

MACQUARIE ASSET MANAGEMENT

Macquarie Dynamic Bond Fund

A dynamic global bond solution

With the flexibility to dynamically adapt to changing market conditions, the Macquarie Dynamic Bond Fund (Fund) seeks to capitalise on the best opportunities available across the global fixed income spectrum.



Clear philosophy

Focus on preserving capital and managing liquidity



Dynamic approach

Potential for attractive returns across market cycles



Diversification

Potential for diversification against equity market risk

Macquarie Dynamic Bond Fund

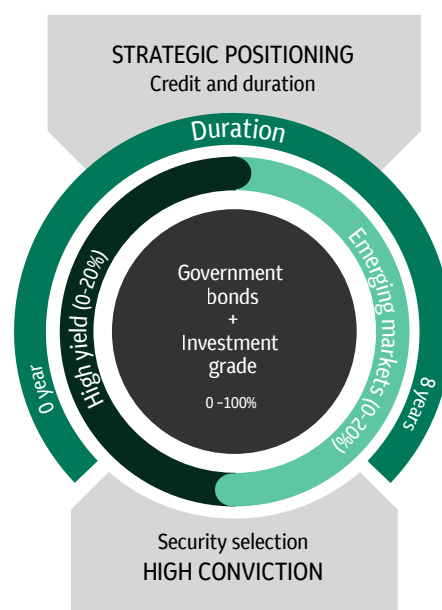
Macquarie Asset Management

Clear philosophy

The Fund is backed by a clear and simple investment philosophy of preserving capital and managing liquidity. This focus is the result of years of extensive in-house research supporting our investment processes, and recognising we are managing the defensive part of investors' portfolios.

Implementing this philosophy is an experienced global team of investment professionals. They employ a disciplined approach utilising rigorous proprietary processes and the full spectrum of opportunities available in global fixed income markets, seeking to deliver superior long-term returns.

Consistent with a bias for capital preservation, the team largely focus on investing in highly liquid government and high quality corporate bonds (investment grade credit). The team take an opportunistic approach when investing in other fixed income sectors such as high yield bonds, aiming to capitalise when they believe these sectors will make a meaningful contribution to performance.



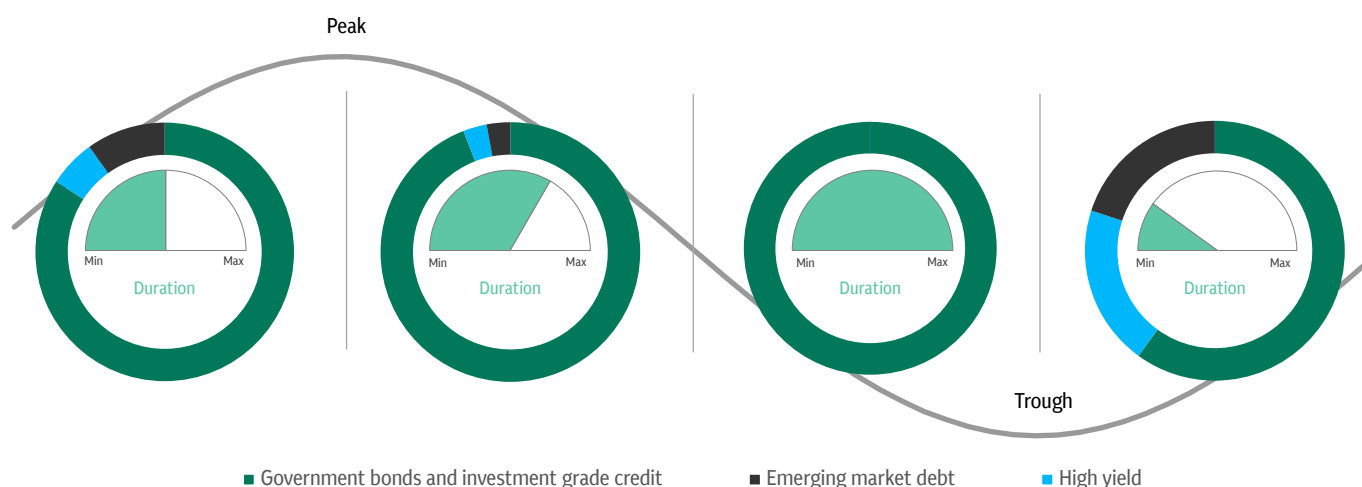
Dynamic approach

A dynamic investment approach means the Fund seeks to capitalise on the best opportunities available in global fixed income markets, while adapting to prevailing market conditions.

The investment team adopt a strategic approach in setting the medium-term positioning of the Fund based on where they believe we are in the economic cycle. This approach aims to ensure allocations across fixed income sectors are optimised to extract the most value from prevailing market conditions, and that only high conviction ideas populate the portfolio.

Ultimately, this intuitive approach provides investors with greater opportunities to maximise long-term returns, across all market cycles.

