website at macquarie.com.au/pds or by contacting us on 1800 814 523.

Past performance information is for illustrative purposes only and is not a reliable indicator of future performance.

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