


MACQUARIE ASSET MANAGEMENT

Macquarie Evolve Multi-Asset Portfolios

Dynamic and active multi-asset solutions

Investment manager	Macquarie Investment Management Global Limited
Inception date	25 November 2019: Conservative, Balanced and Growth profiles 30 September 2020: High Growth profile
Management costs % pa	
Management fee	0.205% p.a.*
Indirect costs	Refer to relevant PDS
Benchmark	Benchmark unaware
Investment universe	Australian equities, International equities, Emerging market equities [^] , Global real estate, Global infrastructure, Australian fixed interest, International fixed interest, Currency, Alternatives

[^]Growth and High Growth profile only. *Refers to the fee and costs applicable for investing in the Macquarie Evolve Multi-Asset Portfolios via the Macquarie Consolidator II – Engage Platform. Indirect cost figures are generally estimates for a previous financial year and the prevailing level of indirect costs may be different.

Macquarie Evolve Multi-Asset Portfolios

Macquarie Asset Management

What are the Macquarie Evolve Multi-Asset Portfolios?

Driven by the desire to improve investment outcomes the Macquarie Evolve Multi-Asset Portfolios (“Evolve Portfolios”) offer investors the opportunity to benefit from an actively managed dynamic multi-asset core, complemented by a satellite allocation to low cost passive strategies.

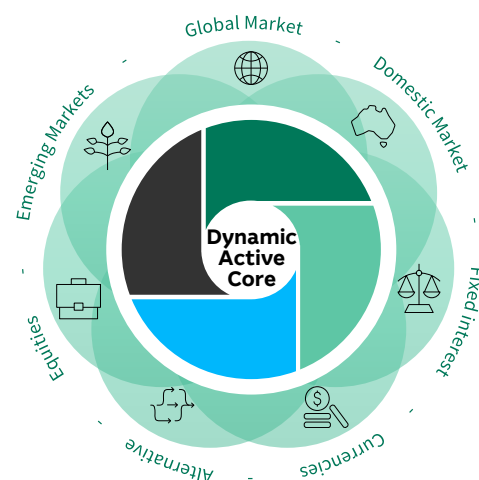
The dynamic active core is an investment solution which captures the best ideas of Macquarie Investment Management with the aim of delivering stable real returns, while managing downside risk.

Blending this dynamic and active core with low-cost passive satellites provides the flexibility to tailor the portfolios to four key risk profiles while remaining fee conscious.

What is the style of asset allocation?

The Evolve investment process starts with a multi-asset mean variance optimisation approach to determine a Strategic Asset Allocation (SAA) adapted to each of the four risk profiles: Conservative, Balanced, Growth and High Growth. Each SAA utilises key inputs from our time tested proprietary quantitative and qualitative processes to set strategic asset allocation weights every 12 months. Once the SAA weights are set, a tactical asset allocation (TAA) may take place. The TAA is a shorter-term asset allocation decision, which may deviate from the SAA weights, that aims to adapt the portfolio’s asset allocation to the investment team’s outlook for market over a three to six month time horizon. Finally, using an active core strategy, the Evolve portfolios benefit from a Dynamic Asset Allocation (DAA) which allows the portfolios to take advantage of shorter term market movements as well as, offer protection in periods of volatility. Ultimately, the goal of our asset allocation process is to:

- Tailor each solution to a specific risk profile (see following section for details on the risk profiles) and;
- Seek to achieve the target return, with minimum variance, within the given risk tolerance profile throughout different market cycles.



Portfolio risk profiles

The Macquarie Evolve Multi-Asset Portfolios are carefully constructed and tailored to four key investor profiles, providing different portfolios for different investment needs.

Conservative	Balanced	Growth	High Growth
Investment objective: Aims to provide positive returns of 2.5% per annum above Australian inflation over the medium term (before fees).	Aims to provide positive returns of 4.5% per annum above Australian inflation ¹ over the medium term (before fees).	Aims to provide positive returns of 6.0% per annum above Australian inflation ¹ over the medium term (before fees).	Aims to provide positive returns of 6.5% per annum above Australian inflation ¹ over the medium term (before fees).

¹ Inflation is defined as the Consumer Price Index (CPI) as measured by the Reserve Bank of Australia Trimmed Mean, as published by the Australian Bureau of Statistics

