

MACQUARIE ASSET MANAGEMENT

Macquarie Australian Shares Fund

A diversified portfolio of Australian shares

A systematically-managed portfolio identifying opportunities in Australian shares that we believe offer the greatest potential returns to investors.



Reducing emotional biases

A systematic approach to capturing the fundamental characteristics of stocks



Diversification through a systematic approach

Uses a broad range of investment themes to drive performance



Aims to achieve consistent active returns

Underscored by a deep understanding of risk

Reducing emotional biases

All investors face varying degrees of biases which can influence their investment decision-making process. These biases can include:



Recency bias

The overweighting of information that has been discovered more recently



Confirmation bias

Being predisposed to a particular position, and allowing it to guide your process



Overconfidence bias

Overestimating one's ability to outperform peers and the benchmark



Loss aversion bias

Selling too early or holding too long in an attempt to avoid or reduce losses

The presence of these biases can ultimately lead to poor investment decisions by investors. These biases can also prevent investors from taking actions to limit the impact of these negative decisions.

A systematic investment process aims to protect investors from their own biases. It seeks to achieve this by using multiple data sources to understand a company's track record of executing on its strategy, and its likely ability to execute going forward.

Diversification through a systematic approach

Our approach aims to identify attractive stock characteristics across the Australian equity market using a systematic investment process. This data-driven approach ensures we collect the fundamental characteristics of every company in the investment universe, rather than a smaller number of stocks researched by individual analysts.

The types of attractive stock characteristics the Systematic Investment team look to capture can be broken down into three main categories:



Quality

Quality characteristics seek to identify companies with strong business models and sustainable earnings.



Sentiment

Sentiment seeks to capture positive trending behaviour that we believe is likely to continue. This could be in the form of strong share price momentum or strong business operating momentum.



Value

Value characteristics seek to identify the relative valuation of a company given its characteristics and its history.

Our Systematic Investment team analyse each stock against these characteristics. The results are amalgamated to build an overall view, called a Confidence Score, which provides the Portfolio Managers with a picture of the expected return of each company.

Our investing approach aims to take advantage of a broad range of investment themes to drive performance whilst aiming to minimise any unwanted risk, seeking to produce a robust and well-diversified portfolio.

Aims to achieve consistent active returns

At Macquarie, our systematic investment approach is transparent, and aims to deliver consistent returns above the benchmark by identifying companies with desirable characteristics, while reducing the risk of emotional bias. This enables us to uncover what we believe are the best opportunities within the market.

Complementing this is our focus on risk management. Returns are critical but effective risk management provides greater potential for performance sustainability over time. We believe to be a successful long-term investor, you need a good mix of both.

Macquarie Australian Shares Fund

Macquarie Asset Management



Macquarie Asset Management

The Macquarie Systematic Investments team sits within the Equities & Multi-Asset division of Macquarie Asset Management.

The team specialises in utilising quantitative techniques to seek to capture excess returns in a tightly controlled risk framework. The team has over 30 years' experience in managing Australian equity strategies and working with clients to deliver unique investment solutions.

Target investors

The Fund is designed for consumers who are seeking capital growth and income distribution; are intending to use the Fund as a core component, minor allocation or satellite allocation within a portfolio; have a minimum investment timeframe of five years; have a high or very high risk/return profile for that portion of their investment portfolio, and require the ability to have access to capital within one week of request.

The Target Market Determination (**TMD**), available at macquarie.com/mam/tmd, includes a description of the class of consumers for whom the Fund is likely to be consistent with their objectives, financial situation and needs.

Risks

All investments carry risk. Different investments carry different levels of risk, depending on the investment strategy and the underlying investments. Generally, the higher the potential return of an investment, the greater the risk (including the potential for loss and unit price variability over the short term). 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, by material amounts over short periods.

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.

Security specific risk: Securities and the companies that issue them are exposed to a range of factors that affect their individual performance. These factors may cause an investment's return to differ from that of the broader market. The Fund may therefore underperform the market and/or its peers due to its security specific exposures.

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.

For more information, call us on 1800 814 523,
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Important information

The Fund(s) mentioned above may have multiple classes of units on issue. A separate class of units is not a separate managed investment scheme.

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