

FUND UPDATE

FOR THE QUARTER ENDED 31 DECEMBER 2022



MACQUARIE

Macquarie Investment Funds

Macquarie Real Return Opportunities Fund¹

This fund update was first made publicly available on: 13 February 2023

What is the purpose of this update?

This document tells you how the Macquarie Real Return Opportunities Fund has performed and what fees were charged. The document will help you to compare the fund with other funds. Macquarie Asset Management Public Investments (NZ) Limited prepared this update in accordance with the Financial Markets Conduct Act 2013. This information is not audited and may be updated.

Description of this fund

The fund is a diversified fund that aims to generate a positive return above inflation. Assets are actively managed, with the flexibility to actively respond to changing market conditions with a flexible approach to investing.

Assets are managed using an approach with multiple managers. The underlying funds provide diversity across asset classes, sectors, geographies and investment managers, and have the ability to change the investment allocations in order to actively respond to changing market conditions. Risk mitigation strategies within the underlying funds are designed to lower expected volatility and reduce the impact of market related events. The underlying funds do not have a target asset allocation, rather, the funds operate within broad ranges.

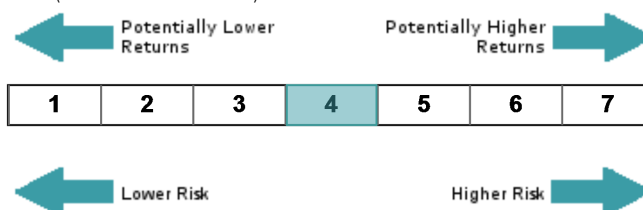
Active currency hedging back to Australian dollars is undertaken within underlying funds. The Australian dollar exposure of the fund is hedged back to New Zealand dollars.

The performance objective of the fund is to provide a Real Return (see note 2 below) of greater than 4% per annum over a rolling five year period.

Total value of the fund	NZ\$31,460,729
The date the fund started	11 December 2013

What are the risks of investing?

Risk indicator for the Macquarie Real Return Opportunities Fund (see note 3 below):



The risk indicator is rated from 1 (low) to 7 (high). The rating reflects how much the value of the fund's assets goes up and down. A higher risk generally means higher potential returns over time, but more ups and downs along the way.

To help you clarify your own attitude to risk, you can seek financial advice or work out your risk profile at www.sorted.org.nz.

Note that even the lowest category does not mean a risk-free investment, and there are other risks that are not captured by this rating.

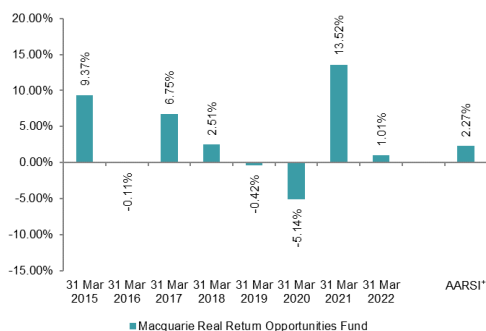
This risk indicator is not a guarantee of a fund's future performance. The risk indicator is based on the returns data for the 5 year period to 31 December 2022. While risk indicators are usually relatively stable, they do shift from time to time. The risk indicator will continue to be updated in future fund updates.

See the Product Disclosure Statement (PDS) for more information about the risks associated with investing in this fund.

How has the fund performed?⁴

	Average over past 5 years	Past year
Annual return⁵ (after deductions for charges and tax)	0.37%	-7.03%
Annual return⁵ (after deductions for charges but before tax)	1.43%	-6.86%

Annual Return Graph⁶



* Average Annual Return Since Inception to 31 December 2022

This shows the return after fund charges and tax for each year ending 31 March since the fund started. The last bar shows the average annual return since the fund started, up to 31 December 2022.

Important: This does not tell you how the fund will perform in the future.

Returns in this update are after tax at the highest prescribed investor rate (PIR) of tax for an individual New Zealand resident. Your tax may be lower.

What fees are investors charged?

Investors in the Macquarie Real Return Opportunities Fund are charged fund charges. In the year to 31 March 2022 these were:

	% of net asset value
Total fund charges	1.42%
Which are made up of:	
Total management and administration charges	1.42%
Including:	
Manager's basic fee (excluding GST)	1.15%
Other management and administration charges (including GST)	0.27%

Investors may also be charged individual action fees for specific actions or decisions (for example, for withdrawing from or switching funds). See the PDS for the Macquarie Investment Funds Goals Based Funds on the offer register at www.companiesoffice.govt.nz/disclose for more information about those fees.

Example of how this applies to an investor⁷

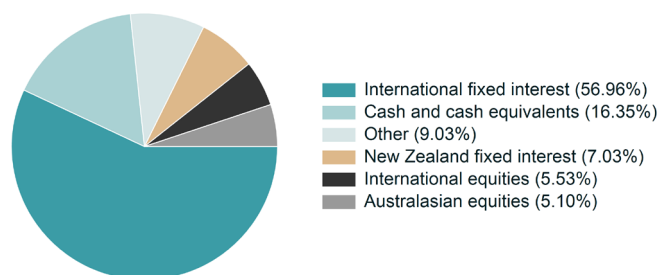
Small differences in fees and charges can have a big impact on your investment over the long term.