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Conservative	Balanced	Growth	High Growth
<p>Who should invest?</p> <p>The Portfolio is designed for investors with a low tolerance for volatile returns in the short term and seeking stable medium-term real returns generated through a dynamic multi-asset strategy with a higher exposure to defensive assets.</p>	<p>The Portfolio is designed for investors with some tolerance for volatile returns in the short term who seek higher medium-term returns generated through a dynamic multi-asset strategy with a balanced exposure to growth and defensive assets.</p>	<p>The Portfolio is designed for investors with tolerance for volatile returns in the short term and seeking higher medium-term real returns generated through a dynamic multi-asset strategy with a higher exposure to growth assets.</p>	<p>The Portfolio is designed for investors with a high tolerance for volatile returns in the short term and seeking higher medium-term real returns generated through a dynamic multi-asset strategy with a higher exposure to growth assets.</p>
<p>Risk profile:</p> <p>The Portfolio takes an alternative and dynamic approach to multi-asset investing. This actively managed portfolio invests predominantly defensive assets, with an average allocation to defensive assets over the medium-to-long term of around 80%. Macquarie Investment Management is an active manager delivering strategic, tactical and dynamic asset allocation to manage the portfolio through the cycle. As such this exposure can and will fluctuate over time, within the risk limits.</p>	<p>The Portfolio takes an alternative and dynamic approach to multi-asset investing. This actively managed portfolio invests in a balance of defensive and growth assets, with an average allocation to growth assets over the medium term of around 60%. Macquarie Investment Management is an active manager delivering strategic, tactical and dynamic asset allocation to manage the portfolio through the cycle. As such this exposure can and will fluctuate over time, within the risk limits.</p>	<p>The Portfolio takes an alternative and dynamic approach to multi-asset investing. This actively managed portfolio invests predominantly growth assets, with an average allocation to growth assets over the medium term of around 80%. Macquarie Investment Management is an active manager delivering strategic, tactical and dynamic asset allocation to manage the portfolio through the cycle. As such this exposure can and will fluctuate over time, within the risk limits.</p>	<p>The Portfolio takes an alternative and dynamic approach to multi-asset investing. This actively managed portfolio invests predominantly growth assets, with an average allocation to growth assets over the medium term of around 90%. Macquarie Investment Management is an active manager delivering strategic, tactical and dynamic asset allocation to manage the portfolio through the cycle. As such this exposure can and will fluctuate over time, within the risk limits.</p>

Portfolios

Portfolio	Code
Macquarie Evolve Balanced Multi-Asset Portfolio	SMAMAQ05S
Macquarie Evolve Conservative Multi-Asset Portfolio	SMAMAQ06S
Macquarie Evolve Growth Multi-Asset Portfolio	SMAMAQ07S
Macquarie Evolve High Growth Multi-Asset Portfolio	SMAMAQ09S

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Portfolios investible universe

The Macquarie Evolve Multi-Asset Portfolios can utilise a range of managed funds, outlined below.

Asset Class	Fund	APIR Code
Dynamic Active Core	Macquarie Real Return Opportunities Fund	MAQ3069AU
Australian Equities	Macquarie True Index Australian Shares Fund Macquarie Australian Shares Fund*	MAQ0288AU MAQ0443AU
Australian Small Capitalisation Equities^	Macquarie Australian Small Companies Fund^	MAQ0454AU
International Equities	Macquarie True Index International Equities Fund Macquarie Hedged Index International Equities Fund	MAQ0633AU MAQ0421AU
Emerging Market Equities^	Walter Scott Emerging Markets Fund^	MAQ0651AU
Australian Fixed Interest	Macquarie True Index Australian Fixed Interest Fund Macquarie True Index Cash Fund	MAQ0211AU MAQ0789AU
International Fixed Interest	Macquarie Hedged Index Global Bond Fund	MAQ0266AU
Listed Global Real Estate	Macquarie True Index Global Real Estate Securities Fund Macquarie Hedged Index Global Real Estate Securities Fund	MAQ0832AU MAQ0830AU
Listed Global Infrastructure	Macquarie True Index Global Infrastructure Securities Fund Macquarie Hedged Index Global Infrastructure Securities Fund	MAQ0831AU MAQ0829AU

^Growth and High Growth profile only.

*High Growth profile only.

Strategy 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 the Macquarie Evolve Multi Asset Portfolios include:

Investment risk: The Portfolios seek to generate higher returns than traditional cash investments. The risk of an investment in the Portfolios is higher than an investment in a typical bank account or term deposit. Amounts distributed to investors may fluctuate, as may the portfolios' values. The portfolio values may vary by material amounts, even over short periods of time, including during the period between a redemption or application request being made and the time the redemption unit price or application unit price for the underlying Funds are calculated.

Manager risk: There is no guarantee that the Portfolio will achieve its performance objectives, produce returns that are positive, or compare favourably against its peers. In addition, the investment strategies and internal trading guidelines may vary over time, and there is no guarantee that such changes would produce favourable outcomes.

Income securities risk: The Portfolios may have exposure to a range of income securities, including high yield, emerging markets, and structured 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, market sentiment or issuer default. These risks may be greater for securities offering higher returns, for example high yield or emerging market securities. These risks will be greater for Portfolios with a higher exposure to fixed income securities.

Implementation risk: The performance of a managed account will differ to that of the Portfolio (and may differ significantly) due to factors including an incomplete implementation of all trades, the timing of trades, the individual circumstances of an investor as well as the fees, expenses and other costs charged by the operator of the managed account.

Market risk: The investments that the Portfolios have 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 Portfolios. These risks will be greater for Portfolios with a higher exposure to equities.

More information on the risks of investing in SMAs is contained in the relevant Product Disclosure Statement for the SMA, which should be considered before deciding to invest in the Macquarie Evolve Multi-Asset Portfolios.



About Macquarie Asset Management

Macquarie Asset Management is one of Australia's largest and most experienced asset managers. Backed by over 20 years' experience of managing multi-asset strategies in Australia and leveraging Macquarie's asset class specialists globally, investors gain access to expert asset allocation implemented by a full-service provider.

For more information, call us on 1800 814 523,
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This document has been prepared by Macquarie Investment Management Global Limited ABN 90 086 159 060 AFSL No. 237843 (MIMGL) the model portfolio manager of the Macquarie Evolve Multi-Asset Portfolios.

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