

**MACQUARIE ASSET MANAGEMENT**

Macquarie Income Opportunities Fund

An income solution with a focus on preserving capital

Using an active and flexible investment approach that seeks to capitalise on opportunities in local and global fixed income markets, the Macquarie Income Opportunities Fund (Fund) aims to deliver attractive long-term returns and monthly income while preserving capital and managing liquidity risk.

**Clear philosophy**

Focus on preserving capital and managing liquidity

**Flexible strategy**

Potential for attractive returns across different market conditions

**Income**

Monthly distributions, potential to outperform cash

Macquarie Income Opportunities Fund

Macquarie Asset Management

Clear philosophy

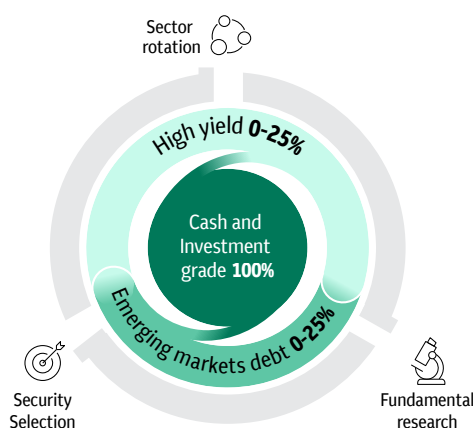
The Fund is backed by a clear and simple investment philosophy of preserving capital and managing liquidity risk.

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 our experienced team of investment professionals. We employ a disciplined approach utilising rigorous proprietary processes and the full spectrum of opportunities available in local and global fixed income markets, seeking to deliver attractive returns across different market conditions.

Consistent with our bias for capital preservation, we focus on active management in seeking to avoid negative surprises, and uphold a strong respect for liquidity risk which directly influences all of our investment decisions.

Actively and opportunistically capitalising on local and global opportunities



The above ranges are indicative only. For further detail on the instruments included in the above asset allocations, refer to the PDS.

Flexible strategy

Our flexible investment approach allows us to adapt to prevailing market conditions, preserving capital in times of stress and seeking to capitalise on opportunities when value is on offer.

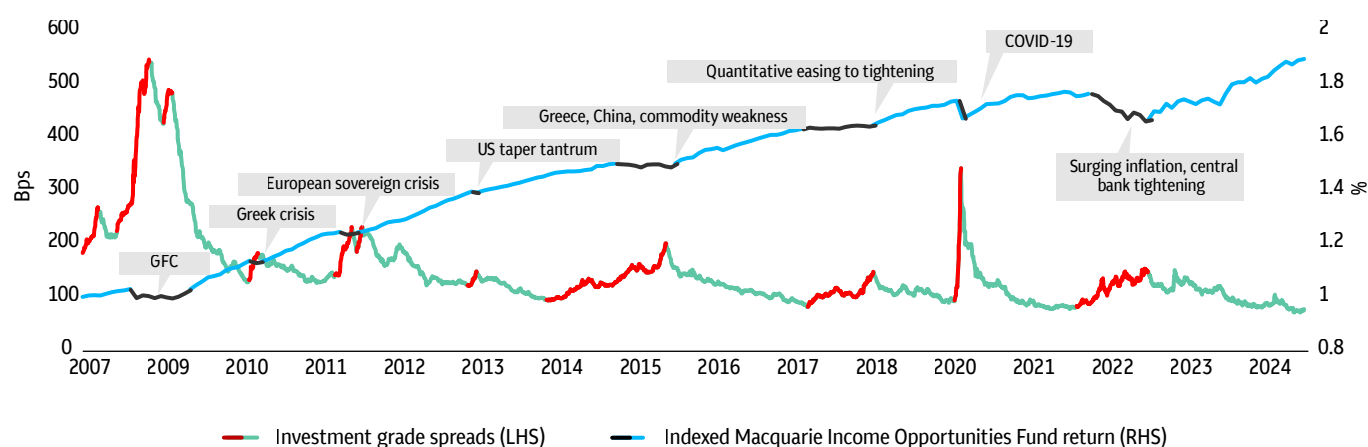
The Fund implements this approach with a core portfolio of highly rated investment grade securities and cash, supplemented by opportunistic allocations to high yielding sectors such as emerging market debt and high yield securities.

When we believe potential risks outweigh rewards, we focus on protecting capital by investing in investment grade securities and cash while staying away from higher yielding sectors seeking to avoid significant losses in times of stress.