A dynamic approach to capture the best opportunities available



Macquarie Dynamic Bond Fund

Macquarie Asset Management

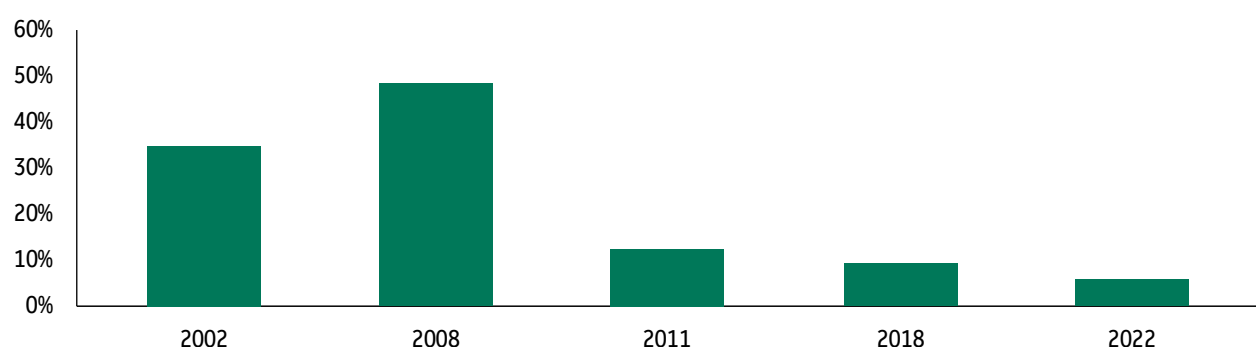
Diversification

Investing in the Fund can help balance the risk of investing in equities, providing valuable diversification benefits during equity market downturns. This is because bonds have historically had low to negative correlation to equities, meaning their performance patterns tend to either have no significant relationship or be opposite, i.e., move in the opposite direction at the same time.

In 2022, markets displayed unusual performance, with global fixed income and equity markets disconnecting from historical correlations, which saw both asset classes sell off. In fact, it was the first time in over 20 years that both global bonds and global equities recorded negative annual performance in the same year. Looking back over the past 20 years, during each calendar year in which the return on global equities was negative, global bonds outperformed global equities, as seen in the chart below.

Outperformance of global bonds versus global equities during negative annual equity performance

Annual Outperformance



Past performance is not an indicator of future performance and the performance of bonds may not necessarily offset the performance of equities in future years where equity returns are negative. Global Bonds - Bloomberg Global Aggregate Hedged AUD; Global equities - MSCI World ex Australian Hedged AUD. The chart above shows all calendar years from 2001 to 2023 where the performance of Global Equities has been negative.

What is correlation?

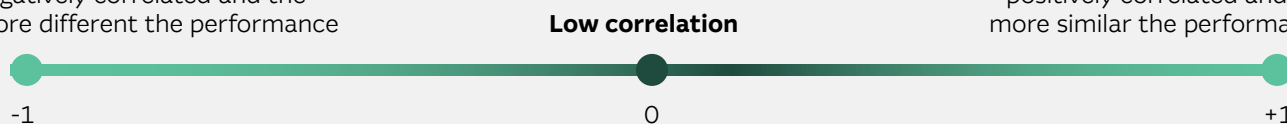
- **Positive correlation:** performance tends to move in the same direction at the same time
- **Negative correlation:** performance tends to move in the opposite direction at the same time
- **Low correlation:** performance moves randomly and has no significant relationship.

Negative correlation

The closer to -1, the more negatively correlated and the more different the performance

Positive correlation

The closer to +1, the more positively correlated and the more similar the performance



About Macquarie Asset Management

Macquarie Asset Management has been managing cash and fixed income portfolios since 1980. Macquarie Fixed Income has grown to be one of Australia's largest, active fixed income managers, with a team of over 100 dedicated investment professionals globally.

Macquarie Dynamic Bond Fund

Macquarie Asset Management

Target investors

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 seeks to generate higher income returns than traditional cash investments. The risk of an investment in the Fund is higher than an investment in a typical bank account or term deposit. Amounts distributed to unitholders may fluctuate, as may the Fund's unit price, by material amounts over short periods.

Manager risk: There is no guarantee that the Fund will achieve its performance objectives, produce returns that are positive, or compare favourably against its peers, or that the strategies or models used by the Investment Manager will produce favourable outcomes.

Income securities risk: The Fund may have exposure to a range of income securities. The value of these securities may fall, for example due to market volatility, interest rate movements, perceptions of credit quality, supply and demand pressures, a change to the reference rate used to set the value of interest payments, market sentiment, or issuer default.

More information on the risks of investing in the Fund is contained in the Product Disclosure Statements for each class of units in the Fund, which should be considered before deciding to invest in the Fund.

Investing in the Fund

The Macquarie Dynamic Bond Fund has two classes of units;

1. **an unquoted class** (Macquarie Dynamic Bond Fund). Investors can apply for units in the unquoted class by sending an application form to Macquarie
2. **a quoted class** (Macquarie Dynamic Bond Active ETF). Investors can buy units in the quoted unit class on the ASX using the ASX ticker: MQDB.

There is a separate product disclosure statement for each class of units in the Fund, which should be considered before deciding to invest in the Fund. For more information, please visit macquarie.com/mam

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.

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(s) referred to above. This is general information only and does not take account of the investment objectives, financial situation or needs of any person and before acting on this information, you should consider whether this information is appropriate for you.

In deciding whether to acquire or continue to hold an investment in a Fund, an investor should consider the Fund's product disclosure statement and the Website Disclosure Information available at macquarie.com/mam or by contacting us on 1800 814 523. This information is intended for recipients in Australia only.

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 is available on our website at macquarie.com/mam/au-performance.

Other than Macquarie Bank Limited ABN 46 008 583 542 ("Macquarie Bank"), any Macquarie Group entity noted in this material is not an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia). The obligations of these other Macquarie Group entities do not represent deposits or other liabilities of Macquarie Bank. Macquarie Bank does not guarantee or otherwise provide assurance in respect of the obligations of these other Macquarie Group entities. In addition, if this document relates to an investment, (a) the investor is subject to investment risk including possible delays in repayment and loss of income and principal invested and (b) none of Macquarie Bank or any other Macquarie Group entity guarantees any particular rate of return on or the performance of the investment, nor do they guarantee repayment of capital in respect of the investment.