Jeff had \$10,000 in the fund at the start of the year and did not make any further contributions. At the end of the year, Jeff received a return after fund charges were deducted of \$234 (that is 2.34% of his initial \$10,000). This gives Jeff a total return after tax of \$101 for the year.

What does the fund invest in?

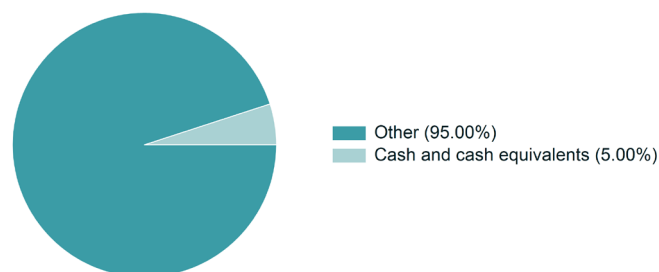
This shows the types of assets that the fund invests in.

Actual investment mix*



*The investments categorised as "other" are investments in alternative asset strategies.

Target investment mix**



**The investments categorised as "other" are investments in underlying multi-assets funds, as described in more detail in the Statement of Investment Policy and Objectives (SIPO) for the Macquarie Investment Funds.

Top 10 investments

	Name	% of Fund net assets	Type	Country	Credit Rating (if applicable)
1	MPS GLOBAL ALTERNATIVES FUND Prvt NATIONAL	9.03%	Other	Australia	N/A
2	AUSTRALIA BANK LTD MTN (maturing 3/8/32)	1.31%	Australasian equities	Australia	BBB+
3	AUSTRALIA (COMMONWEALTH OF) RegS (maturing 20/9/25)	1.18%	International fixed interest	Australia	AAA
4	NEW ZEALAND (GOVERNMENT OF) RegS (maturing 20/9/35)	1.05%	New Zealand fixed interest	New Zealand	AAA
5	AMPOL LTD RegS (maturing 9/12/80)	0.90%	International fixed interest	Australia	N/A
6	SANTOS FINANCE LTD. MTN RegS (maturing 13/3/29)	0.85%	International fixed interest	Australia	BBB-
7	AUSTRALIA AND NEW ZEALAND BANKING RegS (maturing 26/7/29)	0.64%	International fixed interest	Australia	BBB+
8	ING GROEP NV MTN RegS (maturing 11/4/28)	0.61%	International fixed interest	Netherlands	BBB
9	DBS GROUP HOLDINGS LTD MTN RegS (maturing 16/3/28)	0.60%	International fixed interest	Singapore	N/A
10	QBE INSURANCE GROUP LTD (maturing 25/8/36)	0.60%	International fixed interest	Australia	N/A

The top 10 investments make up 16.77% of the fund.

Key personnel

	Name	Current position	Time in current position	Previous or other current position	Time in previous or other current position
1	Rebekah Swan	Head of New Zealand Public Investments, Macquarie Asset Management (NZ) Limited	10 months	Managing Director and Head of Client Services, AMP Capital Investors (New Zealand) Limited	1 year 5 months
2	Vicky Hyde-Smith	Associate Director, Macquarie Asset Management (NZ) Limited	10 months	Head of Fixed Income, AMP Capital Investors (New Zealand) Limited	5 years 1 month
3	Grant Hassell	Chair, Macquarie Asset Management (NZ) Limited	10 months	Global Head of Fixed Income, AMP Capital Investors Limited	3 years 4 months
4	Michael Gray	Head of Investment Strategy (NZ), Macquarie Asset Management (NZ) Limited	10 months	Head of Investments NZ, AMP Capital Investors (New Zealand) Limited	1 year
5	Supriya Edwards	Investment Specialist, Macquarie Asset Management (NZ) Limited	10 months	Fixed Income Analyst, AMP Capital Investors (New Zealand) Limited	1 year 7 months

Further information

You can also obtain this information, the PDS for the Macquarie Investment Funds Goals Based Funds, and some additional information from the offer register at www.companiesoffice.govt.nz/disclose.

Notes

- In March 2022, Macquarie Asset Management Holdings Pty Limited completed the acquisition of AMP Capital's Global Equities and Fixed Income business from AMP Group Holdings Limited. Prior to that acquisition, Macquarie Asset Management Public Investments (NZ) Limited was known as AMP Investment Management (N.Z.) Limited and the Macquarie Global Multi-Asset Fund was known as the AMP Capital Global Multi-Asset Fund then on the 27 September 2022 the Fund became the Macquarie Real Return Opportunities Fund.
- Real Return is the return before the deduction of tax, expenses and fees and assumes all income is reinvested and adjusted for trimmed mean inflation.
- The expected volatility of the Macquarie Real Return Opportunities Fund has been calculated by reference to the expected volatility of the underlying funds into which it invests.
- There is no appropriate market index or suitable peer group index or indices for the fund against which to assess either movements in the market in relation to the returns from the assets in which the fund invests, or the performance of the fund as a whole.
- These returns are for the periods ending 31 December 2022.
- The bar graph shows fund returns after the deduction of fees and tax.
- The returns and tax calculations used in this example are the actual fund returns and tax charges (or rebates) for the year ended 31 March 2022. Net of tax returns can be more than gross of tax returns where, due to the fund's tax position, it receives a tax rebate rather than paying tax.

CONTACT US

If you have any enquiries about your investment or any of Macquarie's products or services please call us on 0800 400 499.

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