

MACQUARIE ASSET MANAGEMENT

Macquarie Australian Small Companies Fund

Next generation investing in Australian small companies

Access the fast growth of Australian small companies via a diversified portfolio.



Systematically exploiting opportunities

A robust investment approach backed by data and science, removing emotional biases inherent in stock picking



A deep focus on risk

Seeking to avoid any negative surprises with a focus on long term gains



Aims to achieve consistent active returns

A focus on greater consistency for portfolios over the long term

Macquarie Australian Small Companies Fund

Macquarie Asset Management

Systematically exploiting opportunities

A systematic approach to investing has its foundations in technology and data. Dubbed the 'fourth industrial revolution', extraordinary technological advances are transforming the world in which we live:



GPS/Navigation



Cloud computing



Music and TV streaming services



Artificial Intelligence and Machine Learning



Smart devices



Wireless

Utilising technology to enhance investment outcomes helps to position us at the forefront of next generation investing.

Technology is also easily able to adapt and evolve. We invest considerable time and money into ensuring our platform is kept up to date and remains current, intuitive, and investible. Markets are constantly evolving and investment processes need to evolve with it.

Our investment approach utilises models to identify quality companies, with solid earnings momentum at a reasonable price. The team's research has shown that companies that rank well across a combination of these investment styles have typically outperformed in the Australian market.

Our team of experienced portfolio managers then constructs a portfolio of best ideas. The final portfolio will look to hold the best companies across each segment of the market. One of the most important aspects of our investment approach is that the portfolios are implemented with oversight from our experienced portfolio management team, who seek to ensure that portfolios are aligned to current market conditions.

Next generation investing



~200,000 pieces of data analysed every day



Real time 360-degree view of stocks generated

Investment Process



Sentiment

Is there evidence of trending behaviour that is likely to continue?



Quality

Does the company have a strong business model with sustainable earnings?



Value

Is it good value given its characteristics vs peers and its own history?

Macquarie Australian Small Companies Fund

Macquarie Asset Management

A deep focus on risk

Our focus is on striking the right balance between generating returns and managing risks. In other words, it is just as important to us to try to avoid the negative surprises as it is to find winners.

To help protect from downside risk, diversification across stocks and sectors is key. Large oversized positions in single names is a big risk.

By leveraging a number of in-house tools, our portfolio managers can effectively monitor the risk exposures of the portfolio. This includes proprietary ways of viewing sector and macroeconomic exposures within the portfolio.

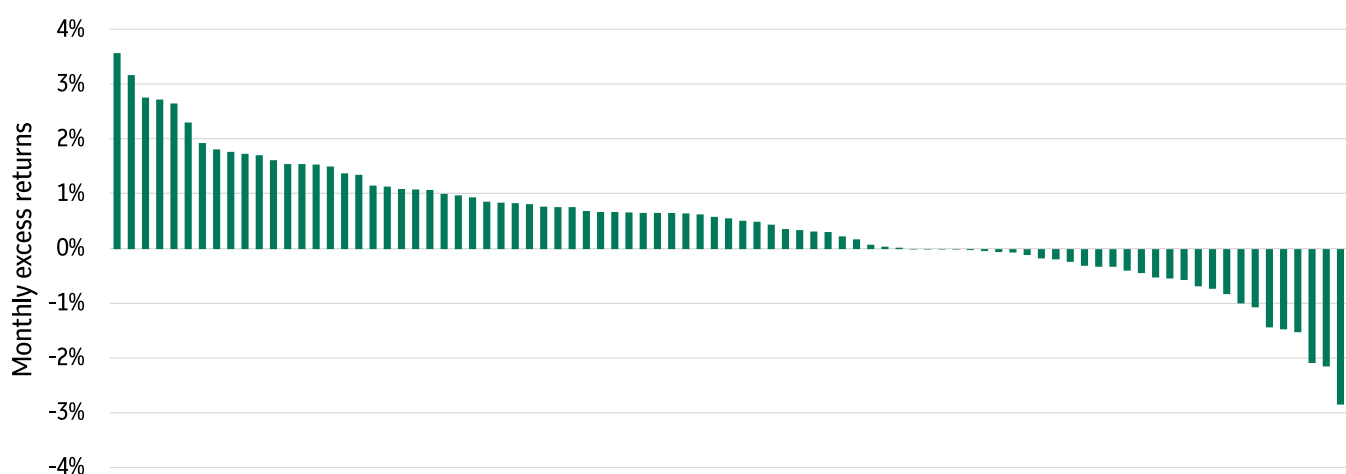
Aims to achieve consistent active returns

Our investment approach has been developed with the aim of delivering consistent active returns above the Fund's benchmark throughout the market cycle. To achieve this, we use a broad range of investment themes combined in a risk-controlled framework to drive performance.

Different investment styles perform well at different points in the market cycle; generally speaking, Quality performs well in volatile markets. Value performs well in market rebounds and Sentiment tends to perform well in Australia across most market conditions.

We are pleased to have delivered consistent active returns to our clients over the Fund's recent history. The distribution bar chart below illustrates this and shows a greater instance of moderate positive excess returns than negative excess returns since December 2017.

Distribution of monthly excess returns from December 2017 to March 2025



Past performance is not a reliable indicator of future performance. The Fund's investment strategy changed effective 18 December 2017 from a fundamental approach to a quantitative, systematic approach. Current performance information for the Fund is available on our website at macquarie.com/mam/au-performance.

Australian Small Companies Fund (net of fees)

As at 31 March 2025

	Fund (%)	Benchmark (%)	Excess (%)
1 month	-3.23	-3.60	0.37
3 months	-0.04	-2.00	1.96
1 year	2.97	-1.26	4.23
3 years (pa)	4.41	-0.82	5.23
5 years (pa)	15.74	10.24	5.50

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Benchmark is the S&P/ASX Small Ordinaries Accumulation Index.

Macquarie Australian Small Companies 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 minor allocation or satellite allocation within a portfolio; have a minimum investment timeframe of five years; have a 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 assets. 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: 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.

Small companies risk: The Fund has exposure to companies generally considered small in terms of market capitalisation. Companies within this sector of the market may include recently established entities with limited public information, or entities engaged in new-to-market concepts which may be speculative in nature. Shares in companies in this sector are generally less liquid and more volatile than those of larger companies. Small companies exposure may result in higher unit price volatility and an increased risk of loss.

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,
email mam.clientservice@macquarie.com, or visit macquarie.com/mam

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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Past performance information is for illustrative purposes only and is not a reliable indicator of future performance. Current performance information for each class of units in the Fund(s) is available on our website at macquarie.com/mam/au-performance.

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