

MACQUARIE ASSET MANAGEMENT

# Macquarie Global Small Companies Fund

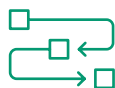
## Active management, powered by data

Macquarie Systematic Investments has pioneered innovative, resilient institutional investment solutions for over 30 years. And now, we're providing everyday access to this disciplined quantitative strategy through our active ETFs available on the ASX - making it even easier to invest.



### The systematic advantage

Aiming to identify companies with desirable characteristics, while reducing the risks of emotional biases.



### Broad range of factors - consistency of outcomes

Our approach is repeatable, aiming for carefully delivered and consistent excess returns.



### Small caps at scale

Accessing a broader opportunity set where scale and complexity favour a systematic approach.

# Macquarie Global Small Companies Fund

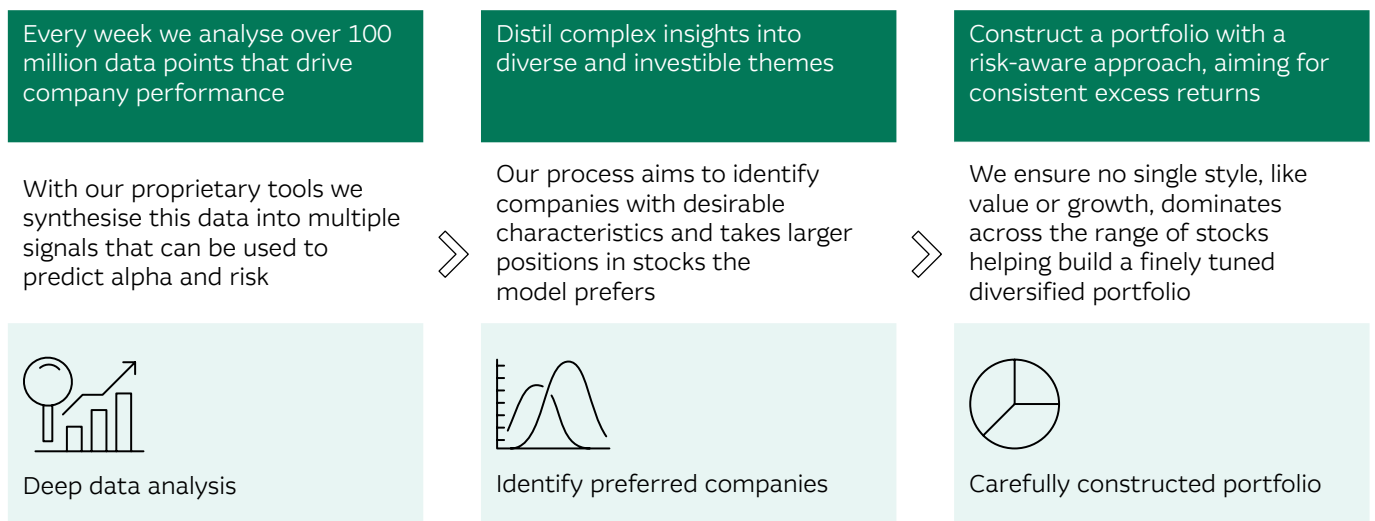
Macquarie Asset Management

## Systematically exploiting opportunities

Our robust systematic process has delivered long-term, consistent, index-plus returns across a range of strategies for leading super funds, institutions and everyday investors.

This quantitative process sifts through mountains of data: prices, volumes, earnings, expenses, trends, valuations, ratios, carbon footprints and even the 'tone' of a company's announcement. Through a range of proprietary tools, we synthesise this immense volume of data into unique insights to construct a fine-tuned portfolio. Our process aims to identify companies with the best chance of outperformance, while reducing the risks of emotional biases and avoiding unrewarded tilts such as style, sector and country bets.

## Our investment process in 3 steps:



## Aiming 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 across trending markets.

## Small caps at scale

Global small caps can broaden an investor's opportunity set beyond the mega-cap companies that dominate major indices, providing access to a wider range of businesses, sectors and sources of return. As the global small-cap universe is large and diverse, it can be difficult for traditional research to assess each company consistently at scale. Our systematic investing approach is designed for that breadth and complexity, helping to uncover less obvious signals of potential returns across a broad small cap universe that fundamental research can miss. The aim is to turn that scale of global small caps into a more accessible opportunity set to achieve potential above-index returns.

## 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 are 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.

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## Investing in the Fund

The Macquarie Global Small Companies Fund has multiple classes of units;

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

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

## Target investors

The Macquarie Global Small Companies Fund is designed for consumers who:

- are seeking capital growth
- are intending to use the Fund as a minor allocation or satellite allocation within a portfolio
- have a minimum investment timeframe of seven 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](https://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. 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 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 growth 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 and 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 these companies are generally less liquid and more volatile than those of larger companies and therefore, have a higher risk of loss.

**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 of the Fund and/or underlying fund will produce favourable outcomes.

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

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\* Sales proceeds, for units in exchange traded funds admitted to trading on the ASX, are normally available two ASX trading days after the sales date on the ASX.

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For more information, call us on 1800 814 523,  
email [mam.clientservice@macquarie.com](mailto:mam.clientservice@macquarie.com) or visit [macquarie.com/mam](http://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 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 product disclosure statement for the relevant class of units in a Fund, if any, and the Website Disclosure Information available at [macquarie.com/mam](http://macquarie.com/mam) or by contacting us on 1800 814 523.

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/performance-reports](http://macquarie.com/mam/performance-reports).

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