When we believe potential rewards outweigh risks, we opportunistically increase allocations to higher yielding sectors to capitalise on the value on offer.

As can be seen in the chart below, this active and time-tested approach has delivered investors steady long-term returns across different market conditions. This has been the case even in times when credit and liquidity stress have been high, as shown by the red lines illustrating widening credit spreads; the times we believe are most important in demonstrating the value of quality fixed income management.

Indexed return of the Macquarie Income Opportunities Fund and investment grade spreads



Past performance is not a reliable indicator of future performance. Source: Barclays (investment grade spread). Time series return for the Macquarie Income Opportunities Fund (unquoted class) starts at 1 on 31 December 2007 and is compounded monthly thereafter. Data as at 31 Dec 2024. The information above is presented for illustrative purposes only and shows the performance of the unquoted class of units in the Fund. The performance of the quoted class of units in the Fund may differ slightly from the performance of the unquoted class. Performance information for the quoted class is available on our website at macquarie.com/mam/au-performance.

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'Credit spread' explained

A credit spread measures the difference in yield between two fixed income securities with the same maturity date, but of different credit quality – i.e., it's a measure of risk. Typically, the lower the credit quality of the security, the higher the yield to compensate investors for potential risk.

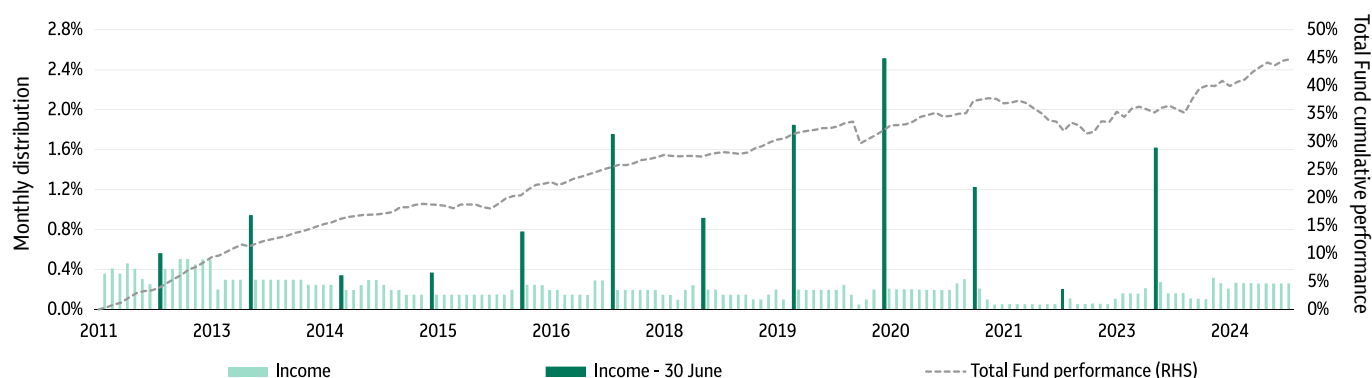
Credit spreads are economic indicators – they change over time and reflect market sentiment:

- Credit spreads tend to **widen** in times of market stress and uncertainty, as investors grow pessimistic about the ability of companies to repay debt. In these instances, spreads widen as investors demand higher yields to compensate them for higher risks. See red lines in chart above.
- Credit spreads tend to **narrow** in stronger or more positive markets, as investors grow more optimistic about the ability of companies to repay debt. In these instances, spreads narrow as risk falls. See green lines in the chart above.

Distributions

The Fund aims to distribute income on a monthly basis. While it is important to note that the amount of income distributed may vary or be nil, the investment team managing the Fund have a strong track record.

Monthly cumulative performance profile



Past performance is not a reliable indicator of future performance.

The information above is presented for illustrative purposes only and shows the performance of the unquoted class of units in the Fund. The performance of the quoted class of units in the Fund may differ slightly from the performance of the unquoted class. Up to date performance information for both the quoted and unquoted classes of units is available on our website at macquarie.com/mam/au-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 Income Opportunities Fund

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Target investors

The Target Market Determination (**TMD**), available at [macquarie.com/mam/TMD](https://www.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 Income Opportunities Fund has two classes of units;

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

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](https://www.macquarie.com/mam)

For more information, call us on 1800 814 523,
email mam.clientservice@macquarie.com, or visit [macquarie.com/mam](https://www.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 is available on our website at [macquarie.com/mam/au-performance](https://www.macquarie.com/mam/au-performance).

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